

INFORMATION

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

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

Shareholders who hold one thousand or more shares of record on the original register of shareholder as of March 31, 2008 will be invited to attend the meeting.

To Our Shareholders

June 2, 2008

Notice of the 121st Ordinary General Meeting of Shareholders

To the Shareholders of Nippon Yusen Kabushiki Kaisha:

You are cordially invited to attend the 121st Ordinary General Meeting of Shareholders of Nippon Yusen Kabushiki Kaisha to be held as follows.

If you are unable to attend the meeting, you may exercise your voting rights by either of the methods described below. Please review the Reference Documents for the General Meeting of Shareholders shown in the following pages (pp. 3 through 29) and exercise your votes.

Voting by Mail

Please indicate your vote for or against each of the proposals on the enclosed Voting Form, and return the form by 5:00 p.m., Monday, June 23, 2008.

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

If you exercise votes via the Internet, please review the "Guidance on the Exercise of Votes via electromagnetic method (such as the Internet, etc.)" as described in pages 30 and 31 and exercise your vote by 5:00 p.m., Monday, June 23, 2008.

Yours faithfully

ISIN	JP3753000003
SEDOL	6643960
TSE	9101

Nippon Yusen Kabushiki Kaisha



Koji Miyahara
President

1. Date: 10:00 a.m., Tuesday, June 24, 2008
2. Place: The Prince Park Tower Tokyo, second basement level Ballroom
4-8-1 Shiba Koen, Minato-ku, Tokyo
3. Agenda of the Meeting:
Matters to be reported:
 - 1) The Business Report for the 121st Fiscal Year (from April 1, 2007 to March 31, 2008), the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors
 - 2) Non-consolidated Financial Statements for the 121st Fiscal Year (from April 1, 2007 to March 31, 2008)
Proposals to be resolved:

Proposal No.1:	Appropriation of surplus
Proposal No.2:	Partial amendments to the Articles of Incorporation
Proposal No.3:	Election of sixteen Directors
Proposal No.4:	Election of one Corporate Auditor
Proposal No.5:	Payment of Directors' bonuses
Proposal No.6:	Introduction of measures for large-scale purchases of NYK share certificates (takeover defense measures) for the purpose of securing and enhancing corporate value and the common interests of shareholders

Notes: The reporting matters are shown in the "Business Report for the 121st Fiscal Year" enclosed.
The general nature of the proposals is described in the attached Reference Documents for the General Meeting of Shareholders.

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

~~~~~  
When attending the meeting, please submit the enclosed Voting Form at the reception desk on arrival at the meeting.

If the need arises to revise the content of the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements and/or Consolidated Financial Statements, the revised items will be announced on our website "Investor Relations" posted on "IR Event." Please access "General Shareholder Meeting" page (<http://www.nyk.com/english/ir/event/meeting/index.htm>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and references

#### Proposal No.1: Appropriation of surplus

The Company considers the continuous and stable return of profits to shareholders to be an important management priority.

The Company proposes to distribute a year-end dividend indicated below taking comprehensive consideration for the dividend payout ratio and the Company's business outlook, while retaining an appropriate level of internal reserves for future business development of not only shipping business but also other businesses and to address the changing market conditions. Accordingly, the total dividend for the fiscal year amounts to ¥24.00 per share, including the interim dividend of ¥12.00 per share.

1. Items relating to year-end dividends
  - (1) Type of dividend property  
Cash
  - (2) Items relating to the appropriation of dividend property to shareholders and total amount  
¥12.00 per share of Company common stock, total amount ¥14,736,550,020
  - (3) Date of validity of dividends of surplus  
June 25, 2008
  
2. Items relating the appropriation of surplus
  - (1) Increased surplus item and total amount  
General reserve ¥10,000,000,000
  - (2) Reduced surplus item and total amount  
Retained earnings carried forward ¥10,000,000,000

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

The Company hereby proposes to amend part of the Articles of Incorporation as follows. The amendments to the Articles of Incorporation shall become effective upon conclusion of the meeting.

1. Reasons for the Amendments

The Company proposes to reduce the term of office of Directors from two years to one year and develop the system to elect all Directors at each Ordinary General Meeting of Shareholders in order to clarify the management responsibility of Directors and establish the management system that can quickly respond to changes in the management environment (Proposed Article 26, Paragraph 1 and 3). In accordance with the invitation of highly independent Outside Directors to ensure further transparency in corporate management and to strengthen management monitoring functions of the Board of Directors, the Company proposes the addition of provisions for the limitation of liabilities of Outside Directors as stipulated in Article 427, Paragraph 1 of the Corporation Law (Proposed Article 36). The addition of the article has been approved by each Corporate Auditor respectively. At the same time, in line with the addition of the article, the numbers of the relevant articles shall be appropriately adjusted (Proposed Article 37 to 54).

2. Content of the Amendments

Details of the proposed amendments are as follows:

(Underlined parts are amended.

Note: In case that change in original Japanese text does not effect a substantial change in the meaning, no change is made in English translation.)

| Current Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Proposed Amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>CHAPTER IV: DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Term of Office of Directors)<br/>                     Article 26. The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within <u>two years</u> from his/her election to office.</p> <p>2. The term of office of a Director appointed as a substitute shall be the remaining term of office of his/her predecessor.</p> <p>3. The term of office of a Director elected on an occasion other than the Ordinary General Meeting of Shareholders <u>to increase the number of Directors</u> shall be the same as the remaining term of office of the other Directors elected at the last Ordinary General Meeting of Shareholders.</p> | <p>CHAPTER IV: DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Term of Office of Directors)<br/>                     Article 26. The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within <u>one year</u> from his/her election to office.</p> <p>2. (Unchanged)</p> <p>3. The term of office of a Director elected on an occasion other than the Ordinary General Meeting of Shareholders shall be the same as the remaining term of office of the other Directors elected at the last Ordinary General Meeting of Shareholders.</p> |

| Current Article                                                                                                     | Proposed Amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 27 to 35 (Omitted)</p> <p>(New)</p> <p>CHAPTER V: CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</p> | <p>Article 27 to 35 (Unchanged)</p> <p><u>(Limitation of Liabilities of Outside Directors)</u></p> <p><u>Article 36. The Company may enter into an agreement with each of Outside Directors to the effect that any liabilities for damages of such Outside Directors as stipulated in Article 423, Paragraph 1 of the Corporation Law shall be limited to the extent permitted by law; provided, however, the limit of the liability thereunder shall be a prescribed amount in advance that is to be twenty million yen or more or an amount set by law, whichever is the greater.</u></p> <p>CHAPTER V: CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</p> |
| <p>Article <u>36</u> to <u>45</u> (Omitted)</p> <p>CHAPTER VI: INDEPENDENT AUDITORS</p>                             | <p>Article <u>37</u> to <u>46</u> (Unchanged)</p> <p>CHAPTER VI: INDEPENDENT AUDITORS</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Article <u>46</u> to <u>49</u> (Omitted)</p> <p>CHAPTER VII: ACCOUNTS</p>                                        | <p>Article <u>47</u> to <u>50</u> (Unchanged)</p> <p>CHAPTER VII: ACCOUNTS</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Article <u>50</u> to <u>53</u> (Omitted)</p>                                                                     | <p>Article <u>51</u> to <u>54</u> (Unchanged)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Proposal No.3: Election of sixteen Directors

The term of office of the following seven (7) Directors, Messrs. Takao Kusakari, Yasushi Yamawaki, Koji Miyahara, Yasumi Kudo, Hiroshi Sugiura, Shinji Kobayashi, and Minoru Sato will expire upon conclusion of this meeting, and Messrs. Takao Manji and Naoki Takahata will retire by resignation upon conclusion of this meeting. At the same time, in the event that Proposal No.2 is approved, the term of office of Directors will be reduced from two years to one year, and accordingly the term of office of the following five (5) Directors, Messrs. Hiromitsu Kuramoto, Hiroyuki Shimizu, Makoto Igarashi, Masamichi Morooka, and Masahiro Kato who were elected at the 120th Ordinary General Meeting of Shareholders held on June 27, 2007 will also expire upon conclusion of this meeting.

The Company therefore recommends and proposes the following sixteen (16) candidates for election as Directors:

| No. | Name<br>(Date of birth)                | Career summary and representation of other companies<br>(Responsibilities are as described in pages 16-21 of the attached "Business Report for the 121st Fiscal Year")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of the Company's shares held |
|-----|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| 1   | Takao Kusakari<br>(March 13, 1940)     | <p>April 1964      Joined the Company</p> <p>June 1990      General Manager of Latin America and Africa Special Cargo Division, Container Trade Head Office</p> <p>June 1994      Director</p> <p>June 1997      Managing Director</p> <p>June 1999      Representative Director and Senior Managing Director (Representative Director thereafter)</p> <p>August 1999    President</p> <p>April 2002      President and Corporate Officer</p> <p>April 2004      Chairman of the Board of Directors and Corporate Officer</p> <p>April 2006      Chairman, Chairman Corporate Officer (to the present)</p> <p><u>Representation of other companies:</u><br/>President of Council for the Promotion of Regulatory Reform</p> | 48,000 shares                       |
| 2   | Yasushi Yamawaki<br>(January 23, 1948) | <p>April 1970      Joined the Company</p> <p>June 1997      General Manager of Gas Carrier Group</p> <p>June 2000      Director</p> <p>April 2002      Director and Corporate Officer</p> <p>June 2002      Managing Director and Corporate Officer</p> <p>April 2005      Senior Managing Director and Corporate Officer (Representative Director thereafter)</p> <p>April 2006      Representative Director, Executive Vice-President Corporate Officer</p> <p>April 2008      Executive Vice-Chairman, Executive Vice-Chairman Corporate Officer (to the present)</p>                                                                                                                                                    | 32,000 shares                       |

| No. | Name<br>(Date of birth)                 | Career summary and representation of other companies<br>(Responsibilities are as described in pages 16-21 of the attached "Business Report for the 121st Fiscal Year") |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Number of the<br>Company's<br>shares held |
|-----|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 3   | Koji Miyahara<br>(December 3,<br>1945)  | April 1970<br>April 1996<br><br>June 2000<br>April 2002<br>June 2002<br>June 2003<br><br>April 2004<br>April 2006                                                      | Joined the Company<br>General Manager of Management<br>Coordination Group<br>Director<br>Director and Corporate Officer<br>Managing Director and Corporate Officer<br>Senior Managing Director and Corporate<br>Officer (Representative Director<br>thereafter)<br>President and Corporate Officer<br>President, President Corporate Officer (to<br>the present)<br><u>Representation of other companies:</u><br>Chairman & Representing Director of The<br>Japan Ship Owners' Mutual Protection &<br>Indemnity Association | 50,784 shares                             |
| 4   | Hiromitsu<br>Kuramoto<br>(May 11, 1948) | April 1972<br>June 1999<br>June 2001<br>April 2002<br>June 2003<br>April 2006<br><br>April 2008                                                                        | Joined the Company<br>President, NYK BULKSHIP (U.S.A.) INC.<br>Director<br>Director and Corporate Officer<br>Managing Director and Corporate Officer<br>Representative Director, Senior Managing<br>Corporate Officer<br>Representative Director, Executive Vice-<br>President Corporate Officer (to the<br>present)                                                                                                                                                                                                        | 29,000 shares                             |
| 5   | Yasumi Kudo<br>(November 14,<br>1952)   | April 1975<br>June 1998<br>April 2002<br>June 2004<br>April 2006<br><br>April 2008                                                                                     | Joined the Company<br>General Manager, Semi-Liner Group<br>Corporate Officer<br>Managing Director and Corporate Officer<br>Representative Director, Senior<br>Managing Corporate Officer<br>Representative Director, Executive Vice-<br>President Corporate Officer (to the<br>present)                                                                                                                                                                                                                                     | 25,000 shares                             |
| 6   | Hiroshi Sugiura<br>(June 1, 1951)       | April 1975<br>April 2003<br><br>April 2004<br>June 2004<br>April 2006<br><br>April 2008                                                                                | Joined the Company<br>Corporate Officer and General Manager<br>of Corporate Planning Group<br>Corporate Officer<br>Managing Director and Corporate Officer<br>Representative Director, Senior<br>Managing Corporate Officer<br>Representative Director, Executive Vice-<br>President Corporate Officer (to the<br>present)                                                                                                                                                                                                  | 34,156 shares                             |

| No. | Name<br>(Date of birth)                   | Career summary and representation of other companies<br>(Responsibilities are as described in pages 16-21 of the attached "Business Report for the 121st Fiscal Year") |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of the<br>Company's<br>shares held |
|-----|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 7   | Hiroyuki Shimizu<br>(September 4, 1950)   | April 1974<br>April 2000<br><br>April 2002<br>June 2005<br>April 2006<br>April 2007                                                                                    | Joined the Company<br>General Manager of Container Trade Management Group<br>Corporate Officer<br>Managing Director and Corporate Officer<br>Director, Managing Corporate Officer<br>Representative Director, Senior Managing Corporate Officer (to the present)                                                                                                                                                                                                      | 20,000 shares                             |
| 8   | Shinji Kobayashi<br>(February 16, 1947)   | April 1969<br>June 1995<br>June 2001<br><br>April 2003<br>April 2006<br>June 2006<br>April 2008                                                                        | Joined the Company<br>General Manager of Semi-Liner Group<br>Retired the Company<br>President of Hinode Kisen Ltd. (current position) (The company name was changed to NYK-Hinode Line Ltd. in July 2002)<br>Corporate Officer<br>Managing Corporate Officer<br>Director, Managing Corporate Officer<br>Representative Director, Senior Managing Corporate Officer (to the present)<br><u>Representation of other companies:</u><br>President of NYK-Hinode Line Ltd. | 17,356 shares                             |
| 9   | Makoto Igarashi<br>(June 7, 1951)         | April 1974<br>April 2000<br>June 2003<br>April 2006<br>June 2007<br>April 2008                                                                                         | Joined the Company<br>General Manager of Planning Group<br>Corporate Officer<br>Managing Corporate Officer<br>Director, Managing Corporate Officer<br>Representative Director, Senior Managing Corporate Officer (to the present)                                                                                                                                                                                                                                     | 16,000 shares                             |
| 10  | Masamichi Morooka<br>(September 20, 1952) | April 1975<br>April 2001<br><br>April 2003<br>June 2005<br>April 2006<br>April 2008                                                                                    | Joined the Company<br>President, NYK LINE (NORTH AMERICA) INC.<br>Corporate Officer<br>Managing Director and Corporate Officer<br>Director, Managing Corporate Officer<br>Director, Senior Managing Corporate Officer (to the present)<br><u>Representation of other companies:</u><br>President & Chief Executive Officer of NYK GROUP EUROPE LTD.<br>Director of NYK HOLDING (EUROPE) B.V.<br>Director of NYK HOLDING (UK) LTD.                                     | 18,000 shares                             |
| 11  | Masahiro Kato<br>(May 29, 1952)           | April 1977<br>April 2002<br>April 2004<br>April 2006<br>June 2007                                                                                                      | Joined the Company<br>General Manager of Car Carrier Group<br>Corporate Officer<br>Managing Corporate Officer<br>Director, Managing Corporate Officer (to the present)                                                                                                                                                                                                                                                                                                | 14,000 shares                             |

| No. | Name<br>(Date of birth)                  | Career summary and representation of other companies<br>(Responsibilities are as described in pages 16-21 of the attached "Business Report for the 121st Fiscal Year") |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of the<br>Company's<br>shares held |
|-----|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 12  | Hidenori Hono<br>(February 11,<br>1956)  | April 1978<br>April 2002<br>April 2004<br>April 2006                                                                                                                   | Joined the Company<br>General Manager of Petroleum Group<br>Corporate Officer<br>Managing Corporate Officer (to the present)                                                                                                                                                                                                                                                                                                                                                                                    | 16,000 shares                             |
| 13  | Hiroshi Hattori<br>(October 6, 1953)     | April 1976<br>December 1999<br><br>April 2005<br>April 2007                                                                                                            | Joined the Company<br>General Manager of Business Management Group<br>Corporate Officer<br>Managing Corporate Officer (to the present)<br><u>Representation of other companies:</u><br>Chairman of NYK LOGISTICS (CHINA) CO., LTD.<br>Chairman of NYK LINE (CHINA) CO., LTD.                                                                                                                                                                                                                                    | 19,000 shares                             |
| 14  | Tadaaki Naito<br>(September 30,<br>1955) | April 1978<br>April 2004<br>April 2005<br>April 2007                                                                                                                   | Joined the Company<br>General Manager of Petroleum Group<br>Corporate Officer<br>Managing Corporate Officer (to the present)                                                                                                                                                                                                                                                                                                                                                                                    | 11,000 shares                             |
| 15  | Yukio Okamoto<br>(November 23,<br>1945)  | April 1968<br>January 1991<br><br>March 1991<br><br>November 1996<br>March 1998<br><br>September 2001<br><br>April 2003<br><br>March 2004                              | Joined Japan's Ministry of Foreign Affairs<br>Retired from the above mentioned position<br>President of Okamoto Associates, Inc. (current position)<br>Special Advisor to the Prime Minister<br>Retired from the above mentioned position<br>Special Advisor to the Cabinet Secretariat<br>Retired from the above mentioned position<br>Special Advisor to the Prime Minister<br>Retired from the above mentioned position<br><u>Representation of other companies:</u><br>President of Okamoto Associates, Inc | 0 share                                   |
| 16  | Yuri Okina<br>(March 25, 1960)           | April 1984<br>April 1992<br><br>April 1994<br><br>April 2000<br><br>September 2001<br><br>June 2006                                                                    | Joined Bank of Japan<br>Joined The Japan Research Institute, Limited<br>Chief Researcher of The Japan Research Institute, Limited<br>Senior Researcher of The Japan Research Institute, Limited<br>Visiting Professor, Graduate School of Keio University<br>Counselor of The Japan Research Institute, Limited (current position)                                                                                                                                                                              | 0 share                                   |

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

2. Mr. Yukio Okamoto and Ms. Yuri Okina are candidates for Outside Directors as stipulated in Article 2, Item 15 of the Corporation Law.
3. The Company is proposing the election of Mr. Yukio Okamoto as an Outside Director in order to reflect his extensive knowledge and insight as an expert of international affairs in the management of the Company and believes that his knowledge and insight will contribute to the management of the Company.
4. The Company is proposing the election of Ms. Yuri Okina as an Outside Director in order to reflect her extensive knowledge and insight as an expert of economic and financial conditions in the management of the Company and believes that her knowledge and insight will contribute to the management of the Company.
5. Mr. Yukio Okamoto concurrently serves as an Outside Director of Mitsubishi Materials Corporation. The company was one of the joint developers of Osaka Amenity Park Residence Tower, a condominium in Osaka City, and was issued a business suspension order regarding the sales of the condominium in violation of the Building Lots and Buildings Transaction Business Law that the company did not notify buyers of the countermeasure construction for soil contamination at the site before the construction. After the occurrence of the case, Mr. Yukio Okamoto performed his duties such as proposing preventative measures based on the internal and external investigation reports.
6. Mr. Yukio Okamoto and Ms. Yuri Okina have received remuneration from the Company as members of Advisory Board consisting of outside experts since July 2006. However, they will resign as Advisory Board members as of June 23, 2008.
7. In the event that Proposal No.2 and the election of Mr. Yukio Okamoto and Ms. Yuri Okina are approved, the Company will enter into a liability limitation agreement with each of them to the effect that any liabilities for damages shall be limited as stipulated in Article 427, Paragraph 1 of the Corporation Law. The liability limit based on the contract shall be the liability limit set in advance in the amount of ¥20 million or more or the liability limit stipulated by law, whichever is greater.

Proposal No.4: Election of one Corporate Auditor

Outside Corporate Auditor, Mr. Keisuke Kitajima passed away on March 2, 2008, and Mr. Takaji Kunimatsu was elected as a Temporary Corporate Auditor (Outside Corporate Auditor) by the Tokyo District Court.

The Company therefore recommends and proposes the following one (1) candidate for election as Corporate Auditor.

The prior consent of the Board of Corporate Auditors has been obtained for the submission of this proposal.

| Name<br>(Date of birth)             | Career summary<br>(Position, responsibilities and representation of other companies)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of the Company's shares held |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Takaji Kunimatsu<br>(June 28, 1937) | April 1961      Joined National Police Agency<br>January 1991    Chief of the Criminal Investigation Bureau<br><br>September 1993   Deputy Commissioner General<br>July 1994        Commissioner General<br>March 1997      Retired from the above mentioned position<br><br>January 1998    Chairman of the Board of Directors, Japan Safe Driving Center<br><br>September 1999   Ambassador extraordinary and plenipotentiary of Japan to Switzerland and the Principality of Liechtenstein<br><br>December 2002   Retired from the above mentioned positions<br><br>April 2003       Chairman of the Board of Emergency Medical Network of Helicopter and Hospital (current position)<br><br>March 2008      Temporary Corporate Auditor (Outside Corporate Auditor) (to the present)<br><u>Representation of other companies:</u><br>Chairman of the Board of Emergency Medical Network of Helicopter and Hospital | 0 share                             |

- Notes:
1. No special interests exist between the Company and Mr. Takaji Kunimatsu.
  2. Mr. Takaji Kunimatsu is a candidate for Outside Corporate Auditor as stipulated in Article 2, Item 16, of the Corporation Law.
  3. The Company recommends Mr. Takaji Kunimatsu as a candidate for Outside Corporate Auditor to reflect his considerable experience mainly in government service and deep insight obtained through his experience in the audit of the Company and believes that his experience and insight will contribute to the performance of audit duties of the Company.
  4. Mr. Takaji Kunimatsu served as an Outside Director of Nikko Cordial Corporation, which reported the profits that fundamentally could not be reported in the financial statements for the fiscal year ended March 2005 and made a false report in the annual security report. Mr. Takaji Kunimatsu was not the Outside Director of the company at the time and was involved in the investigation, pursuit of responsibilities of the former Directors, establishment of the Management Ethics Committee, and personnel change, etc. in response after the occurrence of the case as a member of the Board of Directors.
  5. Mr. Takaji Kunimatsu has received remuneration from the Company as a member of Advisory Board consisting of outside experts since July 2006. However, he resigned as Advisory Board member as of March 12, 2008.

6. Mr. Takaji Kunimatsu took office as a Temporary Corporate Auditor (Outside Corporate Auditor) of the Company on March 13, 2008 and his term of office will exceed three months upon conclusion of the meeting.
7. The Company has established the provisions in the Articles of Incorporation to the effect that it may enter into a liability limitation agreement with Outside Corporate Auditors, and has actually entered into the liability limitation agreement with each of Outside Corporate Auditors. In the event that this proposal is approved as submitted, the Company will continue to have the liability limitation agreement with Mr. Takaji Kunimatsu as stipulated in Article 427, Paragraph 1 of the Corporation Law and Article 45 of the existing Articles of Incorporation. The liability limit based on the contract shall be the liability limit set in advance in the amount of ¥20 million or more or the liability limit stipulated by law, whichever is greater.

Proposal No.5: Payment of Directors' bonuses

The Company proposes to pay bonuses amounting to a total of ¥185,000,000 to the fourteen (14) Directors who are in office as of the end of the fiscal year taking into account the Company's performance in the fiscal year, the amount of bonuses paid to Directors in past years and other factors.

Proposal No.6: Introduction of measures for large-scale purchases of NYK share certificates (takeover defense measures) for the purpose of securing and enhancing corporate value and the common interests of shareholders

Nippon Yusen Kabushiki Kaisha ("NYK" or the "Company") hereby announces that its Board has determined on March 27, 2008, by the unanimous approval of the directors present, a "basic policy regarding the modality of those who control the Company's financial and business policy decisions" as defined in Article 127 of the Enforcement Regulations of the Corporation Law (the "Basic Policy") and determined to adopt measures (the "Plan") for Large-scale Purchases of NYK Shares for the purpose of securing and enhancing corporate value and the common interests of shareholders, as a measure to prevent the control of NYK's financial and business policy decisions by inappropriate persons or entities in light of the Basic Policy, on the condition that they are approved by the shareholders at this meeting.

Accordingly, the Company requests that the Plan be approved by shareholders.

The contents of the Plan subject to approval by shareholders is as described in Chapter 1 below, and the contents of the Basic Policy determined by NYK at the abovementioned NYK Board meeting, the contents of special measures that will help achieve the basic policy, purpose of introducing the Plan, Plan's Impact on Shareholders and Investors, etc., the Board Decision regarding the Plan and the Reasons therefor, and names and career summaries of candidates for Independent Committee member at the introduction of the Plan shall be as in Chapter 2 below.

NYK's three auditors and one temporary auditor, including its outside auditors, have expressed their agreement with the Plan on the condition that it is carried out properly.

## **Chapter 1 Contents of the Plan**

### **1. Outline of the Plan**

The Plan is outlined as follows. Large-scale Purchasers (as defined below in Section 2. (1)) cannot commence a Large-scale Purchase until: (i) a Large-scale Purchaser has provided necessary and sufficient information concerning the Large-scale Purchase to the Board and the Independent Committee (as explained below in Section 2. (3)) in advance, (ii) the prescribed period required for review by the Independent Committee of the Large-scale Purchase has

elapsed, and (iii) the Board or the general meeting of shareholders makes a resolution concerning whether to implement the countermeasures.

(a) Request to Large-scale Purchasers for Large-scale Purchase Information

In the event of a Large-scale Purchase (as defined below in Section 2. (1)) of the NYK Share Certificates (as defined below in Section 2. (1)), we require that the Large-scale Purchaser provide information, in writing prior to the Large-scale Purchase, concerning the purpose and terms, etc. of the Large-scale Purchase.

(b) Consulting to the Independent Committee

The Board shall send the above mentioned information to the Independent Committee, and consult to the Independent Committee concerning whether to implement the countermeasures.

(c) Examination, etc. by the Independent Committee

The Independent Committee will, if necessary, request supplementary information from the Large-scale Purchaser and any necessary information for evaluating the Large-scale Purchase from the Board, engage in such examination and conduct deliberations as is necessary for its report to the Board.

(d) Report of the Independent Committee

The Independent Committee shall, as a general rule, prepare and submit to the Board its report within certain prescribed period from the date that the Independent Committee and the Board received the Explanation of Purchase (as defined below in Section 2. (2); the Explanation of Purchase shall be deemed to hereinafter include any supplementary explanation and any additional Explanation of Purchase submitted).

(e) Resolution by the Board

In the event that the Board determines that a Large-scale Purchaser does not comply with the procedures provided by the Plan, upon obtaining the Independent Committee's recommendation in favor of implementing the countermeasures, the Board may adopt a resolution to implement the countermeasures. If the Independent Committee finds that such Large-scale Purchaser is an Abusive Acquirer (as defined below in Section 2. (6)) and recommends implementing the countermeasures, then the Board may adopt a resolution to implement the countermeasures, as a general rule, without obtaining a resolution of the general meeting of shareholders. If the Independent Committee determines that there is a risk that the Large-scale Purchase will damage the corporate value or the common interests of the shareholders of NYK and our corporate group (the "NYK Group") and recommends implementing the countermeasures, then the Board may convene a general meeting of shareholders and, after a resolution to implement the countermeasures is passed at the general meeting of shareholders, adopt a resolution to implement the countermeasures.

(f) Countermeasures

The Board will choose a countermeasure, as against the Large-scale Purchase, which the Board determines the most appropriate method as of that timing, taking into consideration the opinion of the Independent Committee, and is necessary and appropriate to secure, soundly enhance and protect the corporate value and the common interests of the shareholders of the NYK Group, such as the allotment of stock acquisition rights without consideration (the "Allotment of Stock Acquisition Rights (Without Consideration)").

2. Procedures from the commencement of a Large-scale Purchase to resolution as to whether or not to implement the countermeasures.

(1) Large-scale Purchases to which the procedures as set forth in this Plan are applicable

The procedures provided by the Plan apply to each of following purchases, etc. which will be carried out without the consent of the Board (such purchases hereinafter referred to as a "Large-scale Purchase" and the persons or entities carrying out the Large-scale Purchase shall be hereinafter referred to as the "Large-scale Purchaser").

- (a) Any Purchase, etc.<sup>1</sup>, with which Holding Ratio<sup>2</sup> of the Share Certificates, etc.<sup>3</sup> issued by NYK (the "NYK Share Certificates") of the Holder<sup>4</sup> and Joint Holders<sup>5</sup>, etc. becomes 20% or more.
  - (b) Any Tender Offer<sup>6</sup>, with which the sum of Ownership Ratio of the Share Certificates, etc.<sup>7</sup> with respect to the NYK Share Certificates of the person or entity launching the Tender Offer and that of the Special Related Parties, etc.<sup>8</sup> become 20% or more.
- (2) Request to Large-scale Purchaser for Large-scale Purchase Information

First, a Large-scale Purchaser is required to submit to representative director of the Company a letter of intention (the "Letter of Intention") in Japanese in the format determined by the Company in which the Large-scale Purchaser is requested to disclose the name, address, the governing law of incorporation, name of representative, domestic contact information of the Large-scale Purchaser and an outline of the proposed Large-scale Purchase, and to state that it will comply with the procedures provided by the Plan. Within 10 business days of receipt of the Letter of Intention from the Large-scale Purchaser, the Board will issue a list of the information that is necessary and sufficient for the shareholders' determination, and for the Board and the Independent Committee to form an opinion (the "Large-scale Purchase Information") to the Large-scale Purchaser. Subsequently, the Large-scale Purchaser is required to submit documentation setting forth the Large-scale Purchase Information (the "Explanation of Purchase"). Although details of the Large-scale Purchase Information may vary depending on the attributes of the Large-scale Purchaser, purpose, and details of the Large-scale Purchase, in general, the Large-scale Purchase Information includes the following information. If, after reviewing the Large-scale Purchase Information, the Large-scale Purchase Information is deemed insufficient for the shareholders' determination, or for the Board and the Independent Committee to form an opinion, then the Board may require supplementary explanation or further submission of the Large-scale Purchase Information in such manner as deemed appropriate by the Board and by the deadline of the response set out by the Board. Furthermore, after reviewing and evaluating the Explanation of Purchase, the Board may publicly announce its opinion concerning the Large-scale Purchase, and if necessary, may negotiate with the Large-scale Purchaser to improve the conditions of the Large-scale Purchase or to provide alternative

---

<sup>1</sup> "Purchase, etc." is defined in Article 27-2(1) of the Financial Instruments and Exchange Law.

<sup>2</sup> "Holding Ratio of the Share Certificates, etc." is defined in Article 27-23(4) of the Financial Instruments and Exchange Law; provided however, that the number of overlapping Share Certificates, etc. shall be excluded.

<sup>3</sup> "Share Certificates, etc." is defined in Article 27-23(1) of the Financial Instruments and Exchange Law (in the case of Section 2. (1)(a)) or in Article 27-2(1) of the Financial Instruments and Exchange Law (in the case of Section 2. (1)(b)) or both (in the case of the others).

<sup>4</sup> "Holder(s)" is defined in Article 27-23(1), which includes those deemed as Holder(s) pursuant to Article 27-23(3), of the Financial Instruments and Exchange Law.

<sup>5</sup> "Joint Holder(s), etc." is defined in Article 27-23(5), which includes those deemed as Joint Holders pursuant to Article 27-23(6) of the Financial Instruments and Exchange Law as well as any other persons or entities having relationships with Holders and/or Joint Holders which is similar to that between Holders and Joint Holders.

<sup>6</sup> "Tender Offer" is defined in Article 27-2(6) of the Financial Instruments and Exchange Law.

<sup>7</sup> "Ownership Ratio of the Share Certificates, etc." is defined in Article 27-2(8) of the Financial Instruments and Exchange Law; provided however, that the number of overlapping Share Certificates, etc. shall be excluded.

<sup>8</sup> "Special Related Party(-ies), etc." is defined in Article 27-2(7) of the Financial Instruments and Exchange Law, as well as persons or entities having relationship with the tender offerors and/or Special Related Party(-ies) which is similar to that between the tender offerors and Special Related Party(-ies); provided however, that, persons or entities provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by Persons or Entities other than the Issuer shall be excluded from the persons or entities provided for in Article 27-2(7)(i) of the Financial Instruments and Exchange Law.

proposals to the shareholders.

- (a) Outline (which includes the information regarding business, capital structure and experiences related to any business similar to that of the NYK Group) of the Large-scale Purchaser and persons or entities who act in concert with the Large-scale Purchaser in relation to the Large-scale Purchase (which includes the Special Related Party(-ies), etc and Joint Holders, etc.).
- (b) The purposes, methods and terms of the Large-scale Purchase (which includes information related to the purchase price and type of compensation, timing, structure of related transactions, legality of the methods of, and the feasibility of the Large-scale Purchase.).
- (c) The basis for determination of the purchase price of the Large-scale Purchase (which includes the assumptions and numeric information used in the calculation of the purchase price and a description of the synergies that are anticipated to be achieved by the series of transactions related to the Large-scale Purchase).
- (d) The source of funds for the Large-scale Purchase (including information on the name of the provider of the funds (which includes the persons or entities who virtually provide the funds) and, the status and plans of security interest placed on the NYK Share Certificates or other assets held by the Large-scale Purchaser in relation to the funds and terms of any fund-raising transactions).
- (e) The management policy, management structure, business plan, equity plan, dividend policy, asset management plan, and measures to concretely effect these policies (the "Business Measures") of the NYK Group which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase.
- (f) Matters relating to the consolidation, coalition, etc. between the businesses carried out by the Large-scale Purchaser and those by NYK or the NYK Group companies and specific measures to avoid potential conflicts of interest between the Large-scale Purchaser and NYK.
- (g) Policies dealing with the employees, customers, suppliers, and other stakeholders of NYK which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase.
- (h) Measures to adopt for sustained and continued enhancement of the corporate value of NYK and the NYK Group after the completion of the Large-scale Purchase and the basis for such enhancement.
- (i) Specific measures to adopt to avoid conflicts of interest between the Large-scale Purchaser and other shareholders of the Company.
- (j) Such other matters which the Board or the Independent Committee deems reasonably necessary.

(3) Consulting to the Independent Committee

The Company will establish the Independent Committee to deliberate and submit a recommendation or other report to the Board on whether or not it is appropriate to implement the countermeasures against the Large-scale Purchase upon consultation by the Board, as a consultative body to secure the corporate value and the common interests of its shareholders of the NYK Group. The Independent Committee shall be composed of at least three members with thorough knowledge of a company's management, economics and/or legal issues.

Upon receipt of the Explanation of Purchase from the Large-scale Purchaser, the Board will send the same without delay to the Independent Committee and consult with the Independent

Committee as to whether or not it is appropriate to implement the countermeasures against the Large-scale Purchase conducted by such Large-scale Purchaser and other matters relating to securing and enhancing the corporate value and the common interests of the shareholders of the NYK Group. However, in the event that the Board determines that it is appropriate, it can consult with the Independent Committee prior to receiving the Explanation of Purchase from the Large-scale Purchaser.

(4) Examination by Independent Committee

If, as a result of its examination of the Explanation of Purchase, the Independent Committee determines that the Explanation of Purchase does not provide sufficient information to submit a report, it may directly or via the Board set a time limit for response and request the Large-scale Purchaser supplementary explanations and further submissions on the Explanation of Purchase via methods the Independent Committee deems appropriate. Furthermore, if necessary, the Independent Committee may set a time limit for response and, via methods the Independent Committee deems appropriate, request that the Board provide its opinion in relation to the Large-scale Purchase and the Explanation of Purchase, as well as materials in support of any Business Measures the Board has determined to implement and any materials supporting the accuracy and appropriateness thereof.

(5) Consultation by the Independent Committee with the Board and Large-scale Purchaser

The Independent Committee may, when it deems it appropriate, consult with the Board or the Large-scale Purchaser.

(6) Report of the Independent Committee

The Independent Committee shall hold deliberations based on the results of examinations and consultations, prepare the report within 60 business days from the date on which submission of the Explanation of Purchase is completed (provided that such period may be extended for an additional 30 business days, at the maximum, if the Independent Committee determines that it is inevitable due to, for example, difficulties in making the decision within the period initially set) (the "Independent Committee Review Period") and submit the report to the Board. In the case where the Independent Committee determines that (i) the Large-scale Purchaser is a Large-scale Purchaser which does not comply with the procedures provided in the Plan (the "Procedurally Non-compliant Purchaser"), (ii) the Large-scale Purchaser is an Abusive Acquirer, or (iii) there is a risk that the Large-scale Purchase will damage the corporate value or the common interests of the shareholders of the NYK Group, then the Independent Committee shall submit the report, "We recommend the implementation of countermeasures." (the "Implementation Recommendation"). In the case where the Independent Committee determines that there is not a risk that the Large-scale Purchaser will damage the corporate value or the common interests of the shareholders of the NYK Group, then the Independent Committee shall submit the report, "We recommend that countermeasures not be implemented." (the "Non-implementation Recommendation"). The Independent Committee may also submit neither an Implementation Recommendation nor a Non-implementation Recommendation and may give any other report that the Independent Committee determines appropriate. The Board shall give the utmost respect to any of the above-mentioned report. An Abusive Acquirer shall mean a Large-scale Purchaser that falls within any of the following:

- (a) a person who implements a Large-scale Purchase, for the main purpose of selling the shares back to the Company or those related to the Company at a high price by boosting the share price of the Company.
- (b) a person who implements a Large-scale Purchase, for the main purpose of the Large-scale Purchaser or its affiliates acquiring assets necessary for the Company to perform its business (including, in addition to tangible assets, intangible assets, such as intellectual property, know-

how, confidential corporate information, important trading partners and customers).

- (c) a person who implements a Large-scale Purchase, for the main purpose of using the Company assets (the meaning of which is as described in (b)) as security for, or the source of repayment of, the debts of the Large-scale Purchaser or its affiliates.
- (d) a person who implements a Large-scale Purchase, for the main purpose of selling valuable assets, including real property and shares that are not directly used by the Company in its current business and then using the profits from those sales to issue a high priced dividend or using the high priced dividend to quickly increase the share price of the Company and then sell off its shares in the Company at a high price.
- (e) a person who implements a Large-scale Purchase, under which there is a risk of a coercive two-tier purchase, (meaning implementing a Large-scale Purchase of Share Certificates, etc. based on a public tender offer where the second-tier purchase conditions are set less favorably than the first-tier purchase conditions) or any other purchase whereby the holder of NYK Share Certificates are, in practice, forced to sell their Share Certificates in the Company.

In addition, the following can be seen as examples of where there is a risk that the Large-scale Purchase will damage the corporate value and the common interests of the shareholders of the NYK Group.

- (a) where the terms of the purchase (including, but not limited to, the amount and type of consideration for the purchase, period of the purchase, legality of the method of purchase, possibility of implementing the purchase) are extremely insufficient or inappropriate when considering the intrinsic value of the Company.
- (b) where there is a possibility that the corporate policy and business plans, etc. of the purchaser would hinder the mid- or long-term development of the NYK Group as global logistics business group taking into consideration the NYK Group's corporate philosophy as described in the Basic Policy as set forth below; or where there is a risk of harming the relationships - which are the source of the corporate value of the NYK Group - with all the stakeholders, including the shareholders, investors, customers, society and employees of the NYK Group, and severely damaging the corporate value and the common interests of the shareholders of the NYK Group.

#### (7) Board Resolutions

- (a) Resolution to implement countermeasures against a Procedurally Non-compliant Purchaser

When the Board has determined that the Large-scale Purchaser falls under the category of the Procedurally Non-compliant Purchaser, it may, upon obtaining an Implementation Recommendation from the Independent Committee, adopt a resolution to implement countermeasures.

- (b) Resolution to implement countermeasures against an abusive acquirer

When the Independent Committee makes an Implementation Recommendation following a determination that the Large-scale Purchaser is an Abusive Acquirer, the Board may, as a general rule, adopt a resolution to implement countermeasures without obtaining a resolution of the general meeting of shareholders. In addition, even in that case, if, after taking into consideration such matters as the contents of the Large-scale Purchase and the circumstances necessary to determine whether or not to implement countermeasures, the Board finds it appropriate, then it may adopt such resolution after obtaining a resolution of the general meeting of shareholders.

- (c) Resolution to implement countermeasures against a Large-scale Purchase that poses a risk of damaging the corporate value or the common interests of shareholders'

When the Independent Committee makes an Implementation Recommendation following a determination that the Large-scale Purchase poses a risk of harm to the corporate value or the common interests of the shareholders of the NYK Group, the Board may convene a general meeting of shareholders and upon obtaining a resolution of the general meeting of shareholders to approve the implementation of countermeasures, may adopt a resolution to implement countermeasures against the Large-scale Purchase.

- (d) Resolution not to implement countermeasures

When the Board determines it necessary, it may adopt a resolution not to implement countermeasures against the Large-scale Purchaser. When the Independent Committee makes a Non-implementation Recommendation, the Board shall give utmost respect to such recommendation.

- (e) Period prior to Board resolution

Regardless of whether the Independent Committee has submitted an Implementation Recommendation or Non-implementation Recommendation or any other report it deems appropriate, the Board, within 10 business days of its receipt of the Independent Committee's report, shall adopt either a resolution to implement countermeasures, a resolution not to implement countermeasures or a resolution to convene a general meeting of shareholders.

- (8) Cancellation, Suspension or Change after Commencing Implementation of Countermeasures

Even after the Board determines the implementation of countermeasures in accordance with the Plan, the Board may determine to cancel, suspend or change the implementation of such countermeasures in the event that (a) the Large-scale Purchaser cancels the said Large-scale Purchase, (b) there has occurred a change with respect to the facts upon which the decision to implement the countermeasures were premised, and, as a result, that it has been determined that the Large-scale Purchase poses no risk of damaging the corporate value or the common interests of shareholders of the NYK Group. As a matter of illustration, in the event that, for example, an Allotment of Stock Acquisition Rights (Without Consideration) is chosen as a countermeasure, and after determination of the shareholders who are eligible for an allotment of rights, the Board determines to cancel or suspend the implementation of the countermeasure following the occurrence of any of the situations mentioned above, then Allotment of Stock Acquisition Rights (Without Consideration) may be so cancelled or suspended during the period prior to the stock acquisition rights effective date, and if the Board's determination is made during the period after the Allotment of Stock Acquisition Rights (Without Consideration) but prior to the commencement date of the exercise period of the said rights, then the Company may, among other things, acquire the stock acquisition rights, without the payment of any consideration.

- (9) Public Announcement of Information

The directors shall make timely disclosures in accordance with law and ordinances and stock exchange rules and regulations, and shall make public announcement of the information listed in each item below at the time prescribed in each item below:

- (a) the submission of the Letter of Intent and the Explanation of Purchase from the Large-scale Purchaser, and the completion of the submission of the Explanation of Purchase:

The directors will make public announcement without delay after the Board receives the submission of Letter of Intention or the Explanation of Purchase from the Large-scale Purchaser, or after the submission of the Explanation of Purchase has been completed.

- (b) the contents of the Explanation of Purchase, and the opinion and the Business Measures

provided by the Board to the Independent Committee, to the extent found appropriate by the Independent Committee:

The directors will make public announcement at the time decided by the Independent Committee for public announcement.

- (c) the contents of the reports of Third Party Experts (defined in Chapter 2, Section 5.2. (e) below) and the report of the Independent Committee, to the extent found appropriate by the Independent Committee:

The directors will make public announcement without delay after the Board's receipt of the report of the Independent Committee.

- (d) the extension of the Independent Committee Review Period, or the decision to implement, not implement, cancel, suspend or change a countermeasure (including the reasons for and a summary of such decision):

The directors will make public announcement without delay after a decision for extension of the Independent Committee Review Period, or a decision for implementation, non-implementation, cancellation, suspension or change of countermeasures, is made.

- (e) when convening a general meeting of shareholders with respect to the implementation of countermeasures, such fact, the date and place of the general meeting of shareholders, and the summary of agendas and proposals:

The directors will make public announcement without delay after the decision for convocation of the general meeting of shareholders is made.

#### (10) General Meeting of Shareholders

Even when the Independent Committee has submitted an Implementation Recommendation because it has determined that the Large-scale Purchaser is an Abusive Acquirer, the Board may hold a general meeting of shareholders to confirm the intentions of the shareholders of the Company as to whether to implement countermeasures against the Large-scale Purchase. In addition, a general meeting of shareholders shall be held when the Board has determined, after taking into consideration such matters as the contents of the Large-scale Purchase and the circumstances necessary to determine whether or not to implement the countermeasures, that it is appropriate to confirm the intentions of the shareholders. Further, the Board, when the Independent Committee submitted an Implementation Recommendation because it has found that the Large-scale Purchase, poses a risk of damaging the corporate value or the common interests of shareholders of the NYK Group, shall hold a general meeting of shareholders to confirm the intentions of the shareholders as to whether or not to implement the countermeasures against the Large-scale Purchase. In either of the situations set forth above, the Board shall hold a general meeting of shareholders as soon as reasonably practicable given the applicable laws and regulations and the practice to determine beneficiary shareholders (jisshitsu-kabunushi) by Japan Securities Depository Center, Inc. after adopting a resolution to convene a general meeting of shareholders for such purpose.

### 3. Countermeasures

The Board will choose a countermeasure, as against the Large-scale Purchase, which the Board determines the most appropriate method as of that timing, taking into consideration the opinion of the Independent Committee, and is necessary and appropriate to secure, soundly enhance and protect the corporate value and the common interests of the shareholders of the NYK Group, such as the Allotment of Stock Acquisition Rights (Without Consideration). In the event of the Allotment of Stock Acquisition Rights (Without Consideration) as a countermeasure, such matters as the exercise period and conditions of exercise may be established by taking into consideration the effect as a countermeasure against the Large-scale Purchase, such as establishing a condition for the exercise of the stock acquisition rights, to the effect that any right

holder who belongs to a Specified Shareholders Group<sup>9</sup> which holds total voting rights of no less than a certain percentage cannot exercise the stock acquisition rights.

4. Effectuation of Plan, Effective Period of Plan, and Abolition or Amendment of Plan

At this Meeting, we will confirm the intentions of the shareholders regarding the Plan, and upon receiving shareholder approval of the same, the Plan shall go into effect. The effective period of the Plan shall be until the time of the conclusion of the ordinary general meeting of shareholders relating to the last business year ending within three years following the conclusion of this Meeting; provided, however, that the Plan shall be abolished, even during the effective period of the Plan, at the time of the adoption at a general meeting of shareholders of a resolution for the abolition of the Plan or at the time that the Board, giving the utmost respect to the recommendations of the Independent Committee, adopts a resolution to abolish the Plan. Furthermore, the Board may, even during the effective period of the Plan, upon receiving approval of the Independent Committee and within the scope of the intentions given in the approval at the corresponding general meeting of shareholders, amend or change the Plan (a) in the event of the occurrence of the enactment or amendment of laws and ordinances or stock exchange rules and regulations, or issuance of important court judgments relevant to the Plan and when it is appropriate to reflect such enactment, amendment and/or judgments, or (b) when it is appropriate to make wording revisions in order to correct clerical mistakes.

Upon abolition or change of the Plan, the Company shall promptly make a public announcement of the fact that such abolition or change was made, and in the case of change, other matters, including the contents of the change.

**Chapter 2 Content of the Basic Policy, etc.**

The content of the Basic Policy determined by NYK at the previously stated NYK Board meeting, contents of the special measures that will help achieve the Basic Policy, purpose of introducing the Plan, Plan's Impact on Shareholders and Investors, etc., the Board Decision regarding the Plan and the Reasons therefor, and names and career summaries of candidates for Independent Committee members at the introduction of the Plan shall be as follows.

1. Content of the Basic Policy

NYK believes that it is necessary for persons or entities who control the Company's financial and business policy, to do so in accordance with the corporate philosophy of the NYK Group as described below. In this way, they can be leaders who enable the NYK Group to maintain and increase its corporate value and shareholder earnings.

The NYK Group conducts all its daily corporate activity based on the "NYK Group Mission Statement", which is: "Through safe and dependable *monohakobi* (transport), we contribute to the betterment of societies throughout the world as a comprehensive global-logistics enterprise offering ocean, land and air transportation."

The concept of "comprehensive global-logistics enterprise" that the NYK Group has adopted is a business structure whose goal is to build on ocean transport business, integrating land distribution businesses such as land transport and warehousing businesses, along with air transport business, terminal operations, and the like, thus forming an organic and well-integrated, full-service business with a global scale. We also pursue synergy effects from this structure and strive diligently to minimize the impact of fluctuations in market conditions of the ocean transport business.

NYK believes that this comprehensive global-logistics enterprise is a business structure that not only demonstrates concern for the public good, seeking to fulfill the role of providing part of the infrastructure of a global society, but also maximizes the corporate value of the NYK Group and shareholder earnings. We adopted this philosophy as the foundation for the management strategies of the NYK Group, and since then we have worked diligently to develop and deepen it.

---

<sup>9</sup> Any person or entity falling under Holder(s) of Share Certificates, etc., a Joint Holders, etc., a person or entity who makes a Purchase as defined in Article 23-2(1) of the Financial Instruments and Exchange Law and/or any Special Related Parties, etc. thereof.

In the business field of ocean transport, at present the NYK Group is actively investing in car transport carriers and container vessels, to say nothing of the field of transporting natural resources, which is expanding in step with the economic growth of China, India, Russia, Brazil, etc. Similarly, in our land distribution business, we are working hard to expand our service network, expand business in emerging regions, and establish a sales platform based on a customer-oriented philosophy, centered around integrated logistics service strategy. In our air transport business, we are continuing to invest, for example in the introduction of state-of-the-art equipment. By providing these transport modes of sea, land, and air, and striving to achieve synergy effects, NYK is aiming to further develop as a comprehensive global-logistics enterprise group.

Further, the NYK Group recognizes that an enterprise has a social existence and could not exist without our shareholders and investors, as well as our customers, society itself, our group employees, and other stakeholders. We also recognize that corporate social responsibility (CSR) is the foundation of management and the very source of the Company's corporate value. The NYK Group is working to give back to society from our management resources and profits and to deepen the CSR management, for example by actively enforcing the environmental measures and safety programs that form the foundation of our "comprehensive global-logistics" concept.

The NYK Group, by continuing to develop as a comprehensive global-logistics enterprise group having a strong commitment to CSR management, aims to maintain and increase its corporate value and shareholder earnings.

As a publicly listed firm, NYK believes that when deciding whether or not to allow a Large-scale Purchase by a specific party, sufficient information should be provided to the Company's shareholders and then the matter should be referred to them for a final decision. A Large-scale Purchase which will contribute to maintaining and increasing the Company's corporate value and shareholder earnings is not something that should be denied.

However, we cannot deny that among Large-scale Purchase, there are those (a) where the time and/or information needed for shareholders to evaluate the content, etc. of a Large-scale Purchase and for the board of directors to gather opinions and, when necessary, to offer an alternative proposal, is not provided, (b) that are abusive because the Company's corporate value and shareholder earnings have not been considered but only the benefit to the purchasing party itself has, and (c) where there is a risk of damage to the Company's corporate value and shareholder earnings, such as cases where the purchase is one whose conditions of purchase, etc. are inadequate or unsuitable considering the intrinsic value of the Company.

In view of the point made in the opening paragraph above of this Basic Policy, NYK believes the party making these kind of purchase action is not an appropriate party who control the Company's financial and business policy of. For this reason we have taken considerable countermeasures against the purchase action, within the limits allowed by laws and regulations, the Company's articles of incorporation, etc.

## 2. Special measures that will help achieve the Basic Policy

As special measures that will contribute to achieving the Basic Policy, as explained below, the Company intends to create and implement a new medium-term management plan, to strengthen corporate governance, and to proceed with a long-term optimal return of profits to our shareholders, while considering even more the balance with our requirement for investment funds.

Because all of these measures are intended to maintain and increase the Company's corporate value and shareholder earnings, the Company's Board of Directors believes that these actions are consistent with the Basic Policy described in Section 1, are not actions that will result in a loss of shareholder earnings, and are not simply measures taken for the purpose of maintaining the officers' positions.

### 2-1. Creating and implementing the new medium-term management plan, "NEW HORIZON 2010"

On March 27, 2008, we created and announced a medium-term management plan, "NEW HORIZON 2010" to cover the period from April 2008 until March 2011. We present to our shareholders, investors, and other stakeholders a roadmap that, following this new medium-term management plan, will result in new growth for the NYK Group and will provide for upgrading the foundation needed to support that growth. In this way we intend to maximize the Company's corporate value and shareholder earnings.

For the business year ended in March 2008, which was the last year of "NEW HORIZON 2007" medium-term management plan, our business results set new records for both revenues and recurring profit, on a consolidated basis.

Under "NEW HORIZON 2010," we will strive to achieve our slogan of "Seeking to maintain growth as a global *monohakobi* (transport) enterprise" and to comprehensively expand our scale of business, building on "NEW HORIZON 2007." Under "NEW HORIZON 2010" we will adopt the following three key strategies, and we intend to sustainably improve our corporate value and shareholder earnings.

Three key strategies under "NEW HORIZON 2010"

- (1) Growth
  - 1) Deepen scope of strategies for integrated logistics services
  - 2) Expand energy and natural resource transport
  - 3) Expand business reach in growth regions, especially the BRIC countries
- (2) Stability
  - 1) Reinforce client-oriented services
  - 2) Stabilize profits by securing long-term contracts
  - 3) Maintain a sound financial position and work to further strengthen this standing
- (3) Environment
  - 1) Ensure safety
  - 2) Score far ahead of other companies as an environmentally progressive corporate group
  - 3) Aggressively invest in development of environment-friendly technologies

With "NEW HORIZON 2010" plan, the targets for its final year, which ends in March 2011, are to achieve revenues of ¥3.2 trillion, recurring profit of ¥220 billion, and net income for the period of ¥145 billion, on a consolidated basis. In addition, for the year ending in March 2014, we have set as our targets revenues of over ¥3.6 trillion and recurring profit of over ¥260 billion on a consolidated basis.

For details of "NEW HORIZON 2010," please visit the following website.

<http://www.nyk.com/english/ir/corporate/strategy/index.htm>

## 2-2. Strengthening corporate governance, the foundation for maintaining and improving corporate value and shareholder earnings.

With the objective of maintaining and improving corporate value and shareholder earnings, we are working to build management structures and systems with a high level of transparency. At present we have 14 directors. Also, we strive to send proxy notices of a general meeting of shareholders three weeks in advance of holding the meeting, so that shareholders have ample time to consider proposals. At this time, to ensure an even higher level of corporate management transparency and to strengthen the Board of Directors' management monitoring function, at this Meeting the Company asks shareholders to elect outside directors having a high level of independence (Proposal No. 3) and to amend the Articles of Incorporation to provide that directors shall serve for a period of one year (Proposal No. 2).

## 2.3 Long-term optimal return of profits to shareholders

NYK maintains the Basic Policy of continuously making stable dividend payments, based on thorough consideration of payout ratio, the Company's forecasted business performance, etc. We also consider requirements for future business development, such as the expansion and

improvement not only of our traditional business of ocean transport but also of other businesses, and we bear in mind the level of internal reserves needed to withstand fluctuations in market conditions. Note that in the past the Company has set 20% or more as the target dividend payout ratio (on a consolidated basis), however, under "NEW HORIZON 2010," we have increased the target payout ratio (on a consolidated basis) to 25%.

### 3. Purpose of Introducing the Plan

NYK, as described in Section 1, aims to secure and enhance the corporate value and the common interests of the shareholders of the NYK Group by growing as a comprehensive global-logistics company based on the strong recognition that CSR is fundamental to the Company's operations. Consequently, we believe, taking into consideration such NYK Group's fundamental corporate philosophy, that persons or entities controlling the financial and business policy decisions of the Company should be those who can secure and enhance the corporate value and common interests of the shareholders of the NYK Group. From this perspective, the Plan is adopted for the purpose of preventing Large-scale Purchases of NYK Share Certificates that threaten to damage the corporate value and/or common interests of the shareholders of the NYK Group.

However, as described above in Section 1, the final decision as to whether Large-scale Purchases of NYK Share Certificates would threaten to damage the corporate value and/or common interests of the shareholders of the NYK Group and therefore whether to implement the countermeasures should rest with the shareholders of the Company. However, in order for the shareholders to make a proper decision, it is essential that shareholders receive sufficient information about the identity of the Large-Scale Purchaser, the purpose and any conditions of, and the source of funds for, carrying out the Large-scale Purchase, as well as the management policies and business plans for the NYK Group following the Large-scale Purchase, and it is the duty of the Board that is entrusted the company management by the shareholders to gather this information and provide it to all of the shareholders. Under certain circumstances, it may also be the duty of the Board to provide alternatives to the Large-scale Purchaser's management policies and business plans to the shareholders and to leave the decision to them. Regardless, the Board should as a general rule swiftly implement the countermeasures in the event that a Large-scale Purchaser fails to provide sufficient information so as not to seriously damage the corporate value nor the common interests of the shareholders of the NYK Group. In this regard, this rule should also apply in the event that a Large-scale Purchaser is an abusive acquirer who only pursues its own interest without considering the corporate value and the common interests of the shareholders of the NYK Group, such as the one who demands that the Company buy back at a premium the shares that it had acquired, the one who tries to acquire the assets of the Company at a low price after temporarily gaining control of the Company, or the one who, for all practical purposes, coerces the other shareholders into selling their shares, etc. Furthermore, if it is believed that the corporate value or the common interests of the shareholders of the NYK Group is threatened to be damaged, such as in the event that (i) the terms of the purchase, etc. are extremely insufficient or inappropriate when considering the intrinsic value of the Company, or (ii) there is a possibility that the corporate policy and business plan, etc. of the purchaser would hinder the mid- or long-term development of the NYK Group as global logistics business group taking into consideration the NYK Group's corporate philosophy as described in the Basic Policy set forth in Section 1, or (iii) there is a risk of harming the relationship - which are the source of the corporate value of the NYK Group - with all the stakeholders, including the shareholders, investors, customers, society and employees of the NYK Group, then although the Board is delegated with the duty to manage the Company to secure the corporate value and the common interests of the shareholders, it is appropriate for the shareholders to be entrusted with making the final determination whether to implement the countermeasures or not. In addition, in this process, it is also necessary to adopt measures to prevent the unlikely event that the Board takes any arbitrary actions.

The Plan was adopted in order to reasonably accommodate the abovementioned

requirements, and secure and enhance the corporate value and the common interests of the shareholders of the NYK Group.

NYK hereby notes that we have not as of May 15, 2008 received any proposals for Large-Scale Purchases.

#### 4. Plan's Impact on Shareholders and Investors, etc

##### 4-1. Introduction

The Plan ensures that the shareholders and investors of the Company will receive the information necessary to decide whether to accept or reject the Large-scale Purchase, and the opinion of the Board, which is responsible for the current management of the Company, and furthermore, it may also contribute to ensuring the chance of the Company's shareholders and investors to receive alternative proposals. The foregoing will make possible a proper decision by the Company's shareholders and investors, based upon sufficient information, as to whether to accept or reject the Large-scale Purchase, thereby securing and enhancing the corporate value and the common interests of shareholders. Accordingly, we believe that this Plan, forming the basis for proper investment decision-making by the Company's shareholders and investors, contributes to the interests of the Company's shareholders and investors.

As described in Chapter 1, Section 2, since the Company's response to the Large-scale Purchase will differ depending upon whether or not the Large-scale Purchaser comply with the procedures provided in the Plan, shareholders and investors of the Company should pay attention to the timely disclosures made by the Company and acts of the Large-scale Purchaser.

##### 4-2. Impact on Shareholders and Investors at Time of Adoption of Plan

As no countermeasures, including the Allotment of Stock Acquisition Rights (Without Consideration), will be implemented at the time of adoption of the Plan, there will be no direct specific impact on the Company's shareholders or investors at the time of adoption of the Plan.

##### 4-3. Impact on Shareholders and Investors at Time of Implementation of Countermeasures

In the event that the Large-scale Purchaser fails to comply with the procedures provided in the Plan, the Board may, for the purpose of protecting the corporate value and the common interests of shareholders, implement the countermeasures permitted under the Corporation Law and other laws and/or the Company's Articles of Incorporation, however, because of the structure of the countermeasures, we do not anticipate that a situation will arise where the Company's shareholders and investors (excluding the Large-scale Purchaser who is engaged in the Large-scale Purchase which is the subject of the implementation of the countermeasures and its Specified Shareholders Group) will sustain any particular economic loss or loss of legal rights. When the Board determines to take specific countermeasures, it will make timely and appropriate disclosures of the same in accordance with applicable laws and ordinances and stock exchange rules and regulations.

In the event that an Allotment of Stock Acquisition Rights (Without Consideration) is implemented as a countermeasure, shareholders will be required to pay a certain amount of money within a specified period of time in order to acquire the new stock pursuant to an exercise of the stock acquisition rights. In addition, when the Board determines that the Company shall acquire the stock acquisition rights, the Company may issue new stock to the shareholders in consideration for the acquisition of the stock acquisition rights, without payment of an amount of money equal to the exercise price. The details of such procedure will be separately announced in accordance with the laws and ordinances when it is actually determined to issue the stock acquisition rights. However, in order for shareholders of the Company who have not yet completed the procedures for entry of name transfer to acquire stock acquisition rights, it will be necessary for them to complete the procedures for entry of name transfer on or before the stock acquisition right allotment date to be separately decided upon and officially announced by the Board (such procedures for entry of name transfer will not be required with respect to share certificates deposited with the Japan Securities Depository Center, Inc.).

In the event that the Company's Board determines to cancel the issuance of the stock acquisition rights or to acquire, for no consideration, the stock acquisition rights already issued, then the dilution of each stock's value will not occur, and there is a possibility that shareholders and investors who sell or purchase the Company's shares on the premise of a dilution of the Company's stock value occurring after ex-rights date for an Allotment of Stock Acquisition Rights (Without Consideration) will sustain unexpected losses due to stock value fluctuation.

5. The Board Decision regarding the Plan and the Reasons therefor

5-1. The Plan's consistency with Basic Policy

The Plan requires that in the event of a Large-scale Purchase of NYK Share Certificates, the Large-scale Purchaser provide information necessary for the shareholders to decide whether to accept or reject such Large-scale Purchase and sufficient time to examine the same and, if necessary, time to provide alternative proposals to the shareholders. Further, it makes possible the implementation of countermeasures in order to secure and enhance the corporate value and the common interests of shareholders (a) in the event that the Large-scale Purchaser fails to provide the same, or (b) in the event that the Large-scale Purchaser is an Abusive Acquirer. Even in the case that the foregoing does not apply to the Large-scale Purchase, the Plan provides a method for convening a general meeting of shareholders to directly seek shareholder decision as to whether or not to implement countermeasures where there is a risk that the Large-scale Purchase will damage the corporate value and the common interests of shareholders. Therefore, we believe the Plan to be consistent with the Basic Policy.

5-2. The Plan does not damage the common interests of shareholders, and it does not have as its purpose the maintenance of the position of the current executives

The Board believes that the Plan does not damage the common interests of shareholders, and that it does not have as its purpose the maintenance of the position of the current executives. In addition to the points described in 5.1, the reasons for this are as follows:

(a) Satisfaction of the requirements set forth in the Guidelines for the Takeover Defensive Measures.

The Plan satisfies the three principles set forth in the "Guidelines Concerning Takeover Defensive Measures for Securing and Ensuring Corporate Value and the Common Interests of Shareholders" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (which are, (i) the principle of securing and enhancing corporate value and the common interests of shareholders, (ii) the principle of prior disclosure and reflection of the will of shareholders, and (iii) the principle of ensuring necessity and proportionality).

(b) The Plan places importance on the will of the shareholders (general meeting of shareholders resolution and Sunset Clause).

At this Meeting, we will confirm the intentions of the shareholders regarding the adoption of the Plan through this Proposal. The effective period of the Plan shall be until the time of the conclusion of the ordinary general meeting of shareholders relating to the last business year ending within three years following the conclusion of this Meeting, and the Plan shall be automatically abolished unless the approval of the shareholders at a general meeting of shareholders held by that time is obtained for continuation of the Plan.

Furthermore, at this Meeting, the Board is submitting a proposal to amend the Company's Articles of Incorporation to make term of directorship one year, and if adopted by resolution, the intention of the shareholders as to whether or not to abolish the Plan will be confirmed through the election of directors at subsequent ordinary general meetings of shareholders.

(c) Reasonableness, clarity and strictness of necessary requirements for purchaser against whom countermeasures are to be implemented.

In the Plan, reasonable, clear and strict necessary requirements have been established with regards to the Procedurally Non-compliant Purchaser and an Abusive Acquirer against whom

countermeasures may be implemented by Board resolution. In addition, the decision to implement countermeasures against a Large-scale Purchaser who is found to pose a risk of damaging the corporate value or the common interests of shareholders is to be made by resolution at a general meeting of shareholders.

- (d) Decision by highly independent company outsiders, and information disclosure.

In the Plan, the Board may determine the implementation of countermeasures against a Procedurally Non-compliant Purchaser upon obtaining a recommendation from the Independent Committee, despite the fact that the determination as to whether the necessary requirements for Procedurally Non-compliant Purchaser have been satisfied or not being straightforward and there being little room for an arbitrary decision to be made. With respect to determination of whether a Large-scale Purchaser is an Abusive Acquirer or not, and whether to implement countermeasures against such acquirer, the Board shall adopt necessary resolutions by giving utmost respect to the determinations and recommendations of the Independent Committee, composed of persons with thorough knowledge of a company's management, economics and/or legal issues and independent of the Company's internal directors, Corporate Officers and management. Therefore, room for arbitrary decision by the Board is eliminated to the furthest extent possible.

The Plan also provides that if the Independent Committee finds that a Large-scale Purchaser poses a risk of damaging the corporate value or the common interests of shareholders, the determination of the general meeting of shareholders as to whether or not to implement countermeasures against the Large-scale Purchaser must be sought, making it impossible for the Board to make an arbitrary decision in the matter.

- (e) Securing of Third Party Expert opinions.

In the event of the appearance of a Large-scale Purchaser, the Independent Committee may, at the Company's expense, obtain opinions of persons with expert knowledge, experience and information, such as financial advisors, certified public accountants and lawyers (the "Third Party Experts"). Moreover, to the extent found appropriate by the Independent Committee, we will publicly announce the recommendations of the Independent Committee and an outline of the Third Party Expert opinions which led to such recommendations.

- (f) Public announcement of information.

We will, publicly announce submission of the Letter of Intention or the Explanation of Purchase from the Large-scale Purchaser at the time as provided in the Plan. To the extent found appropriate, we will publicly announce the contents of the Explanation of Purchase, and the opinion and the Business Measures presented to the Independent Committee by the Board, and the contents of the Third Party Expert opinions and Independent Committee's report at an appropriate time as provided in the Plan.

- (g) The Plan is not a "dead-hand"-type or "slow-hand"-type takeover defensive measure.

The Plan is designed such that it can be abolished by directors nominated by a Large-scale Purchaser and elected at a general meeting of shareholders, and thus, it is not a "dead-hand"-type takeover defense measure (i.e., a takeover defensive measure the implementation of which cannot be prevented even if a majority of the constituent members of the Board is replaced). Moreover, as described in (b), the term of directors is scheduled to be made one year and therefore, the Plan is not a "slow-hand"-type takeover defensive measure (i.e., a takeover defensive measure which requires the passage of time to prevent its implementation because it is not possible to replace all of the constituent members of the Board at one time).

6. Name and career summary of members of the Independent Committee at the introduction of the Plan

The following three members are planned candidates for the member of Independent

Committee at the initial introduction of the Plan.

[Name] Yukio Okamoto  
[Date of Birth] November 23, 1945

\* As Yukio Okamoto is also a candidate for outside Director as in Proposal 3, please see the applicable portions of the relevant Proposal for his career summary and other information (page 9, candidate No. 15).

[Name] Yuri Okina  
[Date of Birth] March 25, 1960

\* As Yuri Okina is also a candidate for outside Director as in Proposal 3, please see the applicable portions of the relevant Proposal for her career summary and other information (page 9, candidate No. 16).

[Name] Seigo Hirayama  
[Date of Birth] April 15, 1934  
[Career Summary] April 1964 Registered as a lawyer in Tokyo Bar Association  
April 2000 Vice President of Japan Federation of Bar Association,  
President of Tokyo Bar Association  
March 2001 Retired from the above mentioned positions  
April 2006 President of Japan Federation of Bar Association  
March 2008 Retired from the above mentioned position

### **Outline of Stock Acquisition Rights**

1. **Shareholders Eligible for Allotment of Stock Acquisition Rights and Terms of Issuance**

Stock acquisition rights shall be allotted, without consideration, to shareholders noted or recorded in the final shareholders registry or beneficial shareholders registry as of the record date to be fixed by the Board at the ratio of one stock acquisition right per every common share of the Company owned by such shareholders (excluding, however, common shares owned by the Company).
2. **Class and Number of Shares to Be Acquired upon Exercise of Stock Acquisition Rights**

The class of the shares to be acquired upon exercise of the stock acquisition rights shall be common shares of the Company, and the total number of shares to be acquired upon exercise of the stock acquisition rights shall not exceed the number of shares calculated by deducting the total number of issued and outstanding common shares of the Company (excluding the common shares owned by the Company) from the total number of authorized shares of the Company, each as of the record date to be fixed by the Board. The number of shares to be acquired upon exercise of each stock acquisition right (the "Subject Number of Shares") shall be the number separately determined by the Board; provided, however, that appropriate adjustment shall be made in the event of a stock split or stock consolidation of the shares of the Company.
3. **Total Number of Stock Acquisition Rights to Be Issued**

The total number of stock acquisition rights to be issued shall be the number separately determined by the Board. The Board may cause the allotment of stock acquisition rights to occur over the course of multiple allotments.
4. **Amount of Assets to Be Contributed (or Amount to Be Paid) upon Exercise of Each Stock Acquisition Right**

Amount of assets to be contributed (or amount to be paid) upon exercise of each stock acquisition right shall be the amount determined by the Board, which shall be equal to or more than 1 Yen.
5. **Restrictions on Transfer of Stock Acquisition Rights**

The acquisition of a stock acquisition right by transfer thereof shall be subject to the approval of the Board.
6. **Conditions for Exercise of Stock Acquisition Rights**

In principle, any person belonging to a Specified Shareholders Group, a group with a voting rights ratio of 20% or more, shall not be able to exercise any stock acquisition rights. Under the applicable foreign laws and regulations, if a person located in the territorial jurisdiction governed by such laws and regulations is required to comply with certain prescribed procedures in order to exercise the stock acquisition rights, then, in principle, such person shall not be able to exercise the stock acquisition rights (provided, however, that certain persons such as those able to take advantage of an exclusion from application of such foreign laws and regulations shall be able to exercise their stock acquisition rights, and, as set forth in 8 below, the stock acquisition rights owned by such certain persons may also be acquired by the Company in exchange for shares of the Company). Moreover, a person who has failed to provide the document in the Company's prescribed form confirming such matters as such person not belonging to a Specified Shareholders Group (excluding, however, those persons whom the Company has not requested to provide such document) shall not be able to exercise their stock acquisition rights. The detail for such conditions shall be separately determined by the Board.

7. Exercise Period of Stock Acquisition Rights

The commencement date of the exercise period shall be a day separately determined by the Board in the resolution approving the Allotment of Stock Acquisition Rights (Without Consideration) (hereinafter, such commencement date of the exercise period being referred to as "Exercise Period Commencement Date"), and the exercise period shall be the period separately determined by the Board in the resolution approving the Allotment of Stock Acquisition Rights (Without Consideration), which shall be no shorter than one month and no longer than three months; provided, however, that if the last day of the exercise period falls on a non-business day at the place where the payment upon exercise is made, the immediately preceding business day shall instead be the last day of the period.

8. Acquisition of Stock Acquisition Rights by the Company

(1) Anytime on or before the day immediately preceding the Exercise Period Commencement Date, the Company may, in the event that the Board determines it is appropriate to acquire the stock acquisition rights without consideration, acquire all of the stock acquisition rights without consideration on the date separately determined by the Board.

(2) On the date separately determined by the Board, the Company may acquire all of the stock acquisition rights that remain unexercised on the day immediately preceding the day separately determined by the Board, which are owned by persons other than (i) a person belonging to a Specified Shareholders Group or (ii) a person who fails to provide, on or prior to the date of acquisition, the document in the Company's prescribed form confirming such matters as such person not belonging to a Specified Shareholders Group (excluding, however, those persons whom the Company has not requested to provide such document), and in exchange for each stock acquisition right, the Company may deliver the Subject Number of Shares of shares of the Company.

Furthermore, in the event that, on or after such date of acquisition, the Board recognizes that a person who does not belong to a Specified Shareholders Group exists among persons owning stock acquisition rights (provided that upon such recognition, the Company may request such person to provide the document in the Company's prescribed form set forth in the first paragraph of this 8(2)), the Company may acquire, on the date separately determined by the Board, which date shall be after the aforementioned date of acquisition, all of the stock acquisition rights owned by such person that remain unexercised on or before the day immediately preceding the day separately determined by the Board, and in exchange for each stock acquisition right, the Company may deliver the Subject Number of Shares of the shares of the Company. The same shall apply thereafter.

### **Guidance on the Exercise of Votes via electromagnetic method (such as the Internet, etc.)**

1. Website to use for exercising votes
  - (1) To exercise votes via the Internet, please access the website (<http://www.evotep.jp/>) designated by the Company using a PC with Internet connection (access is unavailable between 2:00 a.m. and 5:00 a.m. everyday).  
Note: Votes cannot be exercised by mobile telephone, PDA, game machine, etc.
  - (2) Please note that you may not be able to exercise votes via the Internet depending on your Internet environment including security settings.
  - (3) Shareholders using the Internet voting option are requested to complete the required voting procedures by 5:00 p.m. on Monday, June 23, 2008, and exercising your votes as early as possible will be requested to enable votes to be tallied.
  
2. Method for exercising votes via the Internet
  - (1) Please access the website for exercising votes (<http://www.evotep.jp/>), enter the login ID and temporary password recorded on the Voting Form and then enter your vote for each proposal according to the instructions on the screen.
  - (2) We request that you change the temporary password on the Voting Form in order to prevent improper access by persons other than the shareholder (so-called "spoofing") or alteration of the content of your voting selections.
  - (3) You will be provided with a new login ID and temporary password each time a General Meeting of Shareholders is convened.
  
3. Disposition of votes in the event that votes are exercised two or more times
  - (1) In the event that the exercise of votes is duplicated by both the method of mailing the Voting Form and via the Internet, the exercise of votes via the Internet shall be deemed valid.
  - (2) If votes are exercised multiple times via the Internet, only the last recorded entry shall be counted.
  
4. Expenses incurred when accessing the website for the Exercise of Votes  
Please note that expenses incurred when accessing the website for the Exercise of Votes (dial-up connection charges, telephone charges, communication charges, etc.) shall be the liability of the shareholder.

5. Contacts for inquiries

For inquiries concerning systems, etc.  
Mitsubishi UFJ Trust and Banking Corporation  
Corporate Agency Division (help desk)  
Phone: 0120-173-027 (toll-free within Japan)  
Hours: 9:00-21:00

For all other inquiries  
Mitsubishi UFJ Trust and Banking Corporation  
Corporate Agency Division  
Phone: 0120-232-711 (toll-free within Japan)  
Hours: 9:00-17:00 (excluding Saturdays, Sundays and public holidays)

To the Institutional Investors:

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