

(Translation)

Corporate Governance Report

Nippon Yusen Kabushiki Kaisha

Last Update: June 22nd, 2023

Nippon Yusen Kabushiki Kaisha

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03-3284-5151

Securities Code: 9101

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

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

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

1. Basic Views

The Company ensures the transparency and efficiency of its management and strives to build and maintain an appropriate management structure to earn the trust of its shareholders, investors, customers, suppliers, communities, employees of the Company and the NYK Group, and other stakeholders and to meet their expectations. Regarding its organizational form, pursuant to the resolution for amendments to the Articles of Incorporation for the transition to a Company with Audit & Supervisory Committee passed at the Ordinary General Meeting of Shareholders held on June 21, 2023, the Company has transitioned to a Company with Audit & Supervisory Committee. The Board of Directors consists of 12 members including six highly independent Outside Directors and the Audit & Supervisory Committee consists of five members including three highly independent Outside Directors. By delegating decision-making authority for important business execution to the Executive Directors, the Company has built a structure for responding swiftly to dramatic changes in the business environment, and Executive Officers, in addition to the Executive Directors, execute the business of the Company under the resolution and supervision of the Board of Directors. In order to ensure the transparency of the functions of the Board of Directors, the Nomination Advisory Committee and the Compensation Advisory Committee, which consist of a majority of Independent outside directors, are established as advisory bodies to the Board of Directors and chaired by an Outside Director (the lead Outside Director in principle). These Committees hold meetings regularly. In addition to the Board of Directors and advisory committees, Independent Outside Directors attend important committees and conferences, make recommendations related to governance and internal control, participate in activities at discussion meetings among directors, and visit business sites in and outside Japan. The Company’s basic framework and views of corporate governance are set forth in the “Corporate Governance Guidelines,” which are disclosed on the website of the Company.

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

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

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

<Principle 1.4 Strategic Shareholdings>

We are working to reduce our Strategic Shareholdings in our policy. In accordance with Article 5, Paragraph 2 of the Corporate Governance Guidelines established in November 2015, the Board of Directors examines the purpose and significance of the holding of individual Strategic Shareholdings on an annual basis, in relation to earnings targets based on capital costs, dividends, transaction status and effect on business activities etc. comprehensively. Based on the examination, the Board of Directors decides on measures to reduce Strategic Shareholdings. As a result, the number of listed stocks owned by the Company was 35 as of the end of FY2022, down 21 from 56 as of the end of FY2016.

The shares currently held by the company as Strategic Shareholdings are important business partners that are expected to have a long-term business relationship that contributes to the stability of our business performance and are considered appropriate as a means of maintaining or strengthening relations.

When exercising voting rights of strategic shareholdings, the Company shall decide to vote for or against agenda items by implementing assessment that each agenda item will not lead to the impairment of corporate value of an investee company and whether each agenda item will contribute to the enhancement of the Company's corporate value and the degree of such contribution based on certain criteria. In particular, the Company shall establish separate criteria and deliberate on whether to vote for or against proposals on the two topics below.

1) Appropriation of surplus

- Whether the proposal will cause significant problems with financial soundness
- Whether internal reserves markedly short of an appropriate level
- Whether the proposal will be appreciated as a means of shareholder returns to a certain extent in terms of payout ratio, etc.

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

- Whether the Company reported loss and paid no dividends in the past three fiscal years, and is not expected to make any improvements
- Whether there were serious misconduct, such as an unlawful act, causing a certain level of impact on business performance, and there deem to be no appropriate disclosure of preventive measures or improvement measures, etc.
- In the event that either of the above conditions is true, whether there are any circumstances that should be given special consideration

<Principle 1.7 Related Party Transactions>

When the Company proposes to carry out a transaction with any of its Directors, it must be approved at the meeting of the Board of Directors in advance in accordance with the Rules on the Board of Directors. Any important facts about the transaction are also reported at the meeting of the Board of Directors after it is executed. To impose discipline on transactions between the Company and another company of which a Director of the Company also serves as an executive, etc., the Company has introduced the following rules: (1) Directors are required to report the status of any such concurrent positions to the Board of Directors every three months; (2) If a Director intends to assume the office of director, audit & supervisory board member, etc., of another company that is not a wholly-owned subsidiary of the Company, it must be approved by the Board of Directors in advance; and (3) Any Directors falling under a party with a special interest in its broadest definition cannot participate in voting at a meeting of the Board of Directors. There was no single major shareholder who holds shares that are equivalent to more than 10% of total voting rights at the end of March this year. If the Company proposes to carry out a transaction with any of its major shareholders in the future, the terms and conditions of such a transaction will be examined and determined in the same manner as applied to third party transactions.

<Principle 2.4.1 Ensuring Diversity>

The Company considers that the sensitivity of diverse human resources in various businesses and work sites will lead to abilities to respond to the needs of diverse stakeholders, to discover and nurture the buds of new businesses, to identify risks in business plan and execution, and to engage in solutions to social issues as a good member of society and that, consequently, such sensitivity would be the key to the NYK Group's continued growth as a Sustainable Solution Provider in wide-ranging fields in various countries and regions. In other words, the Company believes that, through the promotion of diversity and inclusion, incorporating diverse perspectives into various decision-making processes and acquiring more appropriate judgment abilities as an organization will provide the Company with a solid foundation for future development and sustainability.

While ensuring diversity is something that must be constantly re-examined in line with the demands of the times, the Company's key measures for the immediate future will be to provide equal opportunities to female employees and women holding a managerial position at the Company and the NYK Group and to Group officers and employees of diverse backgrounds in overseas Group companies, to further establish environments in which they can fully demonstrate their individual abilities, and to strengthen the processes for incorporating their opinions into various judgments.

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

Diversity and Inclusion: <https://www.nyk.com/english/esg/social/diversity/>

Training and Education System: <https://www.nyk.com/english/esg/social/traning/>

1) Efforts to increase the number of female employees and women holding a managerial position

Due to various measures undertaken in the past, the ratio of women holding a managerial position in the Company has exceeded 10% since FY2013. However, to ensure the abilities to identify social trends and a vision for the Company and to make decisions, the Company believes that the ratio of women in the Company is still low, and that even more in-depth measures are required.

For this reason, the Company is further promoting efforts toward its immediate goal of achieving a ratio of women holding a managerial position of 30% for both the Company (non-consolidated) and the consolidated Group by 2030.

- <Ratio of women> *As of March 31, 2023

- Nippon Yusen Kabushiki Kaisha (non-consolidated)
 - (1) Ratio of female officers as stipulated in the Companies Act: 25.0%
 - (2) Ratio of female officers including Executive Officers: 13.5%
 - (3) Ratio of women holding a managerial position: 13.7%
 - (4) Ratio of female employees: 23.4%
 - (5) Ratio of female recruits: 21.7% (April 2022 – March 2023)
- NYK Group (consolidated)
 - (1) Ratio of women holding a managerial position: 25.2%
 - (2) Ratio of female employees: 37.9%

- Efforts to achieve ratio of women holding a managerial position of 30% by 2030

While maintaining a policy of not relaxing the criteria for recruitment and promotion whatsoever, the Company recognizes that achieving its declared target will not be easy in light of the current low ratio of female employees due to past deviations in recruitment rates and the characteristics of the industry, and of data regarding the female job change market, etc.,. However, the Company will engage in a variety of measures to make its views clear and to come even one step closer to realizing its aim.

- (1) Increase the number of female employees recruited
 - We will aim to increase the number of female employees by incorporating measures to increase the percentage of women recruited for new-graduate positions and the rate of female applicants for mid-career recruitment.
- (2) Increase support for career building and engagement
 - Balancing various life events with career building is a company-wide challenge, but to enable women in particular to demonstrate their abilities and grow even while balancing them with life events, the Company will identify impediments and undertake efforts toward solutions that are possible as a company, including the correction of the work-life balance of male employee.

2) Promotion of active participation in the NYK Group by overseas human resources (locally-hired overseas staff)
As of the end of FY2022, the Company operates its business as a corporate group of 157 companies in 41 countries around the world (excluding special purpose companies). The number of the NYK Group employees is more than 35,000, just over 70% of whom have been recruited and work overseas.

Active participation by locally-hired overseas staff is primarily confined to local subsidiaries outside Japan, but their perspectives, opinions, and knowledge are essential to the sound growth and further business development of the NYK Group, and they provide diverse viewpoints and opinions to executive management, led by the foreign Executive Officers of the Company. The development of the NYK Group's business is expected to become increasingly diverse in terms of both content and location, and the Company will clarify its structures with the aim of making further use of the viewpoints and opinions of locally-hired overseas staff of wide-ranging experiences and cultural backgrounds in the Company's future management decisions. It will also consider the establishment of training policies and promotion systems for locally-hired overseas staff toward that goal.

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

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

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

<Principle 3.1 Full Disclosure>

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

1) Mission statement and management plan

NYK Group Mission Statement

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

NYK Business Credo

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

Medium-term Management Plan

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

2) Basic Views on Corporate Governance

Corporate Governance Guidelines

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

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

Policies for Determining Compensation for Directors and Executive Officers

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

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

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

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

Independence Criteria for Recommendation of Candidates for Outside Directors

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

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

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

General Meeting of Shareholders

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

(pp. 21-36 of Notice of the 136th Ordinary General Meeting of Shareholders)

<Supplementary Principle 3.1.3 Sustainability Disclosures>

1) Efforts for the Company's Sustainability

At the NYK Group, the Board of Directors established and disclosed the "growth strategy with ESG at its core" in the medium-term management plan announced in March 2023. In particular, we will enthusiastically work on decarbonization activities to protect the global environment and strongly promote transformation. Continuing to aim for a Sustainable Solution Provider that is needed by society and industry, while adding ESG yardsticks that measure contributions to the resolution of social and environmental issues with long-term perspectives to traditional economic yardsticks that measure corporate value enhancement in terms of economic efficiency and business scale, we will inject the necessary management resources and implement "ESG management." We are also engaged in a variety of measures, declaring the three issues of "safety," "the environment," and "human resources" to be Materiality (important issues) at the core of management.

In April 2020, we established a framework for ESG management promotion led by the President to extract our ESG issues, set specific goals, and encourage further actions. Subsequently, in 2021 and 2022, we announced the NYK Group ESG Story, which presents the Company's vision and concrete initiatives to integrate ESG principles into management strategies.

Please refer to the NYK Group ESG Story for details.

<https://www.nyk.com/english/esg/does/origin/>

From April 2023, we have established the ESG Strategy Headquarters and set up the ESG Management Group and Decarbonization Group within the headquarters. We have also renamed the previous ESG Management Committee as the ESG Strategy Committee and will promote more frequent and specific discussions. The committee, whose members are the Executive Officers representing each headquarters and external experts, discusses a wide range of ESG-related themes, including company-wide policies and goals and the progress of action plans determined by each headquarters. The ESG Strategy Headquarters makes recommendations to the Management Meeting and Board of Directors.

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

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

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

ESG Databook: <https://www.nyk.com/esg/esg-data-book/> (Japanese only)

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

- Investment in human capital

In the medium-term management plan for the realization of our 2030 vision, we have declared a human resources strategy to support our key strategy of advancing our core business and developing new ones. Specifically, we will increase recruitment of professional talent while promoting autonomous career development, assign the right persons to the right place and create opportunities for challenge, in our aim to realize ambidextrous management. An inclusive corporate culture that enables diverse and innovative perspectives to be put to use in all decision-making scenarios in the workplace will be essential to achieve this goal. Examples of ways in which we will nurture such a culture are to increase the ratio of women holding managerial positions and the ratio of female recruits and to promote the active participation of locally-hired overseas staff. Securing the maritime crew who are essential to the operation of our core business, is another major issue. In addition to securing diverse seafarers by fostering overseas maritime crew at our Merchant Marine College in the Philippines, fostering Japanese crew with our in-house training course, and other methods, we will strive to promote human resources across different occupations, and leverage the abilities of the Group's just-over-35,000 employees in the Group's challenges.

<Major Initiatives>

- Promotion of diversity and inclusion
- Promotion of autonomous career development based on correct self-recognition and the visualization and verbalization of the vision for the personnel required
- Expansion and improvement of various training programs for the development of human capital required for ambidextrous management
- Active use of the NYK Digital Academy, NYK Business College and NYK Maritime College, etc.
- Global engagement survey conducted across the entire Group and use of the survey results as a basis for evolution into an organization that will demonstrate the Group companies' strengths to the maximum degree.

- Investment in intellectual property

The NYK Group has continued to engage in solutions to frontline issues, using the information and knowledge it has gained from the daily operation of its ships.

Ensuring safety is integral to the NYK Group's business continuity. The tireless pursuit of safe ship operations that are half a step ahead is the very essence of the NYK Group's differentiation. We are confident that systems that analyze voyage, engine, weather, and operation management data obtained from the Ship Information Management System (SIMS) and NiBiKi, the common platform for managing duties on board ships between shore and ship to support safe ship operations, are of top class in the industry. In addition, we are developing cutting-edge safety and environmental protection technology, including optimal efficiency operation utilizing big data such as the navigation/machinery information of fleets in operation (IBIS-TWO) and the MT-FAST energy-saving hull device that greatly improves fuel efficiency. As of the end of FY2022, the number of patents held by the Company reached 205.

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

<Major Initiatives>

- Prevention and early detection through onshore monitoring of ships
- Elevation of safety levels with respect to human elements
- Research on technologies for manned autonomous ships

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

Safe Ship Operations (pp. 19-20): https://www.nyk.com/english/esg/pdf/esgstory_ppt_2022.pdf

3) Risks and profit opportunities related to climate change

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

Please refer to the Company's website for details.

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

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

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

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

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

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

<Principle 4.9 Independence Standards and Qualification for Independent Outside Directors>

To guarantee the independence of Outside Directors in substantive terms, in addition to the requirements for Outside Directors set forth in the Companies Act, the Company has established and disclosed independence criteria for outside officers established by the Board of Directors based on the independent criteria set forth by Tokyo Stock Exchange, Inc. In addition, so we can anticipate their contributions to frank, active, and constructive deliberations in the Board of Directors, we elect as Independent Outside Directors persons who have broad knowledge or advanced expertise, excellent insight, a wealth of experience, and a good track record in their area of specialty. In doing so, the Company will include persons who have management experience at other companies.

The relevant information is disclosed on the website of the Company (see the link below).

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

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

<Supplementary Principle 4.10.1 Use of Optional Approach>

Information regarding the Nomination Advisory Committee and Compensation Advisory Committee is as stated in “[Directors]: Voluntary Establishment of Committees Equivalent to Nomination Committee or Compensation Committee” in “1. Organizational Composition and Operation” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report.

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

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

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

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

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

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

NYK Report 2022 (p. 71)

https://www.nyk.com/english/esg/nyk/_icsFiles/afiedfile/2022/10/21/2022_nykreport_all_7.pdf

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

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

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

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

The following disclosures show the status of attendance as a company with Audit & Supervisory Board in FY2022.

NYK Report

https://www.nyk.com/english/esg/nyk/_icsFiles/afiedfile/2022/10/21/2022_nykreport_all_7.pdf

(NYK Report pp. 58-59)

Business Reports

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

(pp. 21-32, 65, and 73-74 of Notice of the 136th Ordinary General Meeting of Shareholders)

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

Since FY2015, the Company has continued to conduct a self-evaluation survey on all Directors and all Audit & Supervisory Board Members with the aim of further improving the effectiveness of the Board of Directors.

1) Summary of the FY2022 Evaluation

- In FY2022, a survey consisting of 16 questions under five topics was conducted, taking into account a third-party adviser’s opinions. The five topics were (1) composition and operations of the Board of Directors, (2) management strategies and business strategies, (3) corporate ethics and risk management, (4) performance monitoring and evaluation and compensation of the management, and (5) dialogue with shareholders.

2) Results of Evaluation of Effectiveness

i. Summary

As a result of discussions based on the results of the survey, it was determined that the Board of Directors was functioning appropriately and its effectiveness was ensured. In FY2022, in relation to (2) management strategies and business strategies in particular, improvement was observed in follow-up checks of important matters that had been resolved, and with the deeper involvement of the Board of Directors in the discussions on the formulation of the medium-term management plan, the effectiveness of the Board of Directors was enhanced. On the other hand, the Company recognized that there are still outstanding issues that require even deeper discussions, such as diversity and personnel strategies and that sufficient time to deliberate these issues needs to be secured.

ii. Issues recognized in FY2021

· Strengthening of monitoring functions

Some improvement was observed through ongoing checking of major management indicators, frank exchanges of opinions, and discussions of issues such as what indicators should be the main KPIs in the formulation of the medium-term management plan, but this was recognized as an issue that should continue to be addressed.

· Diversity, human resources strategy, etc.

These issues were discussed in the process of personnel system reforms and the formulation of the medium-term management plan, but the need for ongoing discussion was recognized.

iii. Changes to organizational form

As the changes in the environment surrounding business grow even larger, discussions were held on multiple occasions about the most suitable organizational form for the Company to achieve sound and sustainable growth in corporate value, including the responses to recognized issues. As a result, the conclusion was reached that it would be appropriate to transition to a company with Audit & Supervisory Committee.

3) Initiatives in FY2023

Pursuant to a resolution passed at the Ordinary General Meeting of Shareholders on June 21, 2023, the Company transitioned from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee. In addition to speeding up decision-making by delegating the decision-making authority for important business execution to the Executive Directors, we will work to strengthen monitoring functions. At the same time, we will also strive to improve the effectiveness of the Board of Directors by allocating more time for deliberation by the Board of Directors of matters that lead to the growth in corporate value, such as medium- to long-term management strategies, allocation of management resources, business portfolio, sustainability, and handling significant business risks. We will also address the ongoing issue of diversity, human resources strategy, etc., recognizing it as an important issue.

<Supplementary Principle 4.14.2 Director Training>

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

Article 21 of the Corporate Governance Guidelines

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

<Principle 5.1 Policy for Constructive Dialogue with Shareholders>

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

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

Article 25 of the Corporate Governance Guidelines

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

<Status of Dialogues Held with Shareholders, etc.>

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

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

The main topics discussed in these dialogues are wide-ranging and include market trends and changes in the business environment, GHG reductions and other ESG actions, investment plans, capital policies, and the initiatives for improvement and stabilization of earnings.

<Responses for the Realization of Management that is Conscious of Capital Costs and Share Prices>

In March 2023, the Company formulated and disclosed a medium-term management plan covering the period from FY2023 to FY2026. The plan indicates the Company’s earnings plans and capital policies, as well as presenting the indicators related to capital efficiency (ROIC, etc.).

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

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

2. Capital Structure

Foreign Shareholding Ratio	At least 20% and less than 30%
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[Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	81,008,600	15.93
Custody Bank of Japan, Ltd. (Trust Account)	24,654,297	4.85
STATE STREET BANK WEST CLIENT - TREATY 505234	13,525,036	2.66
Meiji Yasuda Life Insurance Company	8,273,778	1.63
THE BANK OF NEW YORK MELLON 140044	7,571,146	1.49
STATE STREET BANK AND TRUST COMPANY 505103	7,205,167	1.42
Mitsubishi Heavy Industries, Ltd.	6,155,793	1.21
Tokio Marine & Nichido Fire Insurance Co., Ltd.	5,210,334	1.02
SMBC Nikko Securities Inc.	4,420,300	0.87
STATE STREET BANK AND TRUST COMPANY 505225	4,404,921	0.87

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

Supplementary Explanation

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

3. Corporate Attributes

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

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

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

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

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee
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[Directors]

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

Outside Directors' Relationship with the Company (1)

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

* Categories for "Relationship with the Company"

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

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

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

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

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

c Executive of a fellow subsidiary of the Company

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

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

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

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

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

Outside Directors' Relationship with the Company (2)

Name	Audit & Supervisory Committee Member	Designation as Independent Outside Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Hiroko Kuniya		○	—	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, she has been continuously elected as an Outside Director.
Eiichi Tanabe		○	The amount of transactions between Mitsubishi Corporation, where Mr. Eiichi Tanabe served as Director until June 2018, and the Company is less than 1% of revenues from the viewpoint of both companies.	Mr. Eiichi Tanabe held important positions at Mitsubishi Corporation such as Representative Director and Senior Executive Vice President. The Company believes that Mr. Tanabe can provide advice to the Company's management and contribute to proper supervision of business execution of the Company utilizing his general knowledge in all corporate management from an independent position, based on his abundant experience mainly in management and supervision of the business execution. Accordingly, he has been continuously elected as an Outside Director.

Nobukatsu Kanehara		○	—	<p>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 advise the Company's management and properly supervise the Company's business execution. Accordingly, the Company has elected him as a new Outside Director.</p>
Hiroshi Nakaso	○	○	—	<p>Through his experience serving as Deputy Governor of the Bank of Japan and a wealth of practical experience gained at the Bank in Japan and abroad, Mr. Hiroshi Nakaso has extensive knowledge in overall finance and economy fields, and expertise specialized in global financial systems, market transactions and global finance. He assumed the position of Outside Audit & Supervisory Board Member in 2020 and has appropriately audited the execution of the Company's operations. Accordingly, the Company has elected him as an Outside Director who is an Audit & Supervisory Committee Member.</p>

Satoko Kuwabara	○	○	—	Ms. Satoko Kuwabara has a wealth of practical experience mainly in the fields of corporate legal affairs and financial legal affairs and specialist expertise in law gained through her many years of activity as a lawyer, as well as experience of involvement in company management as an outside director of other companies. She assumed the position of Outside Audit & Supervisory Board Member in 2020 and has appropriately audited the execution of the Company's operations. Accordingly, the Company has elected her as an Outside Director who is an Audit & Supervisory Committee Member.
Tatsumi Yamada	○	○	—	Mr. Tatsumi Yamada has a wealth of experience and knowledge, having held a number of important positions as a Certified Public Accountant after gaining experience at a general trading company, and he is an expert in international accounting with excellent insight. Accordingly, the Company has elected him as an Outside Director who is an Audit & Supervisory Committee Member.

[Audit & Supervisory Committee]

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

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

The Company has established an Audit & Supervisory Committee's Office to assist the Audit & Supervisory Committee Members in their duties and to support the smooth execution of those duties, and has assigned dedicated staff to that Office. Audit & Supervisory Committee's Office works under the direction and control of the Audit & Supervisory Committee Members, and the opinions of the Audit & Supervisory Committee Members shall be given maximum respect regarding personnel changes and evaluations of the Committee, thus ensuring its independence from the executive divisions and the effectiveness of the directions of the Audit & Supervisory Committee.

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

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

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

[Voluntary Committee]

Voluntary Establishment of Committees Equivalent to Nomination Committee or Compensation Committee	Established
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Committee's Name, Composition, and Chairman's Attributes

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

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

Nomination Advisory Committee	<ol style="list-style-type: none"> 1) Matters concerning appointment and dismissal of Directors (excluding Directors who are Audit & Supervisory Committee Members) 2) Matters concerning appointment, dismissal and successor plan of the President 3) Matters concerning appointment and dismissal of Representative Directors 4) Matters concerning the independence criteria for Independent Outside Directors 5) Matters concerning appointment and dismissal of Executive Officers
Compensation Advisory Committee	<ol style="list-style-type: none"> 1) Matters concerning policies and procedures concerning compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers 2) Matters concerning the contents and design of systems for the compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers

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

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

The Nomination Advisory Committee met four times in FY2022, where they considered and deliberated on the selection of candidates for Director and deliberated on matters including the appointment of Executive Officers. The Compensation Advisory Committee met twice in FY2022, where they deliberated on matters such as compensation levels for Directors, etc., in FY2023 and beyond in light of changes to the Company's organizational form. The status of attendance of these Committee meetings by each Committee Member is as follows.

	Name (Position)	Attendance of Nomination Advisory Committee	Attendance of Compensation Advisory Committee
Committee Chair	Yoshihiro Katayama (Outside Director)	4/4	2/2
Committee Member	Yuko Kuniya (Outside Director)	4/4	2/2
Committee Member	Eiichi Tanabe (Outside Director)	4/4	2/2
Committee Member	Tadaaki Naito (Chairman and Director)	4/4	2/2

Committee Member	Hitoshi Nagasawa (President, Representative Director)	4/4	2/2
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[Independent Outside Directors]

Number of Independent Outside Directors	6
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Matters relating to Independent Outside Directors

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

- Independence Criteria for Recommendation of Candidates for Outside Directors

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

[Incentives]

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

Performance-based variable compensation consists of performance-based monetary compensation as an incentive to achieve performance targets for each fiscal year and performance-based stock compensation as an incentive to achieve medium- to long-term performance targets, etc. The details of this plan are as stated in [Director Compensation] (Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof) in “1. Organizational Composition and Operation” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management.”

Recipients of Share Options	
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Supplementary Explanation

[Director Compensation]

Disclosure of Individual Directors' Compensation	Partial disclosure
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Supplementary Explanation

The amounts of compensation paid to Directors for the fiscal year ended March 2023 were JPY549 million to nine Directors (including JPY57 million paid to three Outside Directors).

The breakdowns of the compensation amounts include JPY344 million in basic compensation (fixed) (including JPY57 million paid to Outside Directors), JPY54 million in monetary compensation (performance-based), JPY96 million in stock compensation (role-fixed), and JPY54 million in stock compensation (performance-based).

Notes:

- The above amount of basic compensation includes the amount paid to one Director who retired during this fiscal year.
- The above amounts of monetary compensation and stock compensation show the amounts of expense recorded related to this fiscal year.

<Directors whose total amount of compensation, etc. is JPY100 million or more>

	Total amount of compensation, etc.:	Breakdown	
Tadaaki Naito	JPY113 million	Basic compensation (fixed):	JPY94 million
		Stock compensation (role-fixed):	JPY19 million
Hitoshi Nagasawa	JPY141 million	Basic compensation (fixed):	JPY63 million
		Monetary compensation (performance-based):	JPY23 million
		Stock compensation (role-fixed):	JPY31 million
		Stock compensation (performance-based):	JPY22 million

Policy for Determining Compensation Amounts or Calculation Methods Thereof	Established
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Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof

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

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

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

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

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

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

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

(1) Basic Compensation

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

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

(2) Performance-based Variable Compensation

<Performance-based monetary compensation>

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

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

<Performance-based stock compensation>

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

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

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

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

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

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

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

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

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

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

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

[Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]

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

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

[Details of Retired Executives Currently Serving in Advisory Positions]

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

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

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

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

Audits by the Audit & Supervisory Committee

The Audit & Supervisory Committee of the Company consists of five Audit & Supervisory Committee Members, including three Independent Outside Directors (including two female Committee Members), and, as an independent body entrusted by the shareholders, performs audits of the Directors execution of their duties. Specifically, in conformity with the Rules on Audit & Supervisory Committee and the Code of Audit & Supervisory Committee Auditing and Supervising Standards prescribed by the Audit & Supervisory Committee and in accordance with audit policies and plans, etc., the Committee systematically pursues audit activities on a day-to-day basis in close coordination with the internal audit division, assigning priority to auditing of matters such as the status of development and implementation of internal control systems, the status of development of operational foundations, and the status of promotion of management plans and other measures. The Audit & Supervisory Committee Members also attend important meetings, including Board of Directors meetings, request briefings about the status of the execution of their duties from the Executive Directors, employees, and others, and express their opinions. With regard to the Group companies, they communicate and exchange information with the Directors of those companies or the division, etc. in charge of the Company and, when necessary, receive business reports and seek briefings. Furthermore, they also coordinate with the Audit & Supervisory Board Members, etc. of the Group companies through liaison meetings and other means, in their efforts to raise the quality of audits of the Group as a whole. In addition, the Company has established an Audit & Supervisory Committee's Office to assist the Audit & Supervisory Committee Members in their duties and to support the smooth execution of those duties, and has assigned three dedicated staff to that Office. The Outside Directors who are Audit & Supervisory Committee Members express their opinions from their respective independent positions at meetings of the Board of Directors, Audit & Supervisory Committee, and other forums, based on their wealth of experience and high degree of knowledge in their individual fields, and conduct audit activities such as hearing reports from the major Executive Directors and Executive Officers, the Accounting Auditors, and others. In so doing, they are contributing to the sound and fair management of the Company.

3. Reasons for Adoption of Current Corporate Governance System

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

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

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

III. Implementation of Measures for Shareholders and Other Stakeholders

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

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

2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has established and discloses the Corporate Governance Guidelines that contains the disclosure policy and the IR policy. (https://www.nyk.com/english/ir/manage/policy/).	
Regular Investor Briefings for Individual Investors	The Company has regularly held direct face-to-face or online briefings. In future, the Company plans to continue holding briefings in a format suited to post-COVID lifestyles.	Yes
Regular Briefings for Analysts and Institutional Investors	The Company has cancelled in-person briefings at the venue due to the spread of COVID-19, but still holds briefings on a regular basis. The Company holds online quarterly financial results briefings, which are also available for viewing through video streaming.	Yes
Regular Investor Briefings for Overseas Investors	Briefings are held on a regular basis. The Company makes direct visits to overseas institutional investors, participates in direct face-to-face and online conferences hosted by securities companies, and conducts interviews with institutional investors in Europe, the United States, Asia, and elsewhere. Online quarterly financial results briefings held are also available for viewing in English through video streaming.	Yes
Posting of IR Materials on Website	There is an investor relations section on the website of the Company, which contains various useful information for investors both in Japanese and English. URL for Japanese: https://www.nyk.com/ir/ URL for English: https://www.nyk.com/english/ir/ Examples of IR information disclosed: financial highlights, other timely disclosure materials, financial results briefing materials (videos, presentation slides, fact book, Q&A summary), notice of general meeting of shareholders and notice of shareholder resolutions, business reports and interim business reports, annual and quarterly securities reports, medium-term management plans, integrated reports, ESG data books and NYK Group ESG Story, shareholder communications, updates on corporate governance circumstances, shipping market conditions, etc.	

	Supplementary Explanation	Explanation by Representative
Establishment of Department and/or Manager in Charge of IR	<p>The Company has established the IR Group within the Management Planning Headquarters. The nine persons assigned to the group, including one Director, Executive Vice-President Executive Officer and two Executive Officers are conducting IR activities.</p> <p>Division in charge: IR Group (7 persons) Executive Officer in charge: Chief Executive of Management Planning Headquarters (CFO) Contact: Yasuaki Okada, General Manager, IR Group</p>	

3. Measures to Ensure Due Respect for Stakeholders

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

<p>Implementation of Environmental Protection Activities, CSR Activities, etc.</p>	<p>Based on the Group’s important management strategy that places ESG at the center of corporate management and actively promotes the idea, the Group proactively addresses social and environmental issues under the theme of “giving back to the oceans, earth, and people.” Through such activities, we seek to increase corporate value for all stakeholders.</p> <p>◆NYK Group Sustainability Initiative (NYKSI) Established in FY2021, NYKSI is a framework that takes on the challenge of solving social issues. Of the annual budget of JPY1 billion, JPY320 million is allocated to the challenge of creating a solution business that shapes future norms, JPY150 million to collaboration with external partners, and JPY530 million to maritime education. Please refer to the Company’s website for our major initiatives. The Challenge to Solve Social Issues: https://www.nyk.com/english/esg/contribution/</p> <p>In order to contribute to achieving the Sustainable Development Goals (SDGs) through our business activities, we have set targets of the following six goals that were particularly relevant to our business. We are promoting our activities to enhance corporate and social value. We regularly review these targets in light of social circumstances and our business activities. Goal 4: Quality Education Goal 7: Affordable and Clean Energy Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 13: Climate Action Goal 17: Partnership for the Goals</p> <p>◆Environmental Management To address climate change, in September 2021 the Group decided on a target of net-zero emissions of greenhouse gases by 2050 as its long-term target for reducing greenhouse gas emissions from the oceangoing businesses. We are promoting more optimal vessel operation and a switch to LNG fuel as a transition fuel, implementation of ammonia and hydrogen which have the potential to be a zero-emission fuel, and establishment of rules, together with stakeholders in Japan and overseas. In addition, in April 2023, we set up the ESG Strategy Headquarters and established a new Decarbonization Group. We will steadily promote decarbonization strategies for the achievement of net zero emissions by 2050 and adapt with certainty to the rapidly changing decarbonization society. To protect biodiversity, we have continued with the installment of ballast water management systems to prevent aquatic creatures from traveling across borders with the vessels, due to concerns about their impact on existing marine ecosystems, and we expect to complete installment in all vessels in 2024. In addition, to help unravel the reality of marine plastic pollution, we are working on the accumulation of marine micro-plastic distribution data by using our operating vessels to sample microplastics floating in open sea. Further, to shed light on open sea ecosystems, we continue to collect environmental DNA using our operating vessels, and we aim to contribute to the development of indicators of biodiversity. We are pursuing these initiatives in collaboration with academic institutions with the recognition that an appropriate understanding of the current state of marine environments is essential to effective measures to protect biodiversity. As for ship-recycling, we aim to achieve a circular economy and prevent industrial accidents and environmental pollution by recycling resources</p>
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	Supplementary Explanation
	<p>properly. In May 2021, the Company became the first Japanese shipping company to join the Ship Recycling Transparency Initiative (SRTI), which is hosted by the Sustainable Shipping Initiative, an international nonprofit organization aiming to contribute to a sustainable maritime industry and engaging in industry-wide activities. The SRTI is an information disclosure platform comprised of leading shipping companies, shippers, and financial stakeholders, including investors, lenders and insurance providers. It provides information about shipowners' ship-recycling policies, practices, and progress to stakeholders. By disclosing information through the SRTI, the Company will enhance transparency of the ship-recycling process and promote responsible ship-recycling within the global shipping industry, which considers safety, the environment, and human rights to be of utmost importance. Also, with the aim of a world in which all ships are handled appropriately in accordance with the criteria of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, or simply the Hong Kong Convention when it comes into force, with the expectation that Bangladesh will ratify the Convention, we began the work of scrapping an NYK Group-owned vessel at a yard in Bangladesh in March 2023, the first for a Japanese shipping company.</p> <p>For details, please refer to the Company's website (https://www.nyk.com/english/esg/).</p>
Formulation of Policies for Information Provision to Stakeholders	<p>It is prescribed in the Nippon Yusen Kabushiki Kaisha Code of Conduct that all employees and executives of the Company shall endeavor where appropriate to provide information proactively beyond that which is required by laws, regulations, and rules. In addition to the disclosure of information, the Company will reflect the opinions of domestic and overseas stakeholders in its management through bilateral communication with them.</p>
Other	<p>In November 2022, the NYK Group established the NYK Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights, and we are pursuing initiatives for the respect of human rights, including human rights due diligence, while regularly receiving advice from third-party organizations that have specialist knowledge. The Group has publicly expressed its support to the UN Global Compact (hereinafter "UNGC"). Having established a GC Promotion Committee in 2010, the Company has been working to address human rights and labor issues, etc. In 2022, we reorganized the Committee to further improve the effectiveness under a company-wide structure. The current UNGC Promotion Committee convenes on a quarterly basis to discuss surveys on and responses to the infringement of human rights concerning UNGC Principles 1 through 6 and 10 and makes recommendations to the ESG Strategy Headquarters. We are also seeking to instill and improve the awareness of respecting human rights by participating in the stakeholder engagement program hosted by Caux Round Table Japan, promoting collaborative activities with human rights non-profit organizations and NGOs, and implementing various human rights training programs, e-learning, and human-rights awareness surveys targeting all employees and executives across the NYK Group.</p>

IV. Matters Related to Internal Control System

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

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

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

(1) Structures concerning corporate governance

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

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

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

(2) Structures concerning compliance

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

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

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

(3) Structures concerning financial statements

1) The Company formulates policies and operational rules for proper accounting and financial statements.

2) Committees relating to internal control reporting system and information disclosure evaluate the establishment and operation of systems to ensure the appropriateness of financial statements.

(4) Structures concerning internal audits

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

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

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

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

(1) The Company positions safety as its most important issue, and establishes optimal safety management systems for each of our business domains: sea, land, and air.

(2) The Company establishes risk management policies and rules, and the Risk Management Committee determines the Group's major risks and Headquarters responsible to manage such risks, and evaluates risk trends and the appropriateness of countermeasures.

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

(1) The Company adopts an executive officer system, under which Executive Officers execute their assigned duties based on delegation from the Board of Directors and Directors.

(2) The Company determines the duties and responsibilities of Directors and Executive Officers, the division of duties among internal organizations, the authority of officers and employees, the submission and approval standards, and the standards for decisions by position.

(3) By resolution of the Board of Directors, the Company delegates the decision-making authority for certain important business execution to Directors in an effort to accelerate decision-making.

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

(1) The division in charge of each subsidiary, etc. manages each subsidiary, etc. in accordance with internal rules for the management of subsidiaries, etc.

(2) The Company dispatches Directors and Audit & Supervisory Board Members to each subsidiary, etc. to ensure the proper execution of business operations.

(3) Officers and employees of subsidiaries, etc. may also use the Company's whistleblowing system, and compliance matters that occur at subsidiaries, etc. are reported to the Company in accordance with internal rules.

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

(1) The Company establishes a division that assists the Audit & Supervisory Committee in the execution of its duties, and assigns dedicated employees to the division. The Company does not appoint a Director to support the duties of the Audit & Supervisory Committee.

(2) Such dedicated employees work under the Audit & Supervisory Committee, and the full-time Audit & Supervisory Committee Members carry out personnel evaluations of such employees. Any reassignment or disciplinary action involving such employees shall be decided, fully reflecting the opinion of the Audit & Supervisory Committee.

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

(1) Audit & Supervisory Committee Members may attend and express their opinions at meetings of the Board of Directors, the Management Meeting, and other important internal meetings.

(2) The Company establishes the obligation of Directors and Executive Officers to report to the Audit & Supervisory Committee if there is a risk of significant damage to the Group in internal rules.

(3) The Company establishes a system for officers and employees to report compliance matters of the Group to the Audit & Supervisory Committee.

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

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

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

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

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

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

1. Basic Views

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

2. Implementation status

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

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None
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Supplementary Explanation

2. Other Matters Concerning Corporate Governance System

1. Timely disclosure system

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

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

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

2. Education and training programs concerning timely disclosure

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

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

3. Timely disclosure of maritime accidents, etc.

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

4. Collection of timely disclosure information about financial results

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

5. Monitoring of timely disclosure

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

Appendix: <Corporate Governance Organizational Structure of the Company>

