



# Hitoshi Nagasawa

Keidanren *Women's Executive Network*

## Leadership Mentor Program

### Management Lessons from Past Crises



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#### Drastic Yen Appreciation Following the Plaza Accord

The ocean shipping industry, with approximately 90% of total revenue in U.S. dollars, is highly susceptible to exchange rate fluctuations. NYK Line's business suffered following the rapid yen appreciation triggered by the 1985 Plaza Accord. In response to the situation, the company replaced its Japanese crew members with foreign crew members. But this rapid transition led to resource instability, leading to inadequate education and training, which resulted in an increase in maritime accidents. The 1988 capsizing of the car carrier Reijin was a symbolic incident of that period. This led to discussions on how to restore customer trust lost through these accidents, and efforts to rebuild the company's core competency of safe and reliable transportation. Taking a long-term perspective on developing skilled foreign crew members, we established a training company in the Philippines in 1989, followed by a maritime academy in 2007, building an environment for foreign crew development.

#### Logistics Challenges Due to COVID-19

In 2020, during my tenure as president, the COVID-19 pandemic caused massive disruption to global logistics. The shortage of port workers and truck drivers brought logistics networks to a virtual standstill, while crew changes became difficult, leading to serious fatigue and mental health issues from extended periods at sea, significantly impacting maritime operations. In response, we established an information-sharing system utilizing remote meetings, worked to quickly and accurately identify challenges, and provided clear directions to employees. In the Philippines, we prioritized crew safety and infection prevention by implementing

measures such as reserving entire hotels for 14-day pre-boarding quarantine periods. Additionally, in response to the surge in air cargo demand, we operated cargo aircraft at full capacity, prioritizing the transport of medical equipment and masks. With 99.6% of Japan's imports and exports traveling by sea, ocean shipping is the lifeline of logistics operations. Through our company-wide commitment to keeping logistics moving, we reaffirmed our significant social responsibility in supporting safe and secure lives for people.

#### My Philosophy on Management

The key to corporate sustainability lies in how effectively we can handle crises. During emergencies, it's crucial to gather and organize the flood of information, identify the core issues, and develop strategies for problem resolution. This requires leadership to provide clear direction to all employees and maintain transparency in decision-making processes. Above all, what's most important is a corporate culture that ensures solid communication, maintaining regular two-way dialogue.

#### NYK Group's ESG Initiatives

Our company has shifted from traditionally profit-focused management to placing ESG at the core of our long-term business strategy, aiming to simultaneously maximize profit and build a sustainable society and environment through solving social issues. We are promoting the transition to zero-emission fuels to achieve the greatest possible reductions in greenhouse gas emission by 2050. Additionally, we are advancing initiatives toward a circular economy, including marine debris collection in the Philippines and a reforestation project in Gotemba, Shizuoka Prefecture.

#### Mentor Profile

### Hitoshi Nagasawa

Vice Chair, Keidanren  
Nippon Yusen Kabushiki Kaisha Chairman, Director

- April 1980 Joined Nippon Yusen Kabushiki Kaisha
- April 2004 General Manager of LNG Group
- April 2007 Corporate Officer for LNG Group
- October 2008 Corporate Officer for Offshore Business Group and LNG Group
- April 2009 Managing Corporate Officer
- June 2011 Director, Managing Corporate Officer
- April 2013 Representative Director, Senior Managing Corporate Officer
- April 2018 Representative Director, Executive Vice-President
- June 2019 Corporate Officer
- April 2023 President Chairman

