

Integration of the Logistics Businesses of NYK and YAS

February 25, 2010

**Nippon Yusen Kabushiki Kaisha (NYK Line)
Yusen Air & Sea Service Co., Ltd.**



1. Overview of the Letter of Intent for the Integration

2. Basic Policy and Vision of the Newly Integrated Company



1. Overview of the Letter of Intent for the Integration

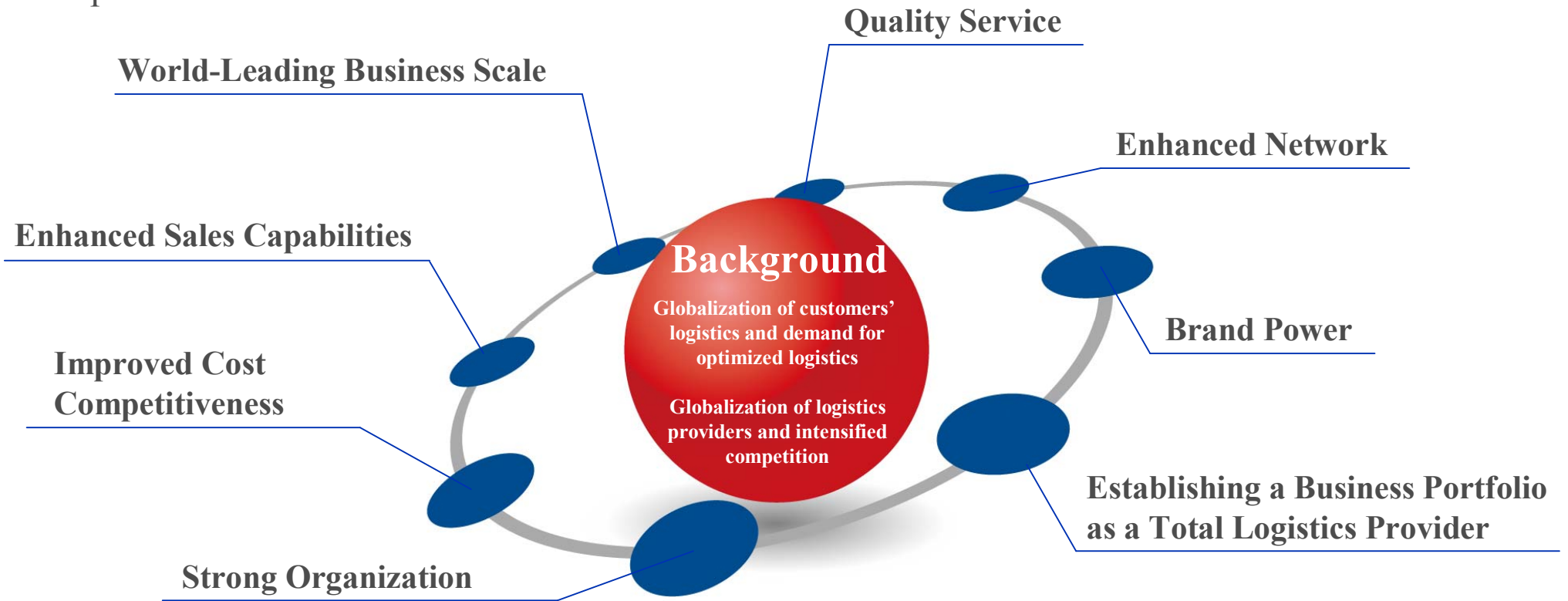
2. Basic Policy and Vision of the Newly Integrated Company



1-1. Background and Objectives of Integration

Integrating NYK Logistics and the Operations of Yusen Air & Sea Service (YAS)

To establish two main pillars of business, namely freight forwarding (air/ocean) and contract logistics, to meet the needs of global customers for optimized logistics as a total logistics provider.





1-2. Overview of Integration

(1) Method of Integration

- Integrate NYK Logistics (Japan) Co., Ltd. into Yusen Air & Sea Service Co., Ltd. on or around October 1, 2010, either through an absorption-type de-merger or transfer of business with cash consideration.
- Make Yusen Air & Sea Service Co., Ltd. the surviving company and maintain the status of the newly integrated company as a public company listed in the First Section of the Tokyo Stock Exchange.
- Integrate the overseas logistics businesses of Nippon Yusen Kabushiki Kaisha and Yusen Air & Sea Service Co., Ltd. Integration will occur through joint ventures implemented gradually from around April 2011 to March 2012.
- Implement overseas integrations on an equal footing, and make it a principle to categorize them as consolidated subsidiaries of the newly integrated company.



1-2. Overview of Integration

(2) Name of the New Company

NYK Logistics
NYK Logistics (Japan) Co., Ltd.



Yusen Air & Sea Service Co., Ltd.



Scheduled

Yusen Logistics Co., Ltd.

President: Shunichi Yano (current president of YAS)

Senior Managing Director: Masahiko Fukatsu (current president of NLJ)



1-2. Overview of Integration

(3) Logo of the New Company

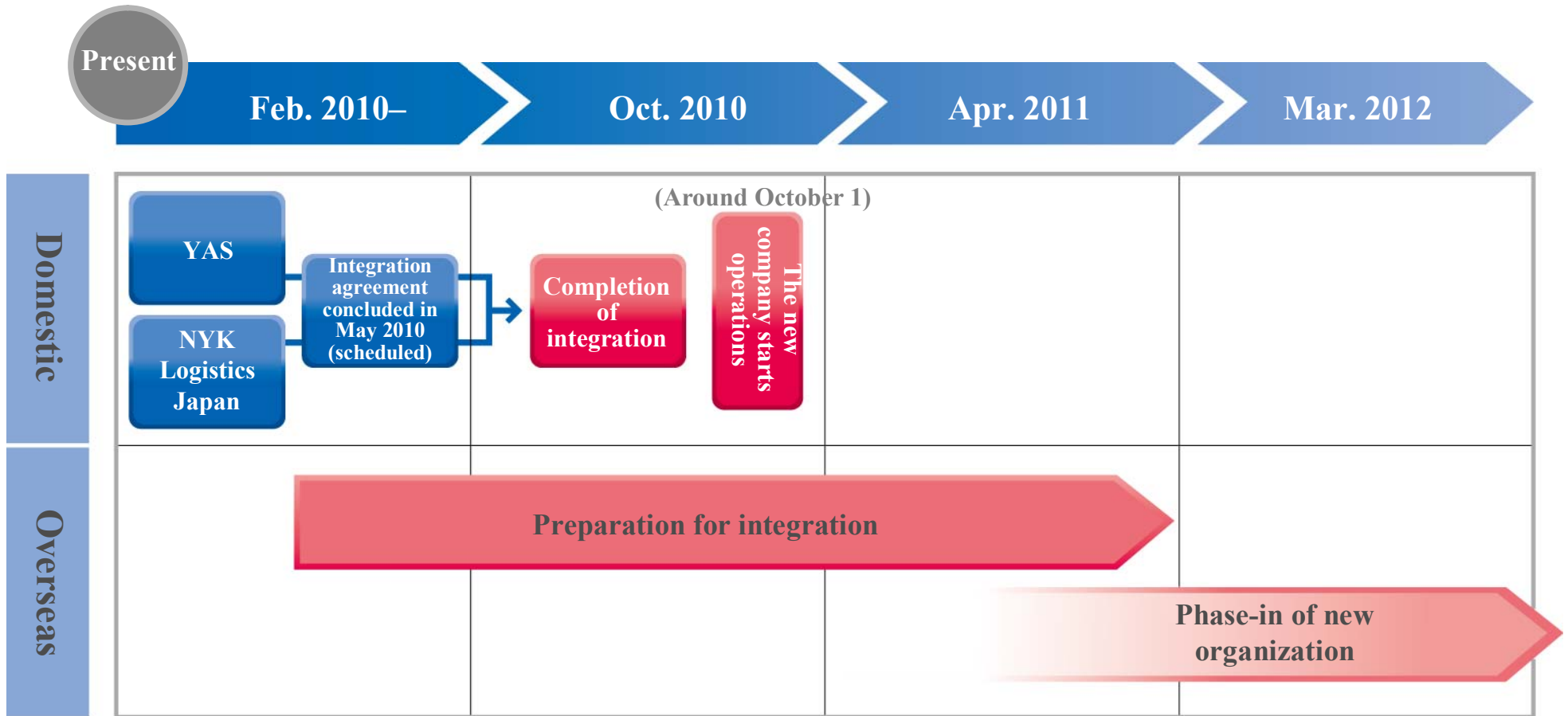


The newly integrated company will be called Yusen Logistics and will aim to concentrate total group power going forward by inheriting the corporate values and concepts of both companies and integrating their widely recognized brands.



1-2. Overview of Integration

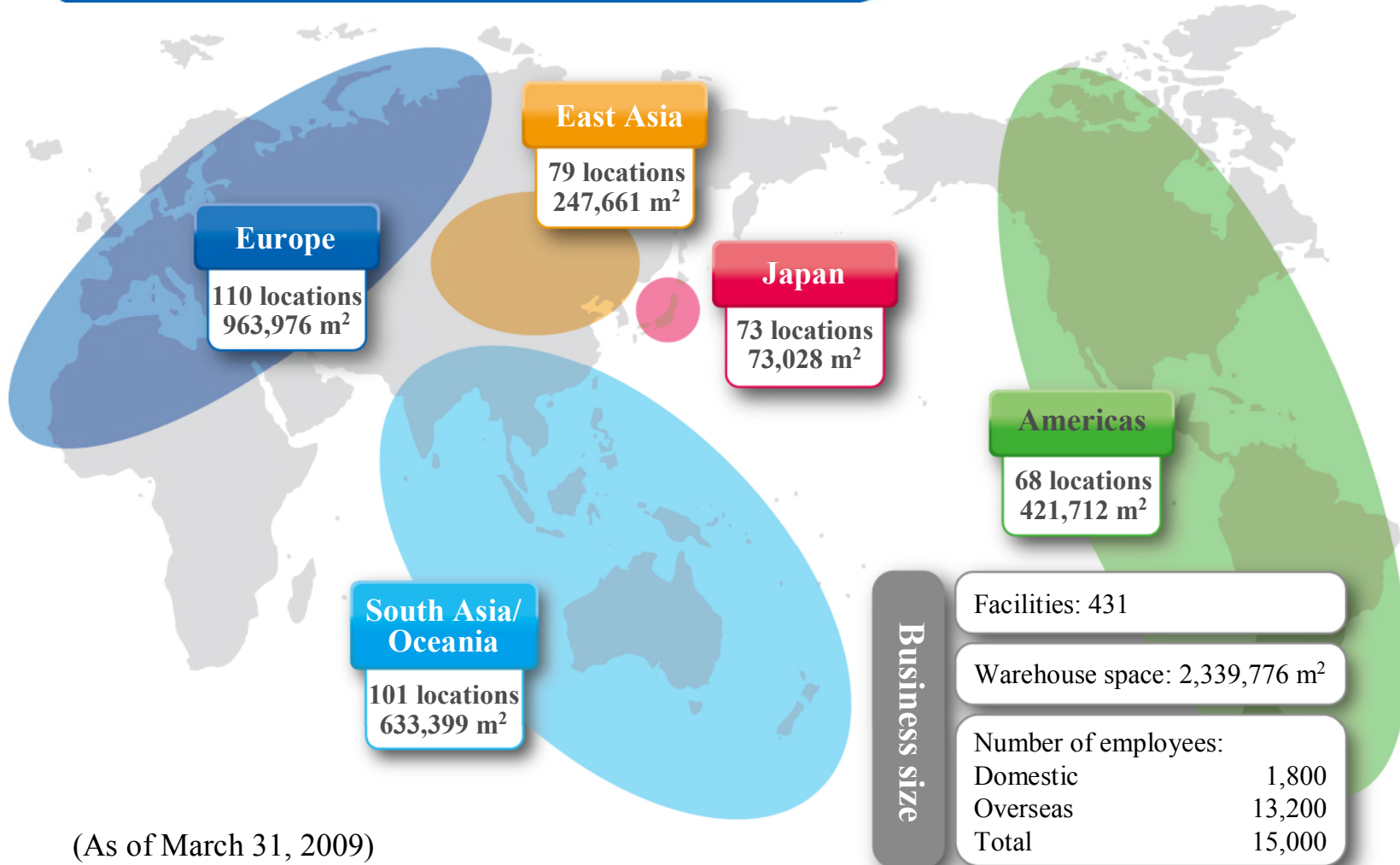
(4) Integration Schedule





1-3. Business Image of the New Company

(1) Global Management with Five Regions



Japan	Japan	
East Asia	China	
	Hong Kong	
	Taiwan	
	Korea	
South Asia / Oceania	Singapore	
	Thailand	
	Malaysia	
	Vietnam	
	Indonesia	
	Philippines	
	India	
	Bangladesh	
	Sri Lanka	
	U.A.E.	
	Australia	
	New Zealand	
	Europe	U.K.
		Germany
Netherlands		
Belgium		
France		
Italy		
Spain		
Sweden		
Czech		
Slovakia		
Hungary		
Poland		
Russia		
South Africa		
Americas	United States	
	Canada	
	Mexico	
	Brazil	
	Argentina	
	Chile	
	Panama	
Costa Rica		

Business size

- Facilities: 431
- Warehouse space: 2,339,776 m²
- Number of employees:
 - Domestic: 1,800
 - Overseas: 13,200
 - Total: 15,000

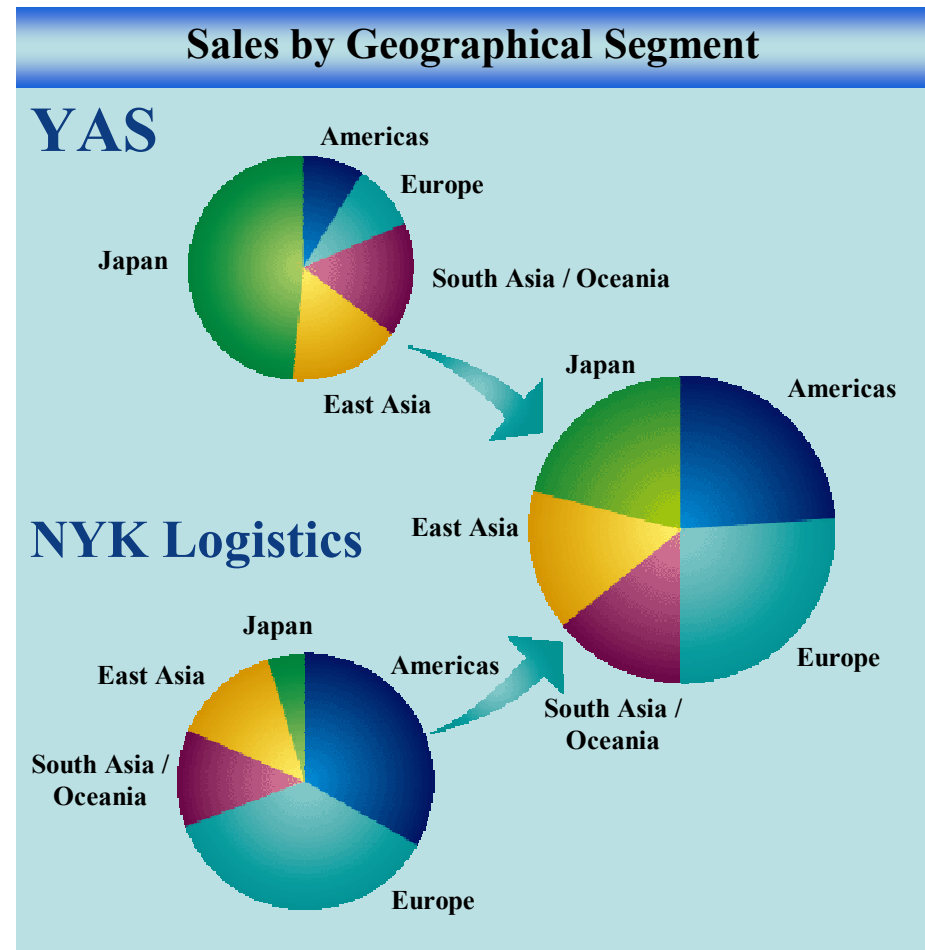
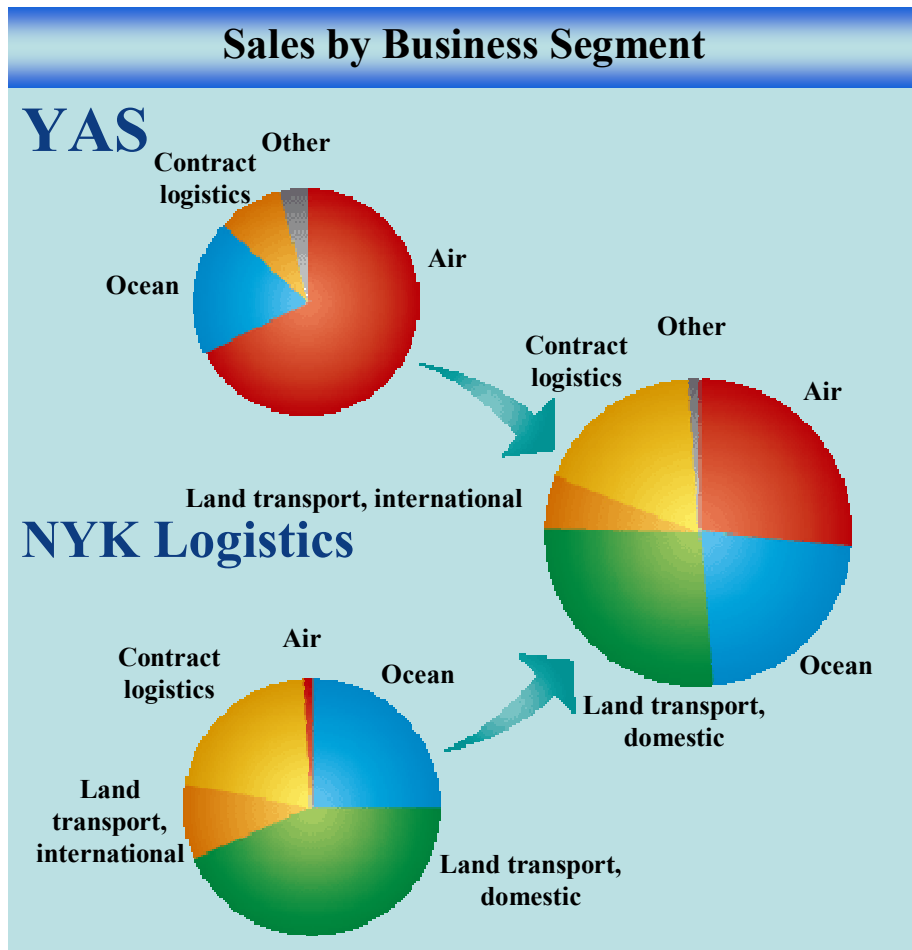
(As of March 31, 2009)



1-3. Business Image of the New Company

(2) Business Portfolio Image

Apr. to Sept. of Fiscal 2009





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2-1. Mission/Vision/Values of the New Company

Mission of the New Company

Maximize enterprise value by contributing to the development of the global economy and earning the confidence of customers through the provision of sophisticated, high-quality logistics services.

Management Vision of the New Company

A comprehensive logistics provider operating globally with world-class scale and quality.

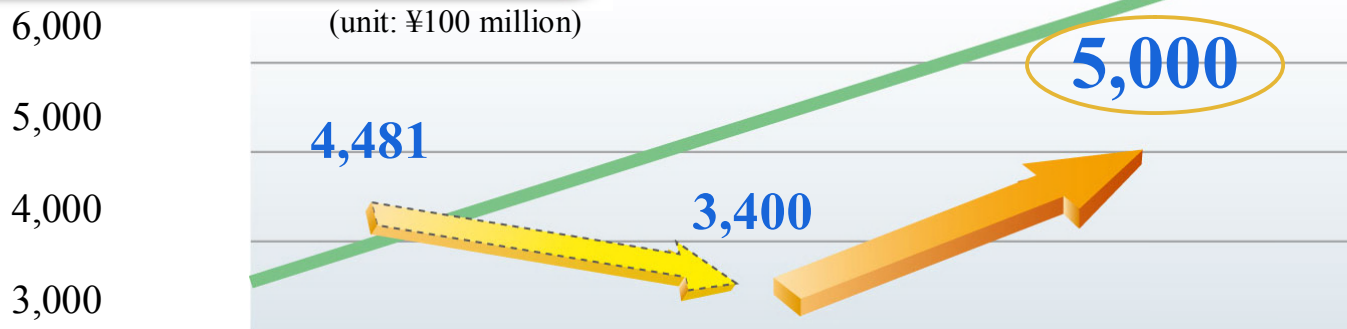
Values of the New Company





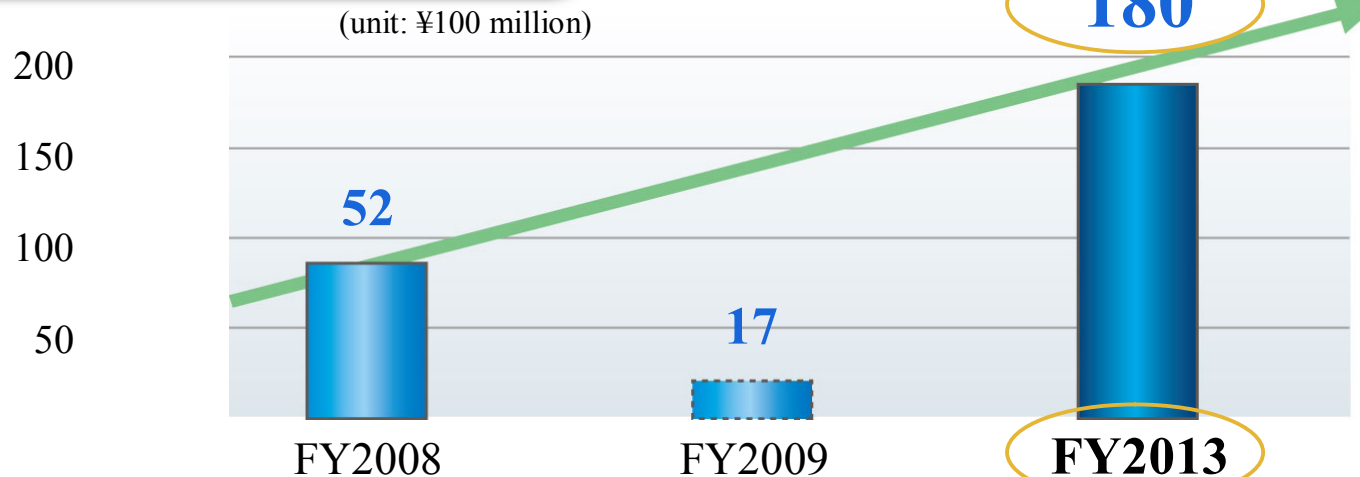
2-2. Financial Targets

Consolidated Revenue



Aim to be a global player ranking in the top 5 and achieve consolidated revenue of ¥1 trillion

Consolidated Recurring Profit



**Financial targets
FY2013**
Consolidated revenue: ¥500 billion;
Consolidated recurring profit: ¥18 billion

* FY2008 represents the official figure of the NYK Logistics division released at the closing of accounts.
 FY2009 represents the estimated figure released with Q3/FY2009 results.



2-3. Financial Targets / Integration Synergies

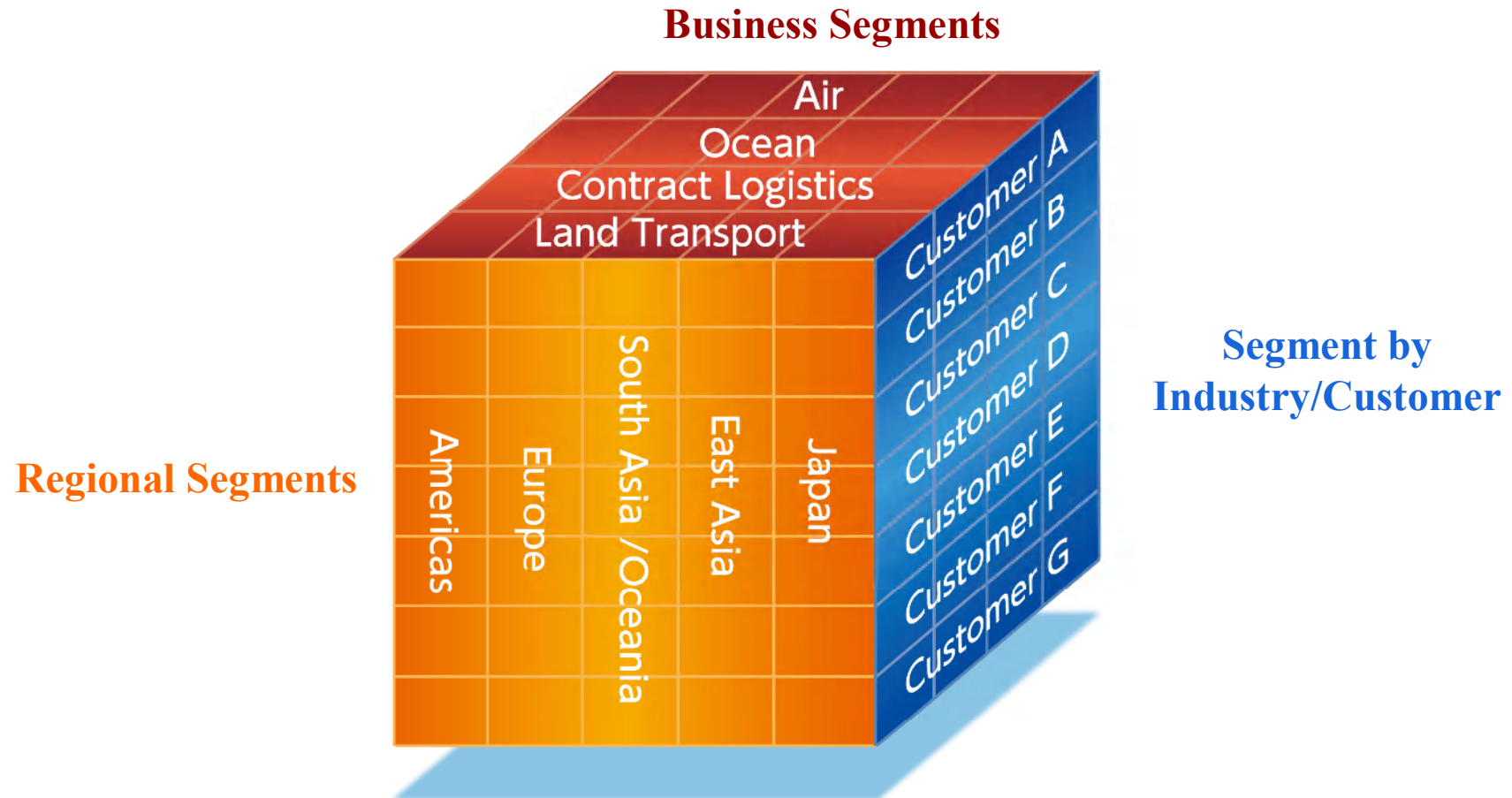
(unit: ¥100 million)

Synergies from Economies of Scale (FY2013 compared with FY2009)		
Consolidated Revenue	700	Sales promotion through the creation of new demand
Consolidated Recurring Profit	80	Increase in profit as a result of operational efficiency improvement and cost synergies
	(50)	Increase in gross profit as a result of sales increases
	(30)	Cost synergy as a result of facility integration, etc.



2-4. Global Management System

Establish a **3D Management System**, enabling efficient business development by region, business, and industry/customer.





2-5. Newly Integrated Company – Basic Strategies

Business Strategy

- Establish two main pillars: freight forwarding (air/ocean) and contract logistics
- Attain world-class competitiveness in each class of individual service
- Provide “Plus One” services to customers making use of our individual services
- Provide total logistics solutions by combining competitive individual services



2-5. New Company – Basic Strategies

Marketing Strategy

- Achieve efficient and high quality services under complete *gemba*-oriented management
- Accomplish end-to-end transportation carefully and responsibly from the standpoint of customers
- Take a market approach that is based on the characteristics of each industry or geographical segment
- Develop optimal logistics products by combining the know-how of individual services with information and logistics technologies
- Meet the needs of global customers for optimized logistics and provide tailor-made solutions