

FACT BOOK **I** 2016

Segment Business Data **Ticker code: 9101**

April 28, 2016

Businesses
and Strategy

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NYK judges the estimates and targets included herein to be rational at the time these materials were prepared.
However, please be aware that actual performance could vary from the projections contained in this document.

More Than Shipping 2018 (“MTS2018”)

More Than Shipping 2013

Secure Stable-
Freight-Rate
Business

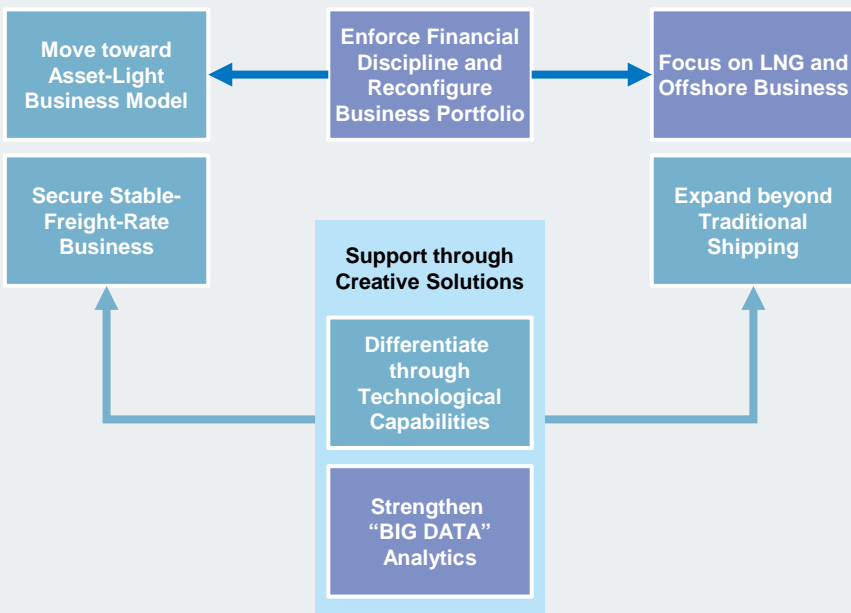
Move toward
Asset-Light
Business Model

Differentiate
through
Technological
Capabilities

Expand beyond
Traditional
Shipping

More Than Shipping 2018

(Key strategies follow on from MTS2013)



Objectives Over the Five Years of the Management Plan

1 Asset Strategy

- Reconfigure business portfolio
 - ▶ Focus on LNG and offshore business
 - ▶ Reinforce asset-light strategy for containerhips and dry-bulk carriers
- Maximize asset efficiency

2 Differentiation Strategy

- Achieve differentiation through technological capabilities in such segments as LNG and offshore business
- Further eliminate 3 M's (*muda*, *mura* and *muri*) at “Gemba” (front line)

3 Debt and Equity Strategy

- Review asset-intensive business model
- Control financial leverage (DER target of 1.0/BBB or higher rating)

4 Dividend Policy

- Balance growth opportunity and stable dividend (payout ratio of more than 25%)

5 Thorough Compliance

- Legal compliance (Anti-Monopoly Law, etc.)
- Establish global compliance structure

Objectives Over the Five Years of the Management Plan

Fleet in Operation

(vessels)		Mar. 31, 2014 Estimate	Mar. 31, 2015 Plan	Mar. 31, 2017 Plan	Mar. 31, 2019 Plan	Variance (FY2013 vs FY2018)
Container ships		99	95	85	85	-14
Owned and long-term chartered vessels		(74)	(70)	(65)	(65)	(-9)
Car carriers		119	120	125	125	+6
Dry-bulk carriers	Cape-size	126	120	110	100	-26
	Post-Panamax, Panamax bulkers	97	95	90	85	-12
	Handysize bulkers (includes box shape)	164	165	165	165	+1
	Wood chip carriers	48	45	45	45	-3
Liquid	Tankers	77	75	70	70	-7
	LNG carriers (includes co-owned)	67	70	70	100+	+33 or over
Others		79	70	65	60	-19
Total		876	855	825	835+	-41 or over
Vessels operated by KNOT (vessels)						
Shuttle tankers		27	28	30	34	+7
Containership capacity (million TEU)						
Space provision		3.68	3.85	4.00	4.25	+0.57 mil.

Asset Strategy

Reconfigure business portfolio

Reinforce asset-light strategy for containerships and dry-bulk carriers

Focus on LNG and offshore business

Earnings and Financial Targets

As of March 31, 2014

(Billions of yen)	FY2014 Plan	FY2016 Plan	FY2018 Plan	FY2015 Result (Reference)
Revenues	2,300	2,500	2,500	2,272.3
Operating income	70	100	120	48.9
Recurring profit	70	120	160	60.0
Net income attributable to owners of the parent company	35	80	120	18.2
Cash flow from operating activities	120	170	220	142.8
Cash flow from investing activities	-160	-160	-130	-46.8
Interest-bearing debt	1,300	1,200	1,000	940.5
Shareholders' equity	750	860	1,000	773.6
Total assets	2,600	2,600	2,650	2,244.7
DER	1.7	1.4	1.0	1.22
Shareholders' equity ratio	29%	33%	38%	34.5%
ROE	5%	9%	12%	2.3%
Payout ratio	25%			
Foreign exchange rate (US\$)	¥100	¥100	¥100	¥120.78
Bunker oil price (per ton)	\$640	\$640	\$640	\$298.66

Debt and Equity Strategy

- Review asset-intensive business model
- Control financial leverage

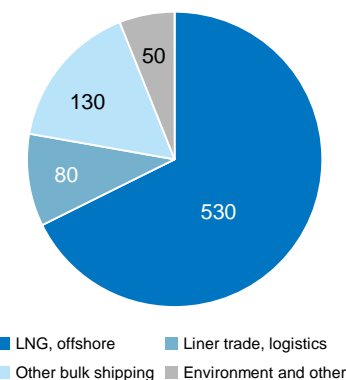
Dividend Policy

Balance growth opportunity and stable dividend

Investment Plan (Capital Expenditure)

FY2014–FY2018

Total investment: ¥790 billion



Business Strategies

Energy Transport

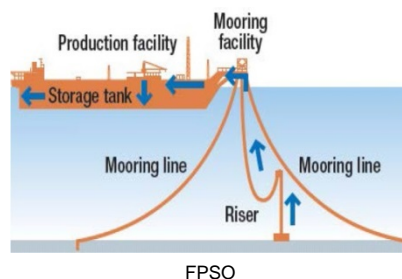
LNG Transport

- Expand fleet size to 100 vessels
- Train and develop highly skilled seafarers at in-house maritime academy in the Philippines and other institutes
- Provide higher-quality navigation, ship management and construction supervision capabilities
- Develop new business related to LNG fuel
- Pursue LNG exploration and production opportunities in mid-/up-stream LNG business supported by credibility and proven track record in safe transportation
- Strive to be more involved in all stages of the LNG value chain and seek synergies with LNG transport business



Offshore Business

- Expand shuttle-tanker business by establishing access to equity market (MLP^{*1})
- Strive to be “solution provider” by capitalizing on dynamic-positioning technology (in DPS^{*2}-equipped FSO^{*3} and other offshore operations)
- Expand long-term stable revenues through FPSO^{*4}, FSRU^{*5} and FLNG^{*6}
- Send key personnel to EPC^{*7} front line, accumulate technologies, experience and know-how, and pave the way for further growth
- Prepare for offshore business opportunities in Japan's EEZ^{*8}



*1 Master Limited Partnership

*2 Dynamic-Positioning System

*3 Floating Storage and Offloading System

*4 Floating Production, Storage & Offloading System

*5 Floating Storage and Regasification Unit

*6 Floating Liquefied Natural Gas

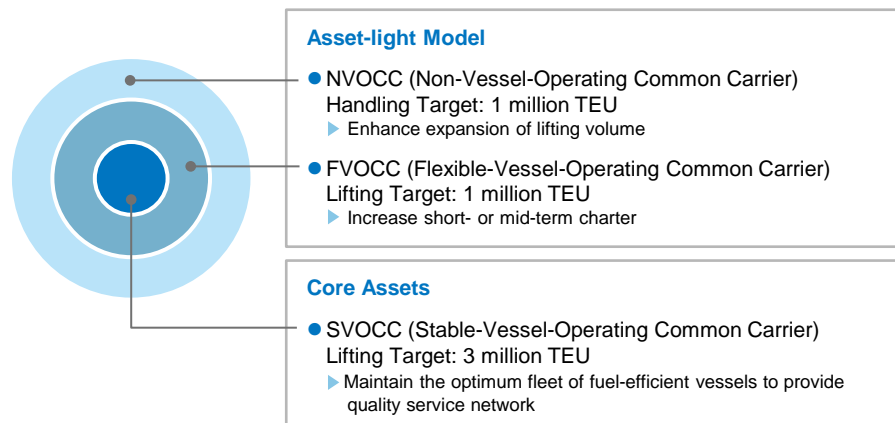
*7 Engineering, Procurement, and Construction (EPC)

*8 Exclusive Economic Zone

Container Transport

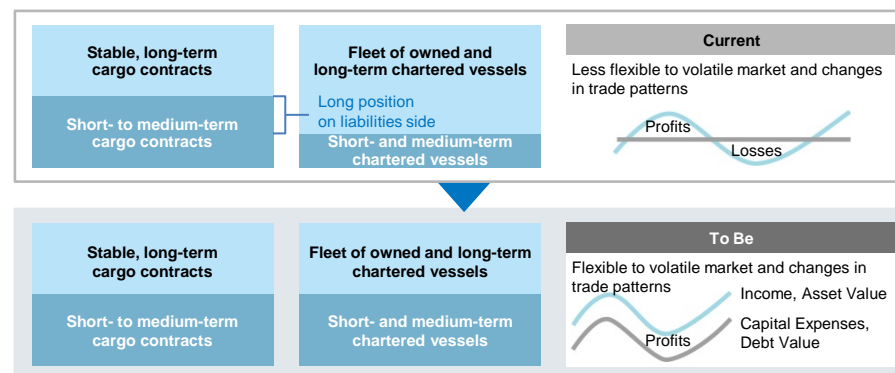
Pursue “3C5M” as optimum business portfolio for container transport
 Seek opportunities in low-volatility container terminal business

3C5M Container Common Carrier
 Lifting target: 5 million TEU



Dry-Bulk Transport

Rebalance cargo and charter contracts in cash-flow and duration
 Strengthen tolerance to fluctuating market conditions



Auto Logistics Network

Our network has grown to 37 facilities in 18 countries

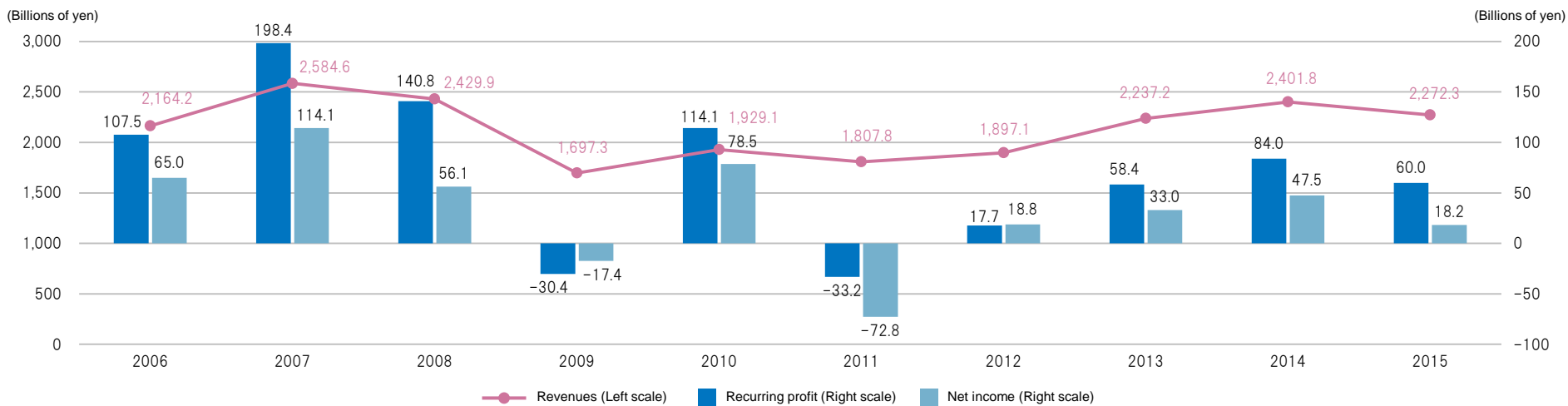
As of April, 2016

● Inland Logistics ● RORO Terminal

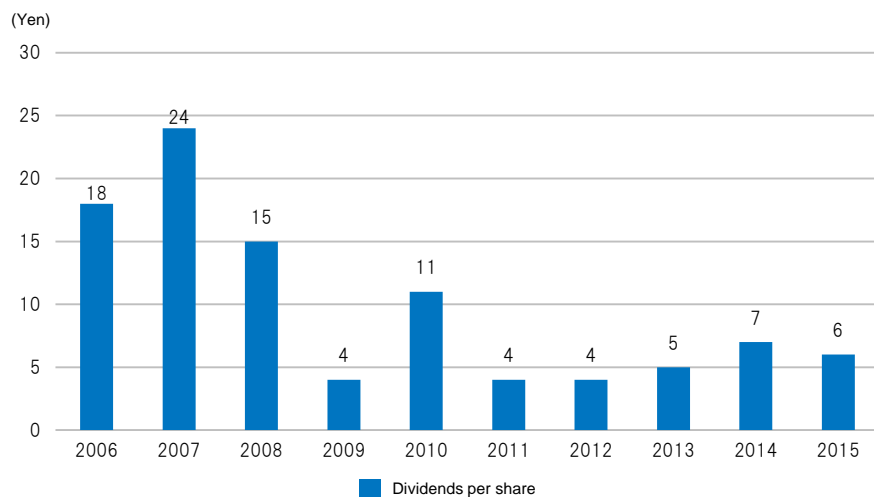


Performance Highlights

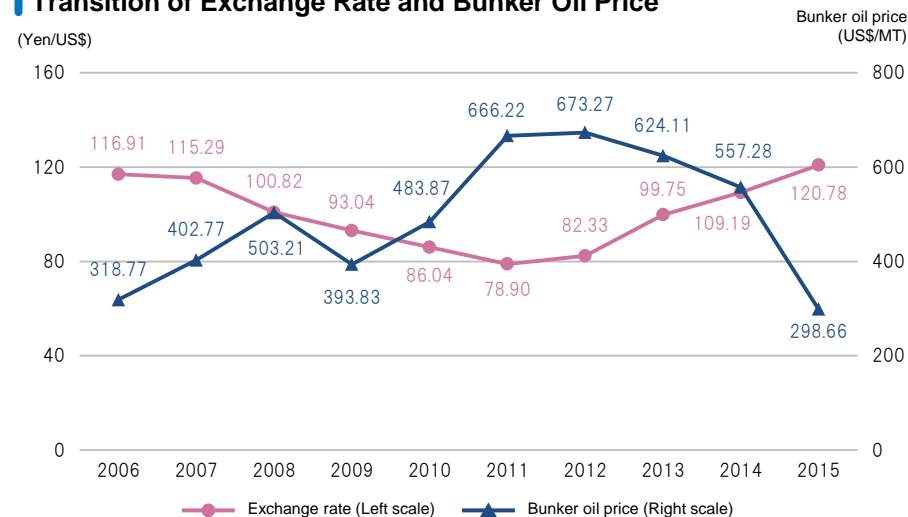
Performance Highlights



Dividends per Share

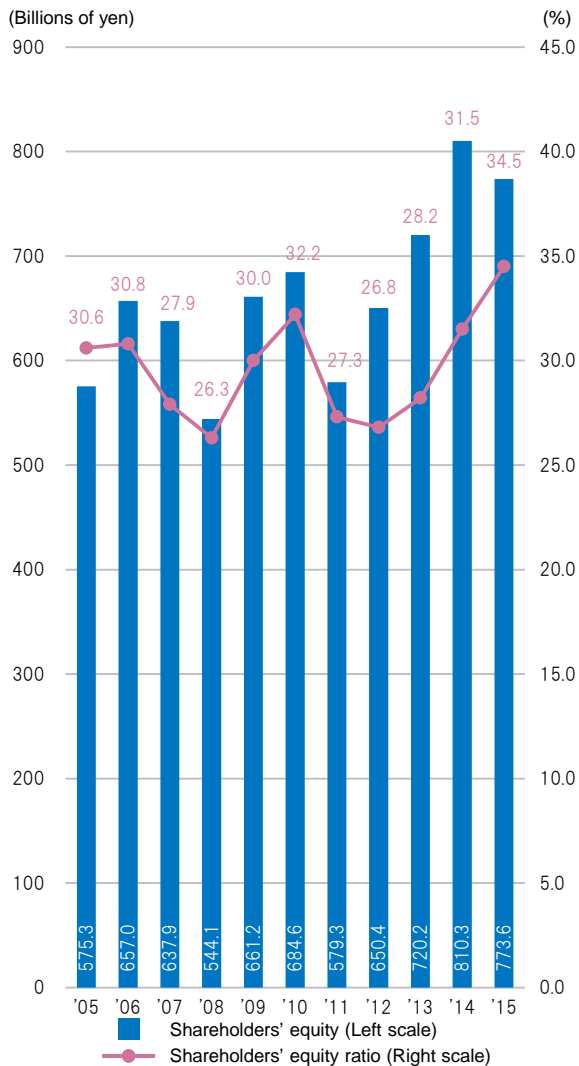


Transition of Exchange Rate and Bunker Oil Price

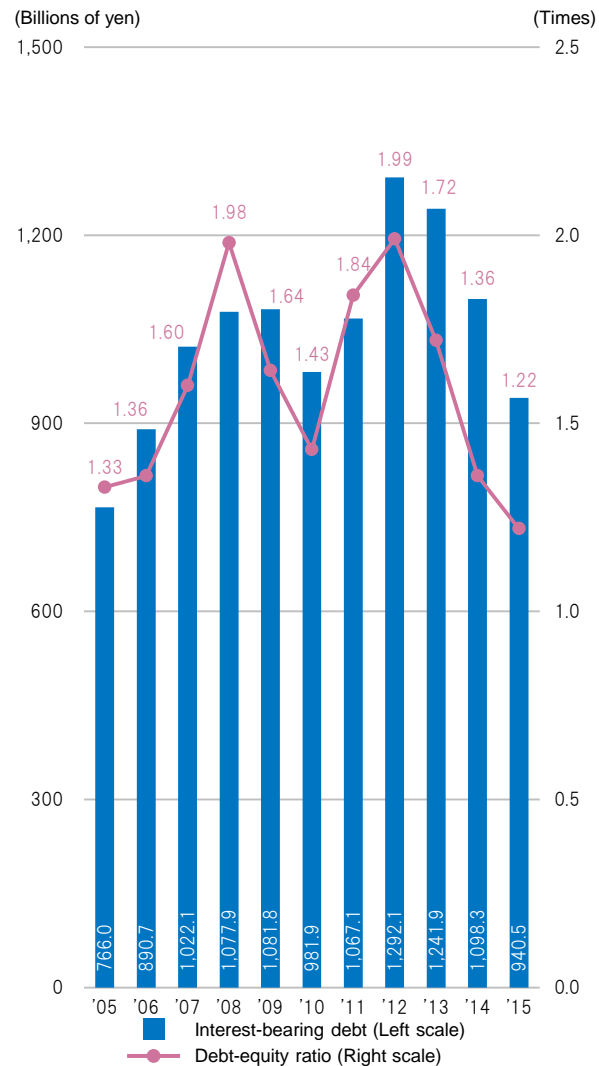


Financial Highlights

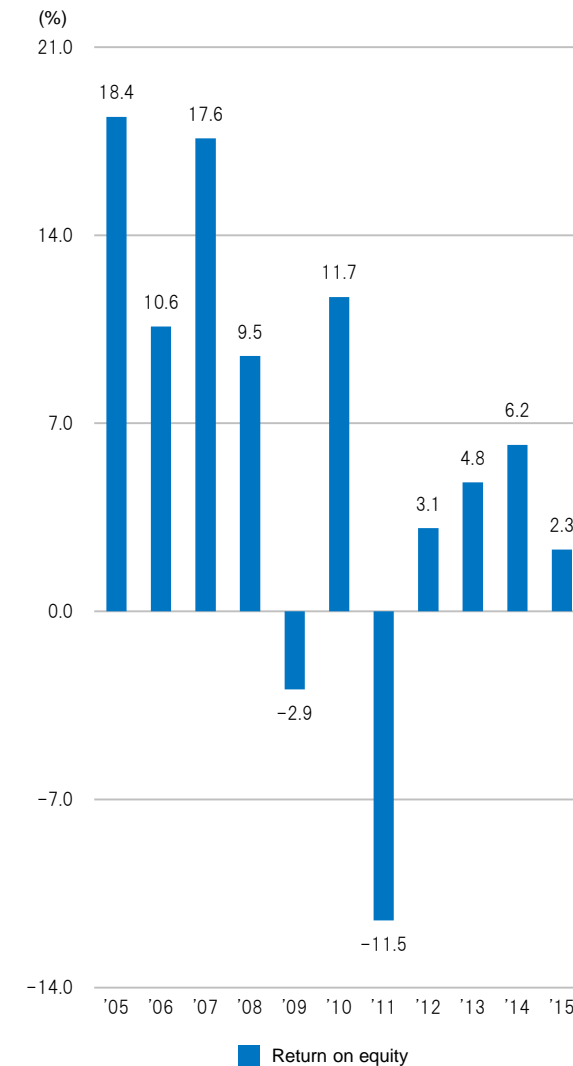
Shareholders' Equity and Shareholders' Equity Ratio



Interest-bearing Debt and Debt-equity Ratio



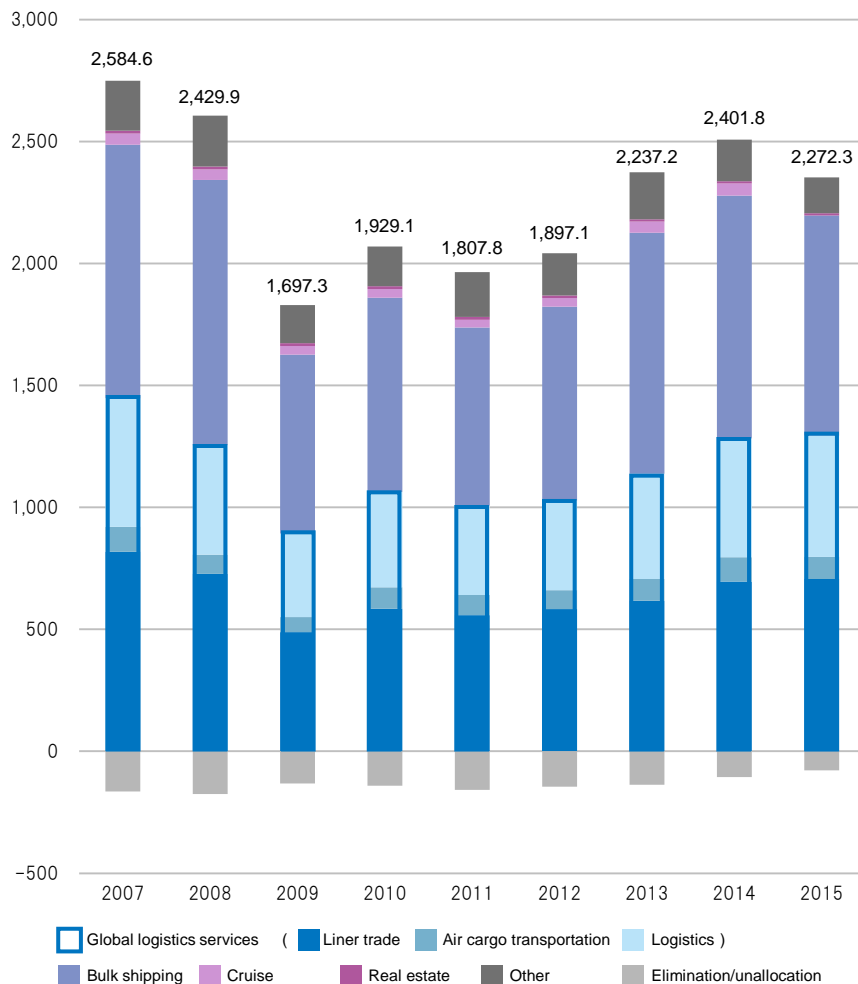
Return on Equity (ROE)



Revenues and Recurring Profit by Industry Segment

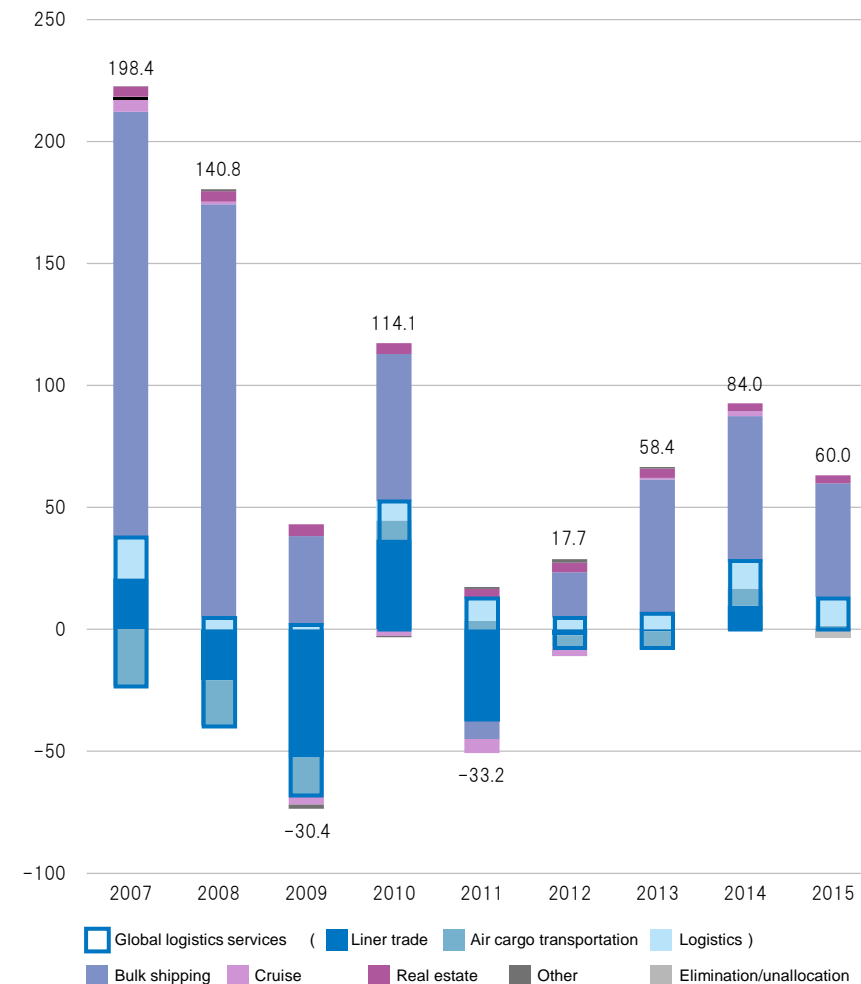
Revenues by Industry Segment

(Billions of yen)



Recurring Profit by Industry Segment

(Billions of yen)



Notes: 1. Beginning with this fiscal year, "Terminal and Harbor Transport" segment is included in "Liner Trade" segment. Also reporting segment of some consolidated subsidiaries has been changed from "Liner Trade" to "Bulk Shipping".

2. "Others" includes cruise ships, as NYK Line integrated its cruise business in it's a Other Business Services segment effective from April 1, 2015

3. Figures in this table are not restated on the basis of the changes of the business category.

NYK Group Fleet

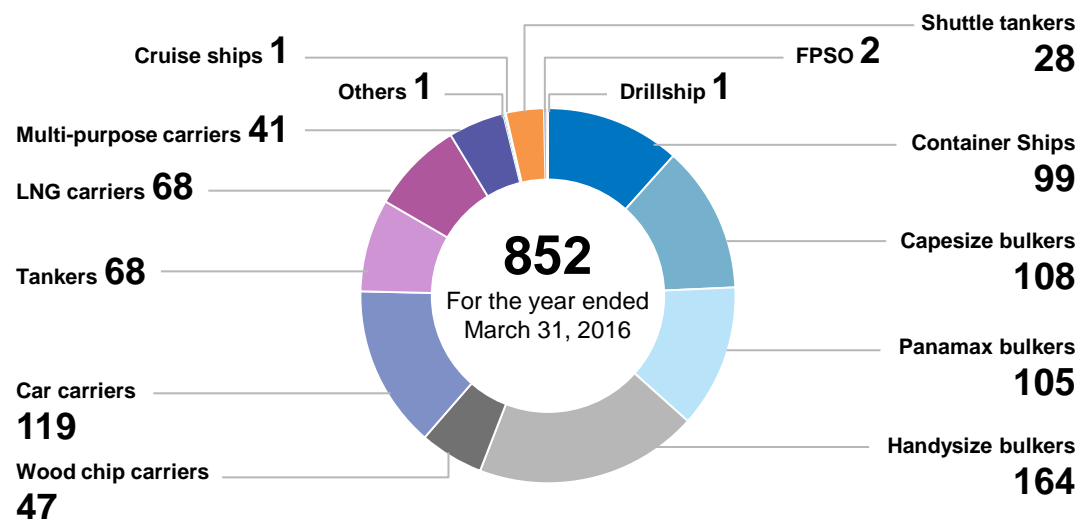
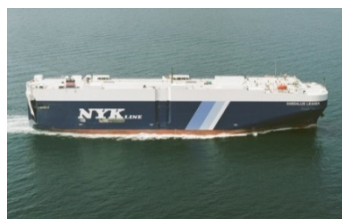
NYK Group Fleet

		As of March 31, 2014				As of March 31, 2015				As of March 31, 2016							
The classification of the business segment	Type of Vessel	Owned (Incl. Co-Owned)	Chartered	Total		Owned (Incl. Co-Owned)	Chartered		Total		Owned (Incl. Co-Owned)	Chartered		Total			
		Vessels	Vessels	Vessels	Kt (dwt)	Vessels	Kt (dwt)	Vessels	Kt (dwt)	Vessels	Kt (dwt)	Vessels	Kt (dwt)	Vessels	Kt (dwt)		
Liner Trade	Container Ships	25	76	101	5,572	20	1,219	84	4,772	104	5,991	19	1,143	80	4,676	99	5,820
Bulk Shipping	Capesize bulkers ^{*1}	36	93	129	24,576	36	6,806	87	17,054	123	23,861	31	5,996	77	15,252	108	21,248
	Panamax bulkers ^{*2}	41	73	114	9,716	42	3,696	71	5,846	113	9,542	40	3,547	65	5,305	105	8,853
	Handysize bulkers ^{*3}	67	105	172	7,880	67	3,010	105	4,838	172	7,848	58	2,701	106	4,856	164	7,557
	Wood chip carriers	9	40	49	2,580	8	416	40	2,141	48	2,558	8	416	39	2,092	47	2,509
	Car carriers	30	95	125	2,230	28	477	95	1,738	123	2,215	30	512	89	1,652	119	2,165
	Tankers	52	25	77	12,056	47	8,107	21	3,206	68	11,313	47	8,371	21	2,659	68	11,030
	LNG carriers	64	3	67	5,269	66	5,188	3	228	69	5,416	65	5,121	3	228	68	5,349
	Multi-purpose carriers	15	37	52	909	15	302	32	455	47	758	17	336	24	351	41	688
	Others	11	15	26	318	1	7	0	0	1	7	1	7	0	0	1	7
Other Businesses	Cruise ships	1	2	3	21	1	7	2	14	3	21	1	7	0	0	1	7
Total		351	564	915	71,127	331	29,240	540	40,295	871	69,530	317	28,157	504	37,076	821	65,233
Offshore business <small>* Including vessels owned by equity method affiliates</small>	Shuttle tankers	27	0	27	3,007	28	3,159	0	0	28	3,159	28	3,159	0	-	28	3,159
	FPSO	1	0	1	-	1	-	0	-	1	-	2	-	0	-	2	-
	Drillship	1	0	1	-	1	-	0	-	1	-	1	-	0	-	1	-
Grand total		380	564	944	74,134	361	32,400	540	40,295	901	72,689	348	31,316	504	37,076	852	68,392

Note: Co-owned ship's dwt is including not only NYK Group companies' ownership but also other companies' ownership.

The total number of LNG carriers owned includes vessels owned by equity method affiliates.

*1 Capesize: Over 120,000 dwt *2 Panamax: 60,000-119,999 dwt *3 Handysize: Under 60,000 dwt



Container Transport

Fleet Sizes of Full Container Transport Operators

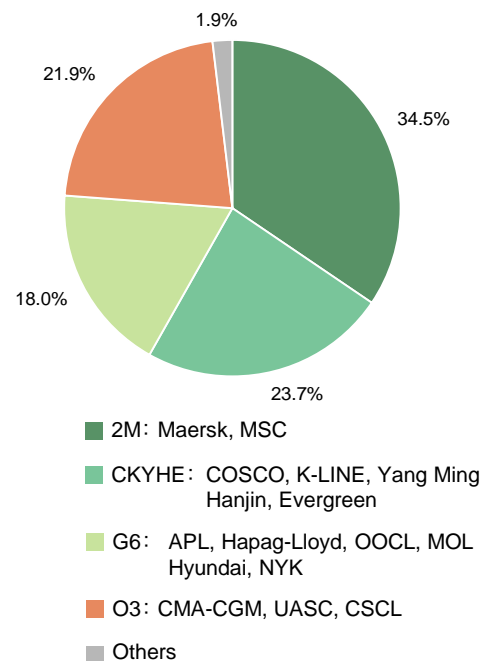
Operator		As of January 1, 2016				As of January 1, 2015			
		Ranking	Vessels	TEUs	Share	Ranking	Vessels	TEUs	Share
Maersk Line	Denmark	1	562	2,874,015	15%	1	576	2,761,939	15%
MSC	Switzerland	2	480	2,669,838	14%	2	464	2,465,309	14%
CMA-CGM	France	3	424	1,802,375	9%	3	423	1,606,808	9%
Evergreen	Taiwan	4	198	957,841	5%	4	196	931,302	5%
Hapag-Lloyd	Germany	5	170	910,415	5%	6	140	718,294	4%
COSCO	China	6	167	858,325	4%	5	173	880,276	5%
CSCL	China	7	128	725,129	4%	7	125	673,292	4%
Hanjin	Korea	8	103	633,807	3%	9	98	599,266	3%
Hamburg-Sud	Germany	9	123	611,993	3%	11	108	524,838	3%
Mitsui O.S.K. Lines	Japan	10	102	574,667	3%	8	113	604,743	3%
OOCL	Hong Kong	11	105	558,256	3%	12	93	497,640	3%
APL	Singapore	12	89	544,385	3%	10	98	570,847	3%
Yang Ming	Taiwan	13	93	527,246	3%	14	89	404,903	2%
NYK Line	Japan	14	96	483,747	2%	13	102	488,323	3%
UASC	6 Gulf Coast Arab nations	15	55	476,304	2%	18	53	339,754	2%
"K" Line	Japan	16	72	407,515	2%	17	70	355,266	2%
HMM	Korea	17	56	385,827	2%	15	57	377,695	2%
ZIM	Israel	18	81	352,956	2%	19	79	327,823	2%
PIL	Singapore	19	134	344,287	2%	16	145	355,877	2%
Wan Hai	Taiwan	20	91	203,475	1%	21	86	188,246	1%
CSAV ¹	Chile					20	44	232,882	1%
Total of top 20 companies		-	3,329	16,902,403	86%	-	3,332	15,905,283	88%
Others		-	1,885	2,788,301	14%	-	1,771	2,235,731	12%
Total			5,214	19,690,704	100%		5,103	18,141,014	100%

Source: Compiled by NYK Research Group based on MDS, IHS-FairPlay.

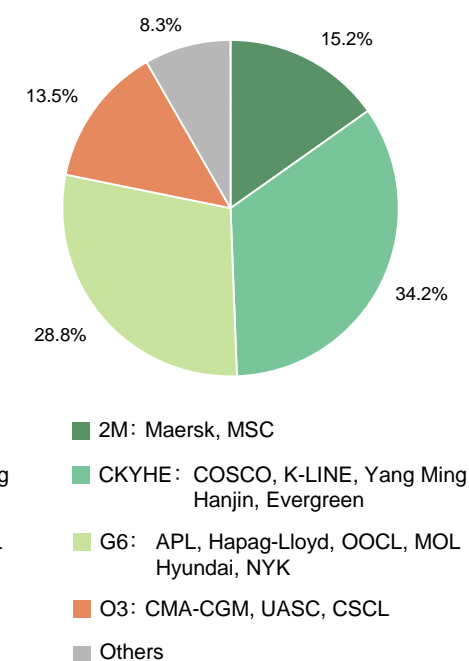
¹ CSAV's container shipping business was merged with Hapag-Lloyd in December 2014.

Share of Megacarriers and Alliances on Core Routes (North America, Europe)

Europe



North America

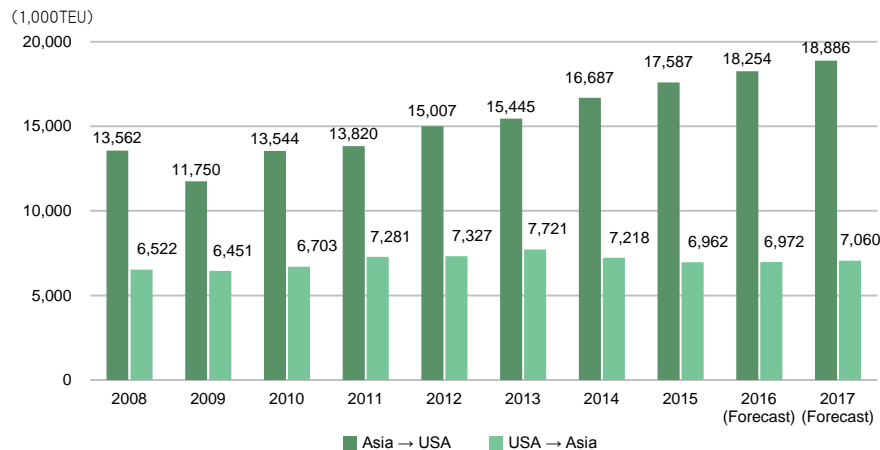


Source: Compiled by NYK Research Group based on Alphaliner March 2016

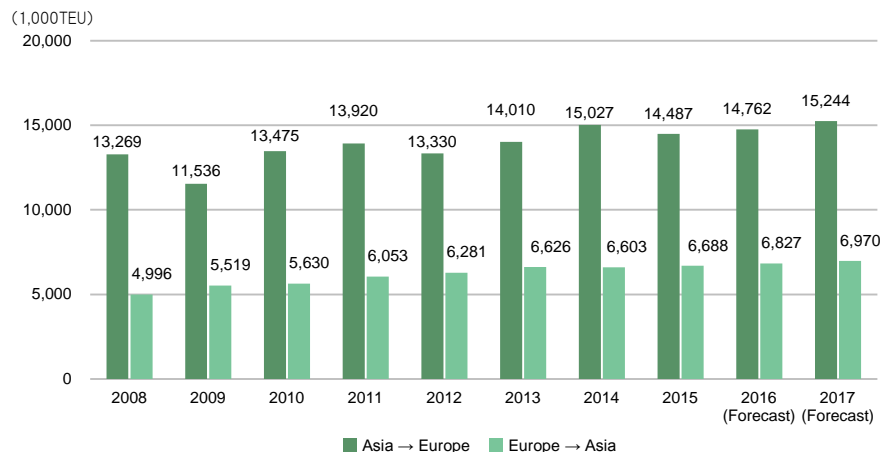
Container Transport

Container Transport Volumes

Asia ↔ USA

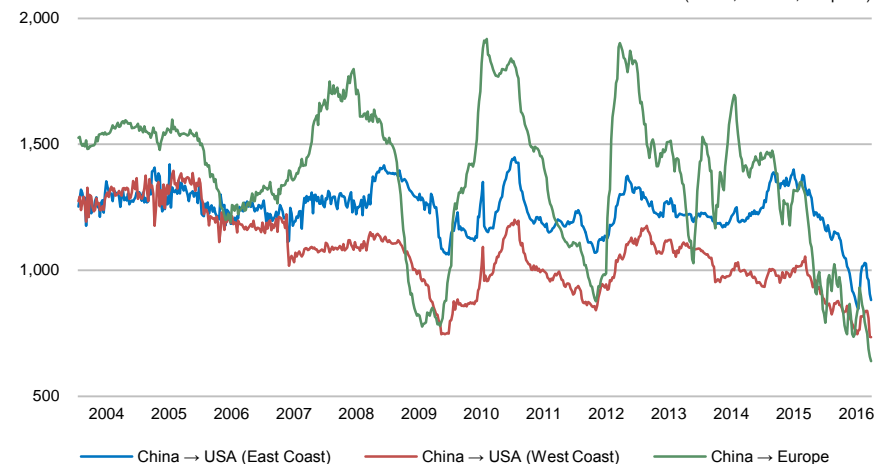


Asia ↔ Europe

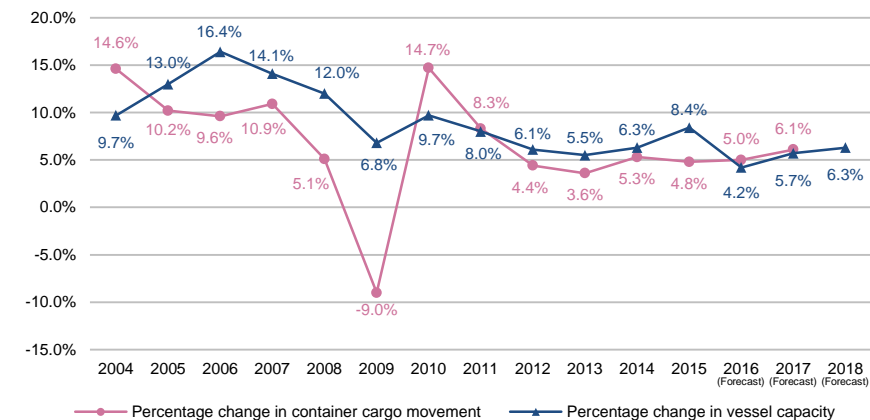


Freight Rates

(Jan. 1, 1998=1,000 point)



Supply-Demand (Year-on-Year Percentage Changes)



Terminal and Harbor Transport Services

Global Container Operator Capacity Ranking

(2014)

Ranking	Operator	Type of Operation	Million TEUs
1	Hutchison Port Holdings	Terminal operator	80.2
2	APM Terminals	Terminal operator	71.7
3	PSA International	Terminal operator	65.2
4	COSCO Group	Terminal operator	64.3
5	DP World	Terminal operator	58.6
6	Terminal Investment Limited	Terminal operator	32.9
7	CMHI	Terminal operator	25.6
8	China Shipping Terminal Development	Shipping company	20.9
9	Hanjin	Shipping company	14.5
10	Eurogate	Terminal operator	14.4
11	CMA CGM	Shipping company	11.4
12	SSA Marine / Carrix	Terminal operator	10.1
13	Evergreen	Shipping company	10.0
14	NYK Line	Shipping company	7.8
15	ICTSI	Terminal operator	7.4

Source: Drewry Global Container Terminal Operators 2015, Drewry Maritime Research

- Notes:
1. Unless stated otherwise, figures include total annual throughput for all terminals in which 10% shareholdings are held.
 2. We have deducted volume handled in stevedoring and barge operations.
 3. Due to the method of calculation utilized, there is some degree of variation between Drewry's figures and the terminal operators' publicly announced results.
 4. Some figures include Drewry forecasts.
 5. Type of Operation is based on Drewry's information.
 6. COSCO includes COSCO Pacific and COSCO Container Line.
 7. Hutchison Port Holdings includes the figure of Hutchison Trust's operation.

NYK's TEUs and Number of Container Terminals (Terminal basis)

Terminal Operations

(CY)	2010	2011	2012	2013	2014	2015
Million TEUs	7.1	6.6	7.3	8.7	9.1	9.2
No. of terminals	15	14	14	15	15	15

Stevedoring Operations

(CY)	2010	2011	2012	2013	2014	2015
Million TEUs	3.2	3.3	3.6	3.5	3.6	3.6
No. of terminals	19	17	17	17	17	17

Terminal Locations
(Location basis)

- Container terminal and stevedoring operations: 23 ports
- RORO ship stevedoring operations: 19 ports
- Other terminal and stevedoring operations: 6 ports



Air Cargo

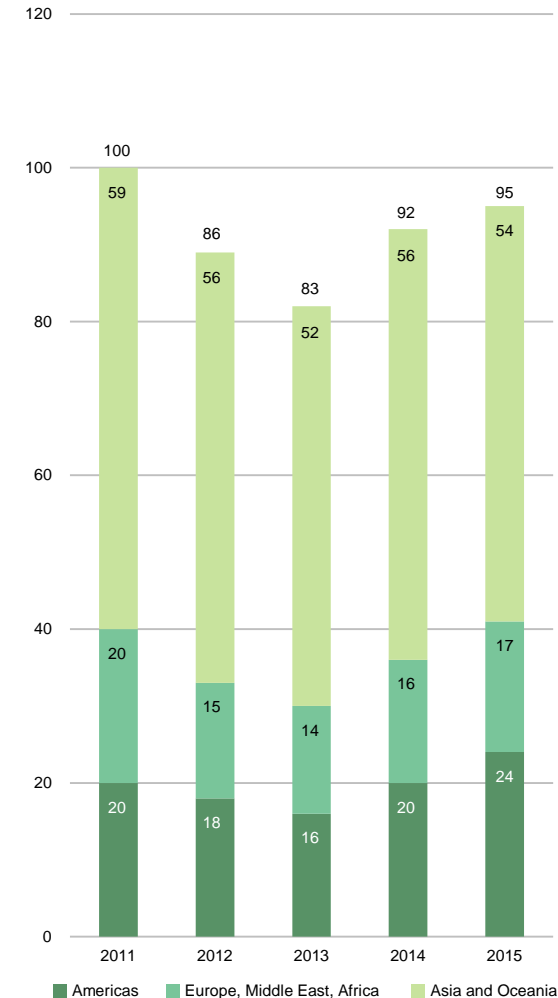
World Air Cargo Major Operator Ranking

Ranking	Company	Capacity (Thousands of Tons)
1	Federal Express	7,127
2	UPS	4,240
3	Emirates Airline	2,288
4	Korean Air	1,519
5	Cathay Pacific Airways	1,498
6	China Southern Airlines	1,333
7	China Airlines	1,296
8	All Nippon Airways	1,206
9	Air China	1,171
10	Qatar Airways	1,158
...		
21	Japan Airlines	625
...		
30	Nippon Cargo Airlines (NCA, NYK Group)	413

Source: IATA International Air Cargo Ranking 2015

Changes in Annual Ex-Japan Air Freight Volumes by Destination Region

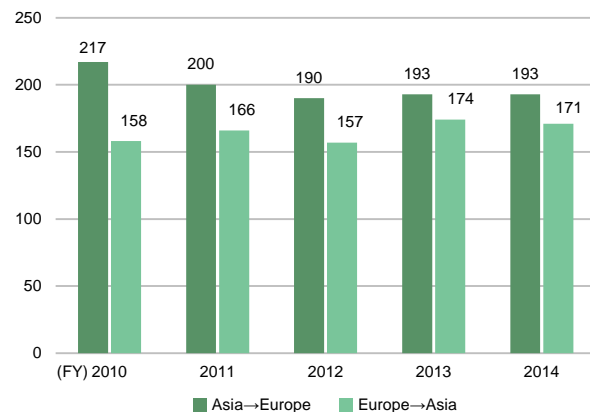
(10,000 deadweight tons)



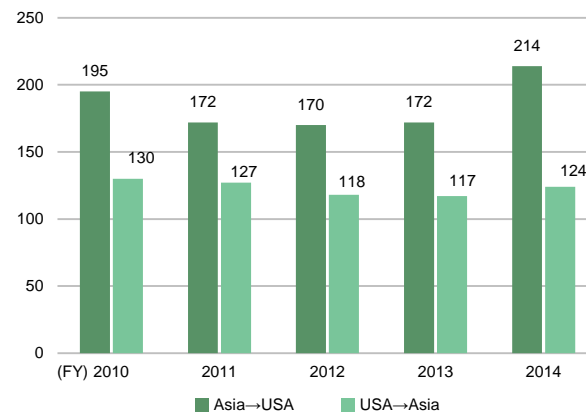
Source: Compiled by NYK Line based on JAFAs results

Asia ↔ USA, Europe Change in Market Volume

(10,000 Ton)



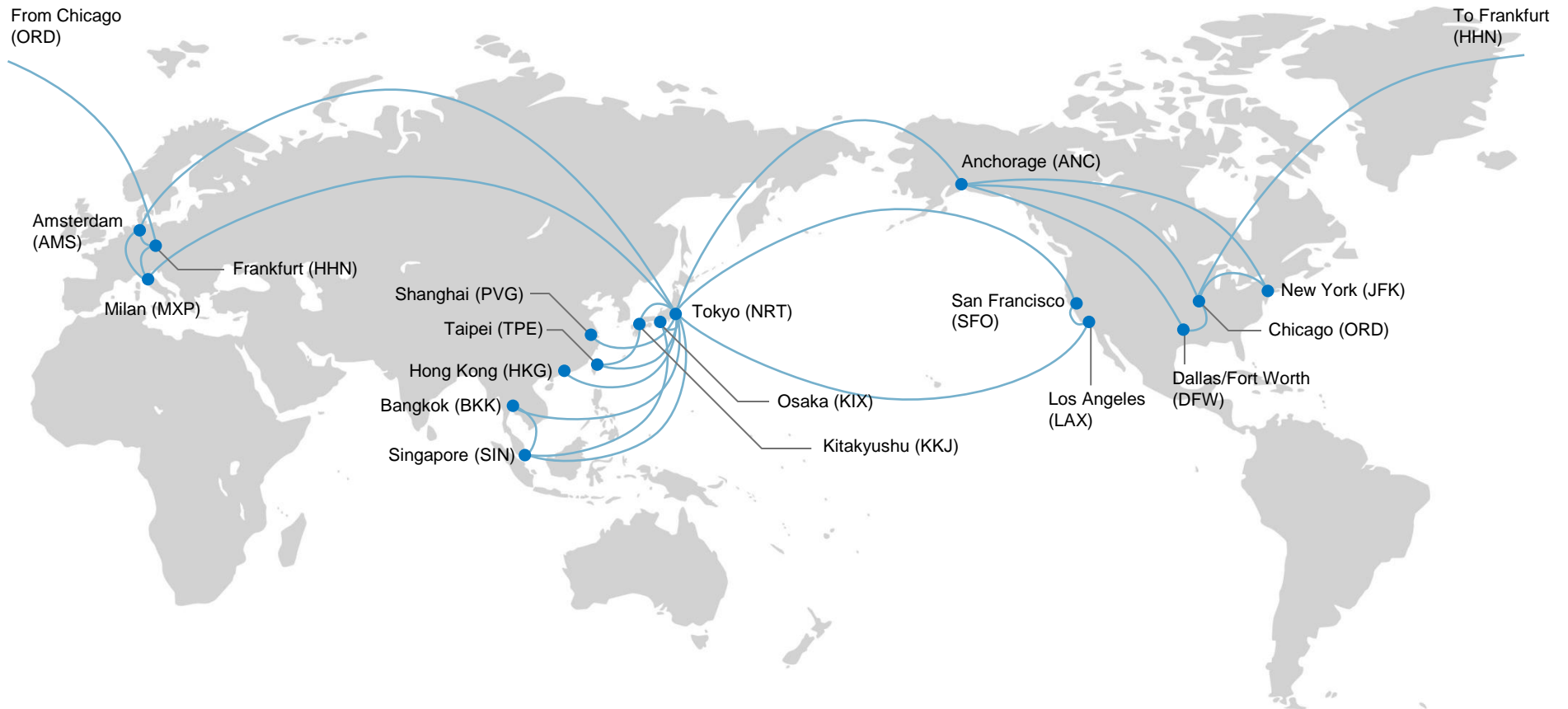
(10,000 Ton)



Source: Compiled by NYK Line based on Seabury Trade Database

Air Cargo

NCA Service Network



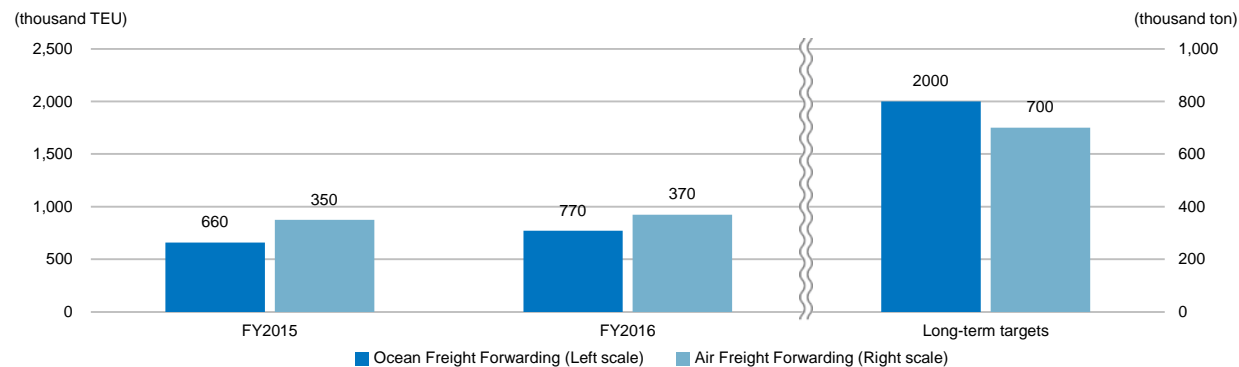
Logistics

Comparison of Global Freight Forwarders (Fiscal 2014)

Provider	Ocean Freight Forwarding (thousand TEU)	Air Freight Forwarding (thousand ton)
DHL Supply Chain & Global Forwarding	2,935	2,272
Kuehne & Nagel	3,820	1,194
DB Schenker	1,983	1,112
Nippon Express	863	654
Panalpina	1,607	858
Sinotrans	2,733	482
Expeditors International of Washington	1,013	823
SDV (Bollere Group)	835	550
CEVA Logistics	706	496
DSV A/S	835	288
UPS Supply Chain Solutions	600	913
Hellman Worldwide Logistics	784	507
Geodis	655	271
Agility	514	373
Yusen Logistics	570	310
UTI Worldwide	528	368
C.H.Robinson	450	115
Kerry Logistics	786	282
Damco	396	190
Kintetsu World Express	396	478

Created by NYK Line based on ARMSTRONG ASSOCIATES, INC.

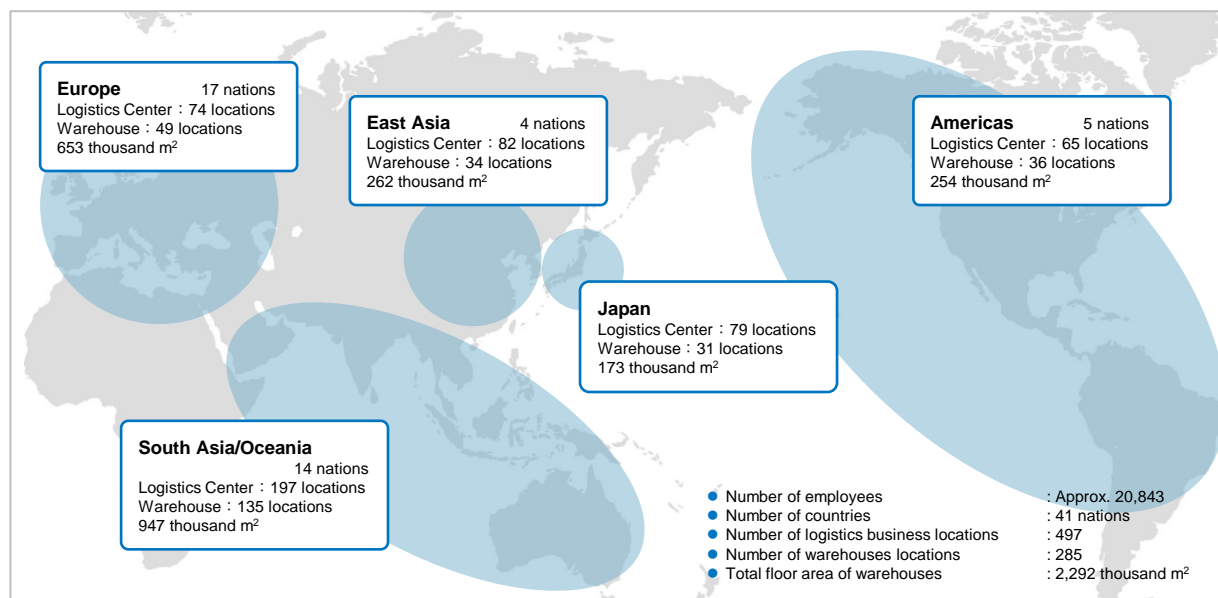
Long-Term Targets for Ocean Forwarding and Air Forwarding



(Yusen Logistics Group Medium-Term Business Plan As of April 2015)

Logistics Center Locations

As of September 30, 2015



Car Transport

Global Car Transport Fleet Ranking

(As of January 1, 2016)

Ranking	Operator	Vessels	Share (%)	Capacity (Cars)	Share (%)
1	NYK	112	15.4%	668,000	16.3%
2	Mitsui O.S.K. Lines	98	13.5%	573,000	14.0%
3	"K" LINE	84	11.6%	471,000	11.5%
4	EUKOR	76	10.5%	504,000	12.3%
5	GRIM	58	8.0%	247,000	6.0%
6	GLOVIS	57	7.8%	337,000	8.2%
7	WWL	52	7.2%	345,000	8.4%
8	HAL	41	5.6%	264,000	6.5%
9	ECL	10	1.4%	38,000	0.9%
10	NEPTUN	9	1.2%	32,000	0.8%
10	UECC	9	1.2%	37,000	0.9%
12	NMCC	8	1.1%	43,000	1.1%
12	SALLAUM	8	1.1%	35,000	0.9%
12	Toyofuji Shipping Co., Ltd.	8	1.1%	43,000	1.1%
15	SCC	6	0.8%	35,000	0.9%
—	Others	67	9.2%	310,000	7.6%
Total		703		3,982,000	

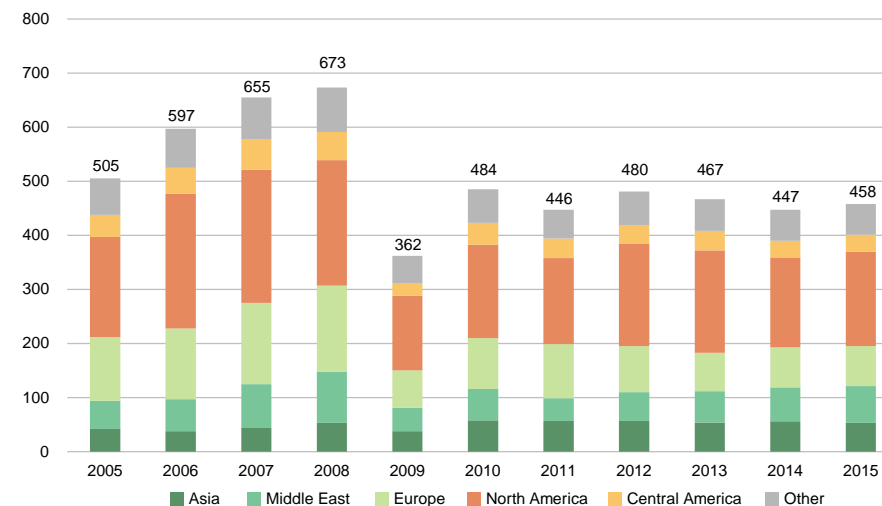
Source: Hoesen Shipping AS, *The Car Carrier Market 2015*

Note: This table includes only vessels with a capacity of 2,000 cars or more.

Japanese Automaker Exports (By Destination)

(Tens of thousands of vehicles)

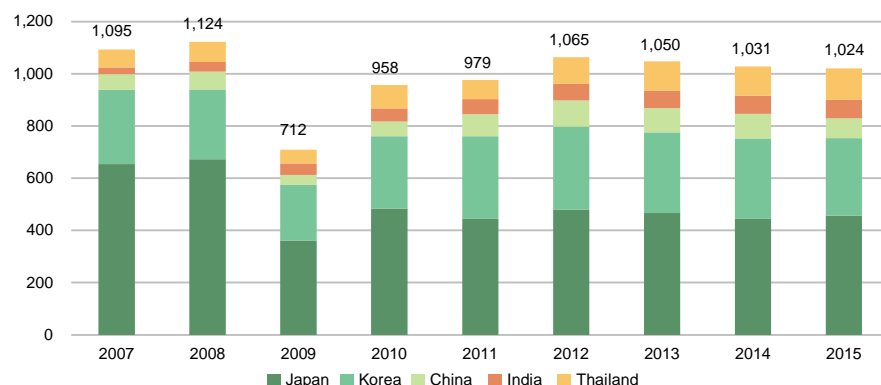
(As of December 31)



Source: Japan Automobile Manufacturers Association, Inc.

Car Exports from Main Asian Countries

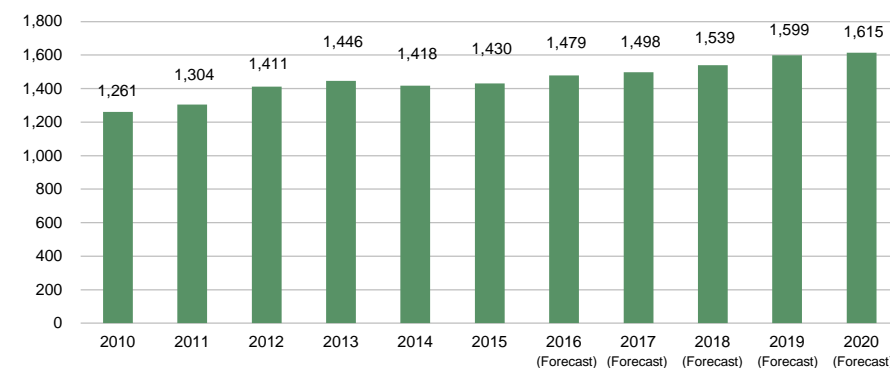
(Tens of thousands of vehicles)



Source: Automobile Manufacturers Association of each country

Worldwide Car Transport Volume

(Tens of thousands of vehicles)



Created by NYK Line Research Group (including estimation)

Bulk Transport

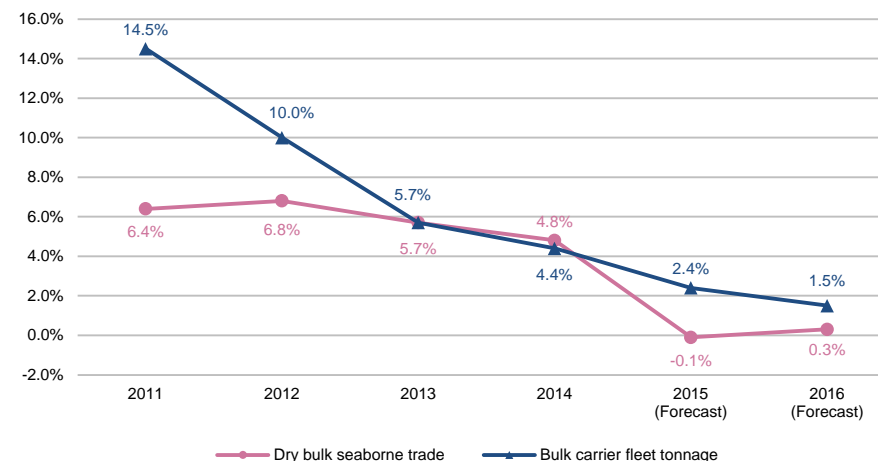
Bulk Carrier Fleet Ranking

(As of January 1, 2016)

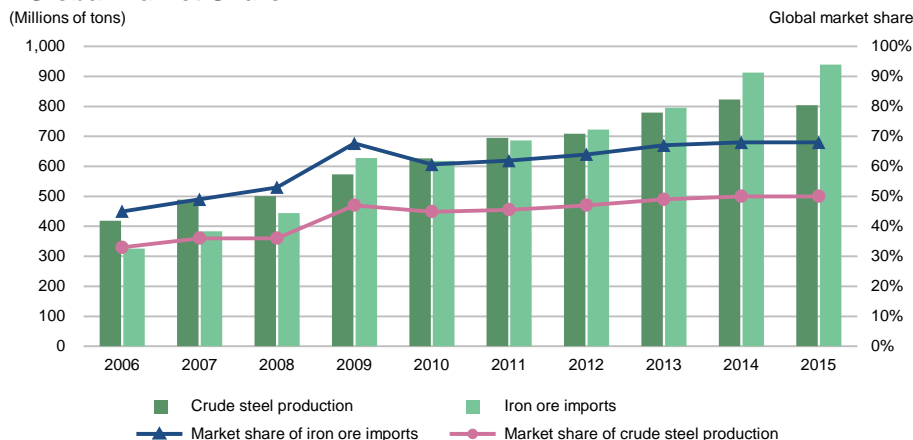
Ranking	Company	Kt (dwt)	Vessels
1	Nippon Yusen Kaisha	20,996	226
2	COSCO Group	19,385	217
3	K-Line	15,703	135
4	China Shipping Group	11,506	134
5	Mitsui O.S.K. Lines	13,150	118
6	Fredriksen Group	9,168	86
7	Mitsubishi Corp	6,991	86
8	Pacific Basin Shpg	3,292	86
9	Imabari Shipbuilding	8,513	86
10	China Merchants Grp	7,924	84
11	Nissen Kaiun K.K.	8,030	81
12	Wisdom Marine Group	3,727	78
13	Star Bulk Carriers	7,362	70
14	Genco Shpg & Trading	5,157	70
15	Navios Group	6,808	68

Source : Compiled by NYK Line based on Clarkson database

Increase in Seaborne Trade and Fleet Tonnage

Source : Compiled by NYK Line referring Clarkson's *Dry Bulk Trade Outlook* (February, 2016)

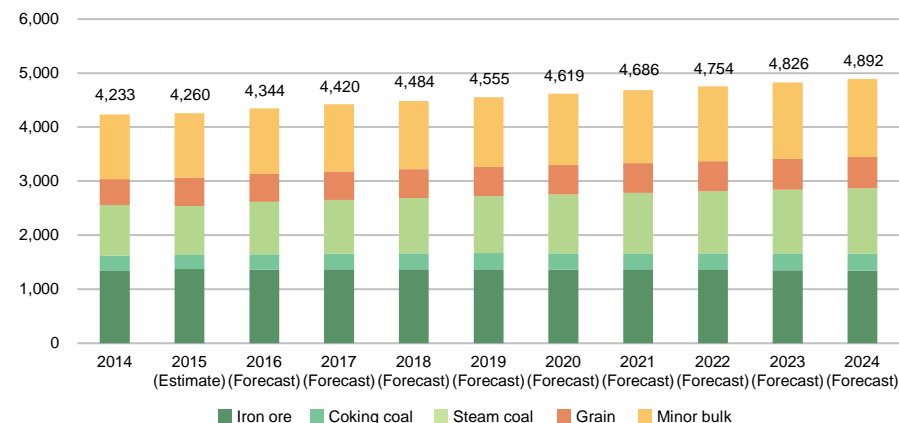
China's Crude Steel Production, Iron Ore Imports, and Global Market Share



Source : Crude steel production: Compiled by NYK Research Group referring data from World Steel Association
 Iron ore imports: Compiled by NYK Research Group referring data from Global Trade Atlas

Volume and Forecast of Dry Bulk Seaborne Trade

(Millions of tons)



Source: After 2015: NYK Research Group

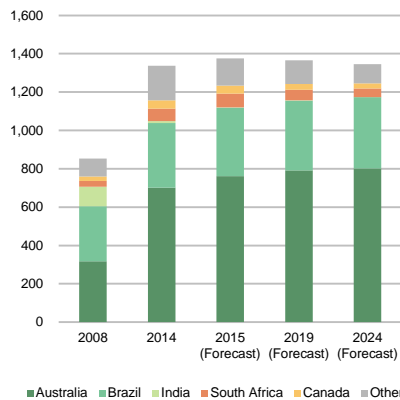
Bulk Transport

Dry Bulk Cargo Export and Import

Export

Iron Ore

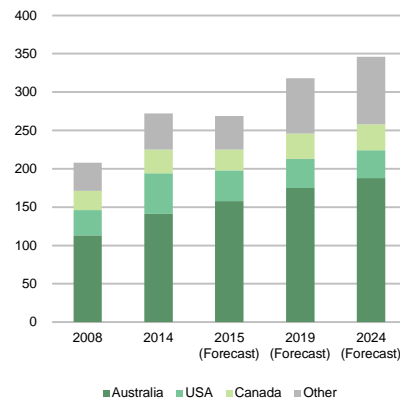
(Millions of tons)



Source : NYK Research Group

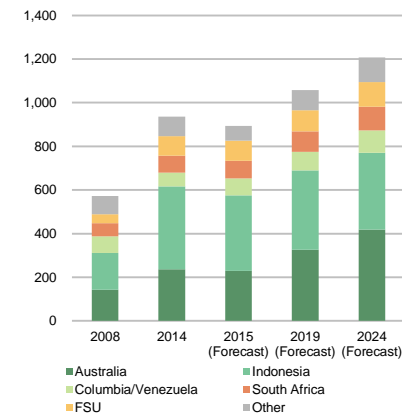
Coking Coal

(Millions of tons)



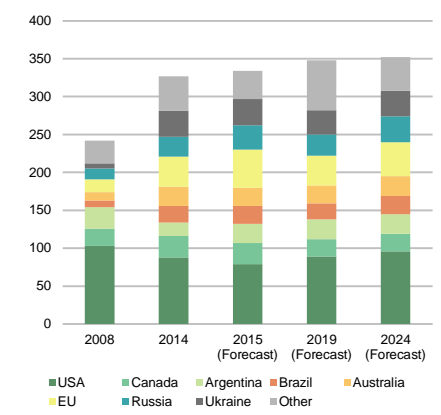
Steaming Coal

(Millions of tons)



Grain

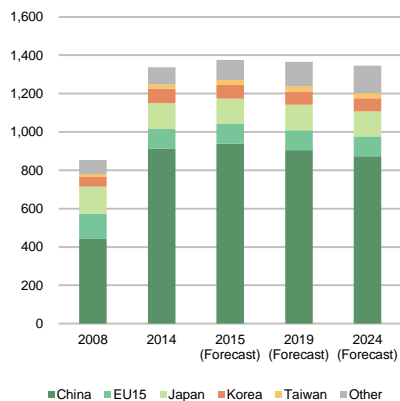
(Millions of tons)

Grain means wheat + coarse grain
Source: NYK Research Group referring USDA

Import

Iron Ore

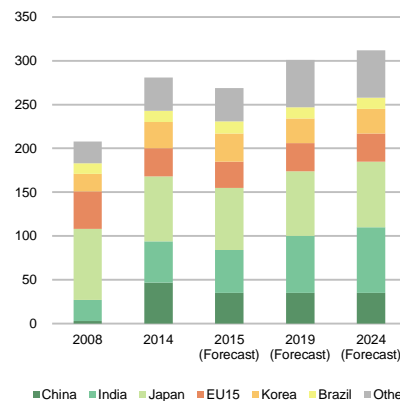
(Millions of tons)



Source : NYK Research Group

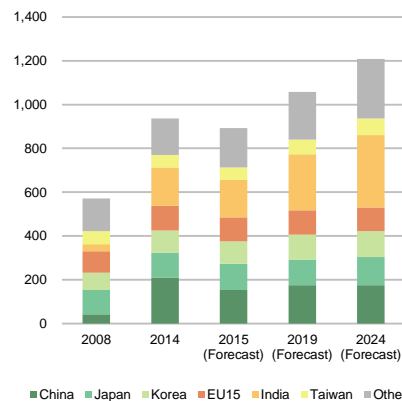
Coking Coal

(Millions of tons)



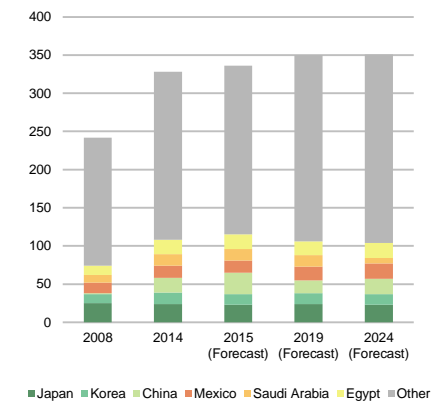
Steaming Coal

(Millions of tons)



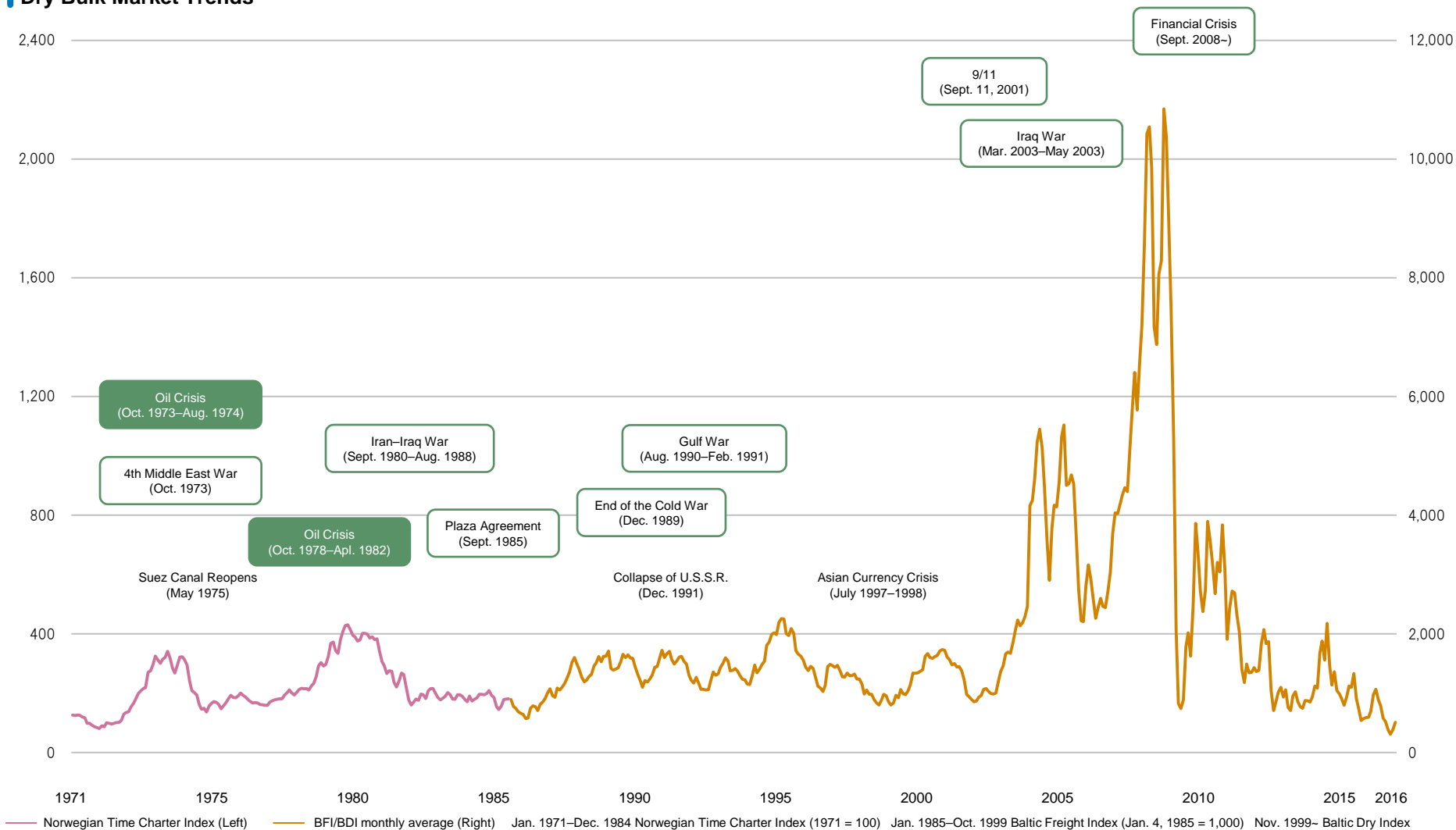
Grain

(Millions of tons)

Grain means wheat + coarse grain
Source: NYK Research Group referring USDA, OECD-FAO

Bulk Transport

Dry Bulk Market Trends



Tankers

Tanker Fleet Ranking

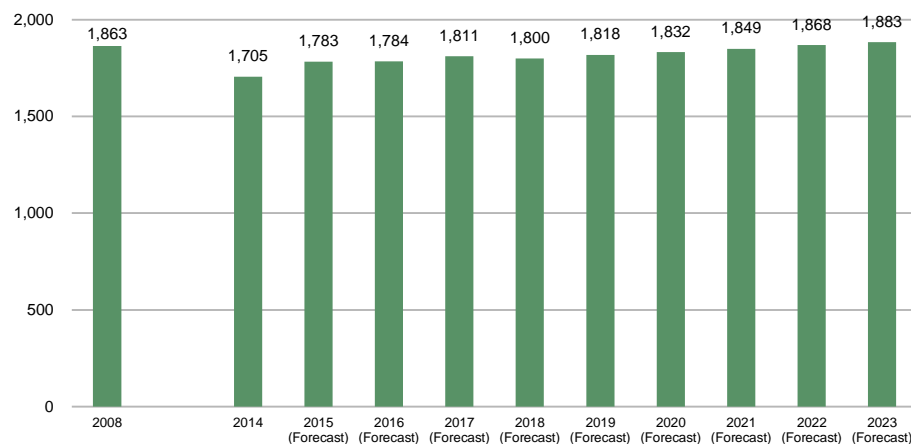
(As of January 1, 2016)

Ranking	Company	Kt (dwt)	Vessels
1	Teekay Corporation	18,275	137
2	Mitsui O.S.K. Lines	14,045	145
3	NIOC	13,520	54
4	SCF Group	12,076	125
5	Euronav NV	11,788	48
6	NYK Line	11,635	86
7	Bahri	11,209	62
8	China Merchants Grp	11,153	41
9	Fredriksen Group	10,912	55
10	Angelicooussis Group	10,680	41
11	Petronas	9,475	74
12	Dynacom Tankers Mngt	8,711	53
13	Ocean Tankers	7,788	87
14	China Shipping Group	7,480	70
15	COSCO Group	7,075	56

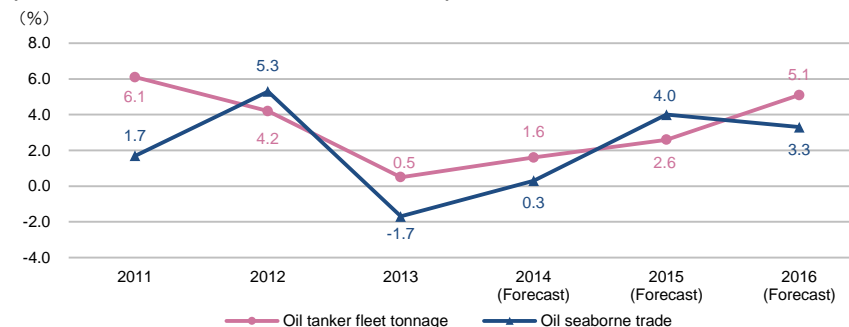
Source : Compiled by NYK Line based on Clarkson database

Volume and Forecast of Crude Oil Seaborne Trade

(Millions of tons)



Source: Prepared by NYK Line based on materials including customs statistics and EIA materials

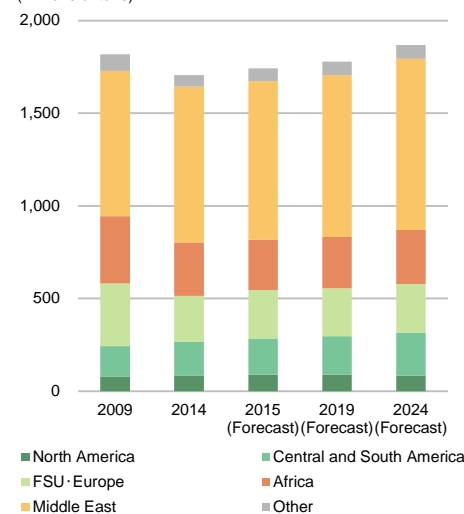
Increase in Seaborne Trade and Fleet Tonnage
(Sum of Crude Oil and Oil Product Tankers)

Source : Compiled by NYK Line referring Clarkson Oil & Tanker Trades Outlook (March, 2015)

Crude Oil Export and Import

Export

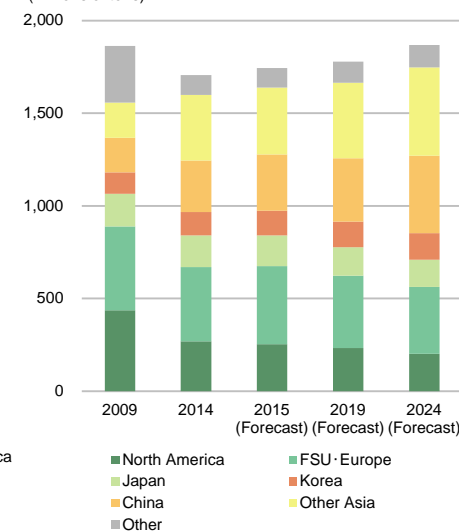
(Millions of tons)



Source: 2014: GTA, After 2015: NYK Research Group

Import

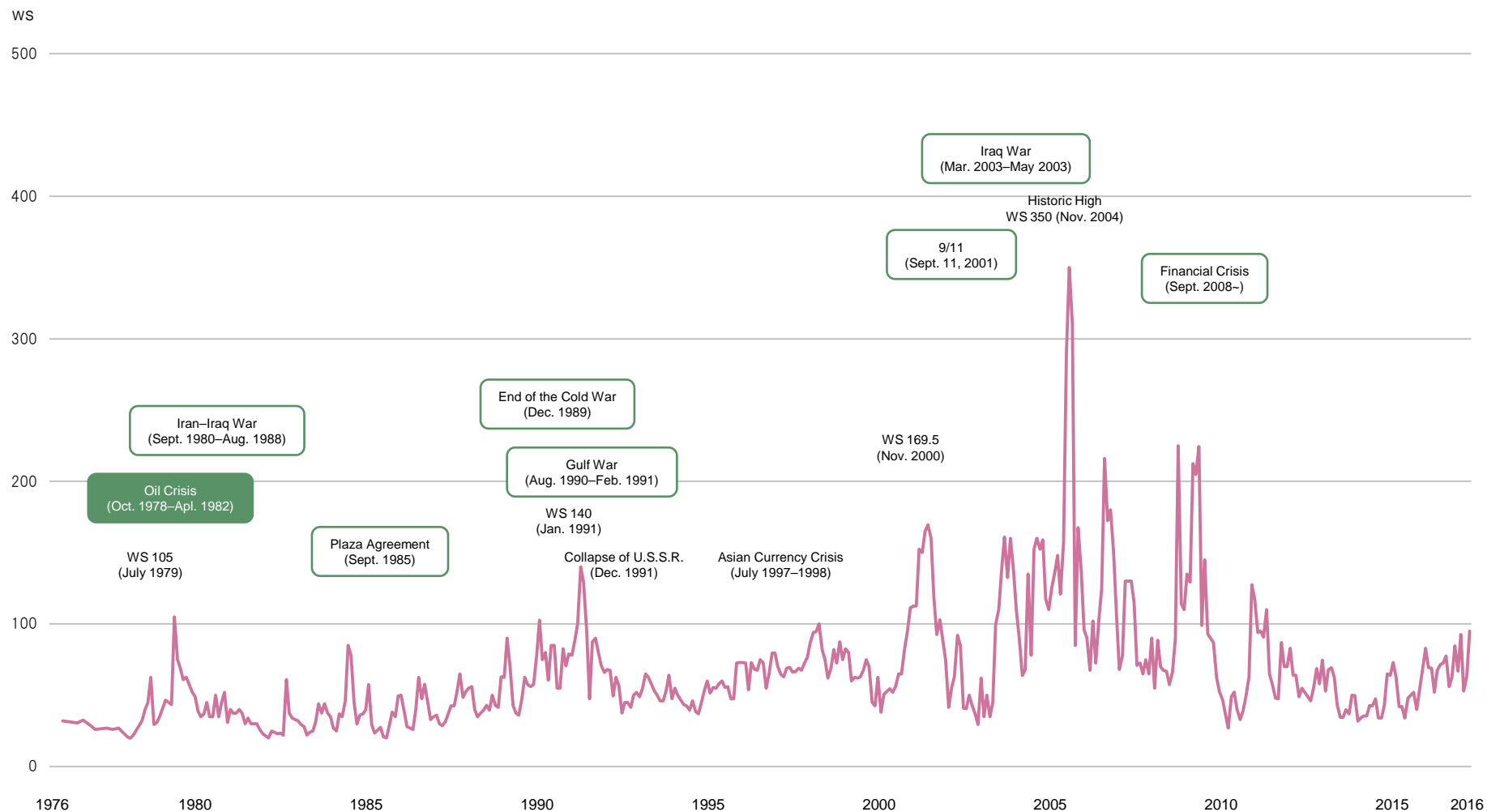
(Millions of tons)



Source: 2014: GTA, After 2015: NYK Research Group

Tankers

Oil Tanker Market (world scale)



LNG Fleets

Comparison of LNG Fleets

(Vessels delivered by End of March, 2016)

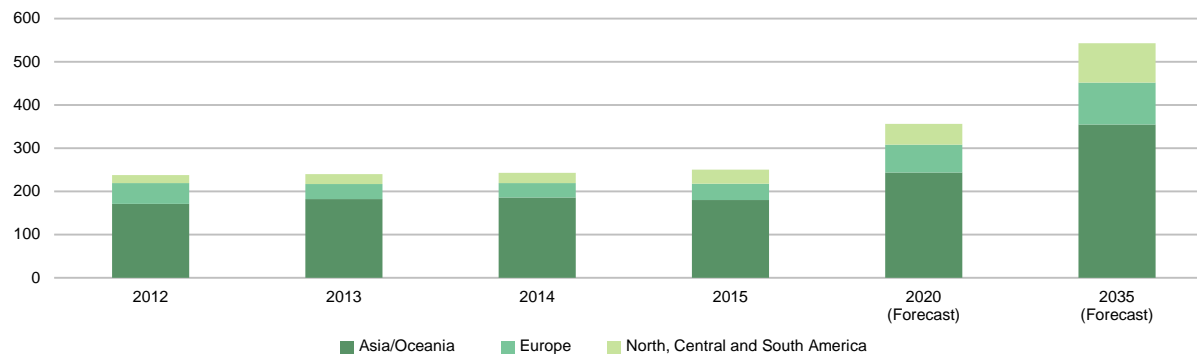
Company	Vessels	Capacity (Thousand cubic meters)	Capacity Share (%)
NYK Line	68	3,932	6.1%
Mitsui O.S.K. Lines	70	3,741	5.8%
"K" Line	43	1,638	2.5%
Other Japanese Shipowners (Shipping & Trading Companies)	56	1,309	2.0%
South Korean Shipowners	27	3,483	5.4%
Buyer (Japanese)	59	4,905	7.6%
Seller/Buyer (Overseas)	72	8,928	13.8%
QGTC	64	9,104	14.1%
MISC	25	3,085	4.8%
Teekay Shipping	31	3,284	5.1%
Bergesen Worldwide	15	1,429	2.2%
Golar	15	2,251	3.5%
Gaslog	13	2,072	3.2%
Marangas	19	2,127	3.3%
Dynagas	11	1,683	2.6%
Excelerate	10	1,480	2.3%
Exmar	16	696	1.1%
Sovcomflot	9	1,107	1.7%
Others	78	8,259	12.8%
Total	691	64,513	100.0%

(Research by NYK)

Note : LNG Tankers are usually co-owned by multiple companies. Number of vessels shown above are counted as one vessel regardless of the ownership percentage of the vessel. Capacity (1,000 Cubic Meters) shown above are assigned to individual companies in accordance with their ownership percentage of each vessel.

LNG Transactions and Demand Forecast by Major Market

(Millions of tons)



Source: Compiled by NYK Line with reference to IHS-CERA Report

LNG Export Countries

2015 Ranking of LNG export countries (mtpa)

Ranking	Country	mtpa	Share (%)
1	Qatar	80.0	32.1
2	Australia	29.4	11.8
3	Malaysia	25.0	10.0
4	Nigeria	20.3	8.1
5	Indonesia	18.5	7.4
6	Trinidad and Tobago	12.5	5.0
7	Algeria	12.1	4.9
8	Russia	10.9	4.4
9	Oman	7.8	3.1
10	Papua New Guinea	7.0	2.8
11	Brunei	6.6	2.6
12	United Arab Emirates	5.6	2.3
13	Norway	4.3	1.7
14	Equatorial Guinea	3.8	1.5
15	Peru	3.7	1.5
Total		249.5	

2035 Ranking of LNG export countries (mtpa) (forecast)

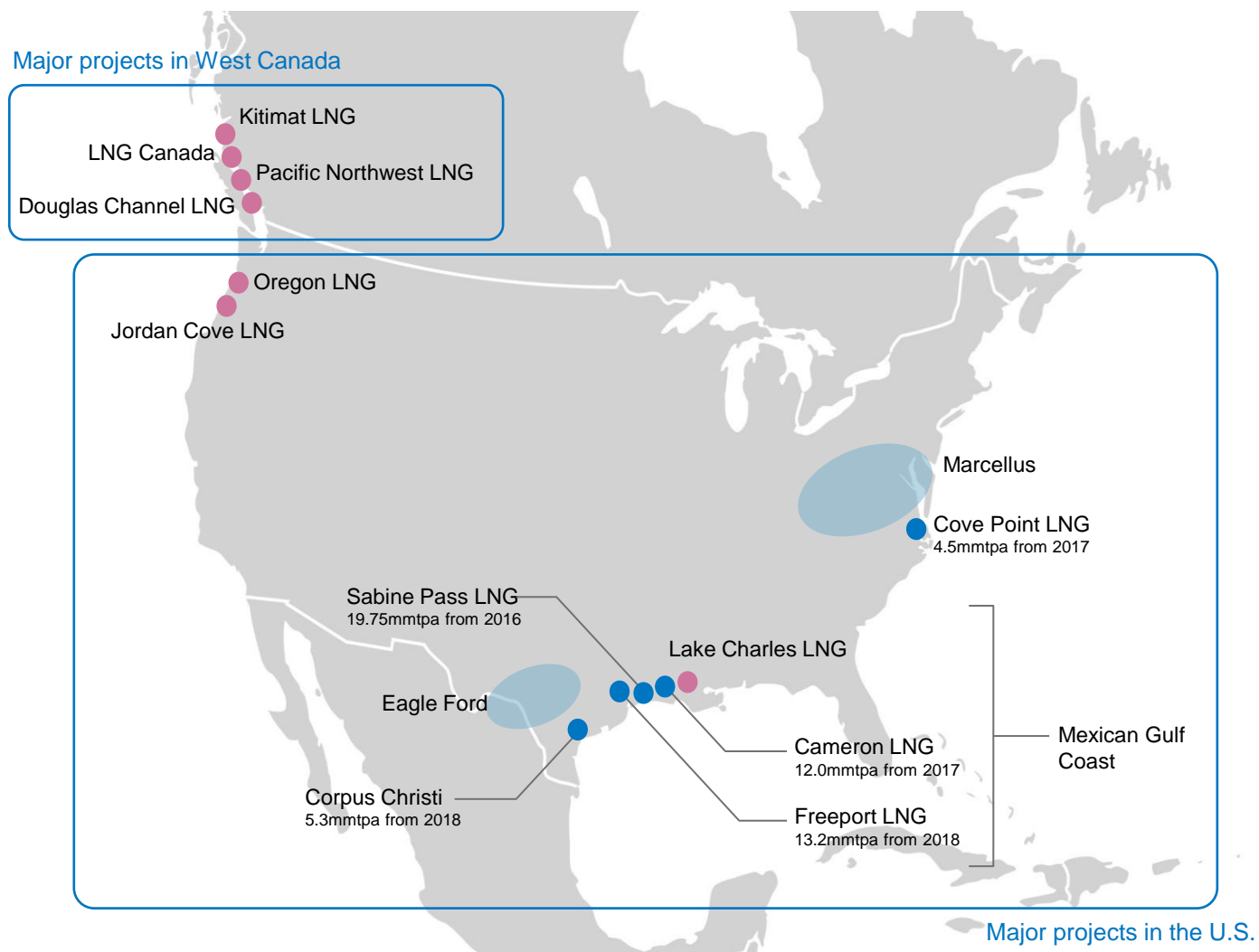
Ranking	Country	mtpa	Share (%)
1	Australia	114.8	21.2
2	Qatar	74.2	13.7
3	U.S.A. (Atlantic)	70.8	13.1
4	Mozambique	48.7	9.0
5	Canada	31.2	5.8
6	Russia (Pacific)	31.1	5.7
7	Nigeria	26.4	4.9
8	U.S.A. (Pacific)	23.3	4.3
9	Indonesia	22.6	4.2
10	Malaysia	20.0	3.7
11	Russia (Atlantic)	19.9	3.7
12	Angola	9.4	1.7
13	Papua New Guinea	9.3	1.7
14	Tanzania	9.0	1.7
15	Algeria	6.1	1.1
Total		542.4	

Source: Compiled by NYK Line with reference to IHS-CERA Report

LNG Fleets

Major Shale Gas Projects in North America

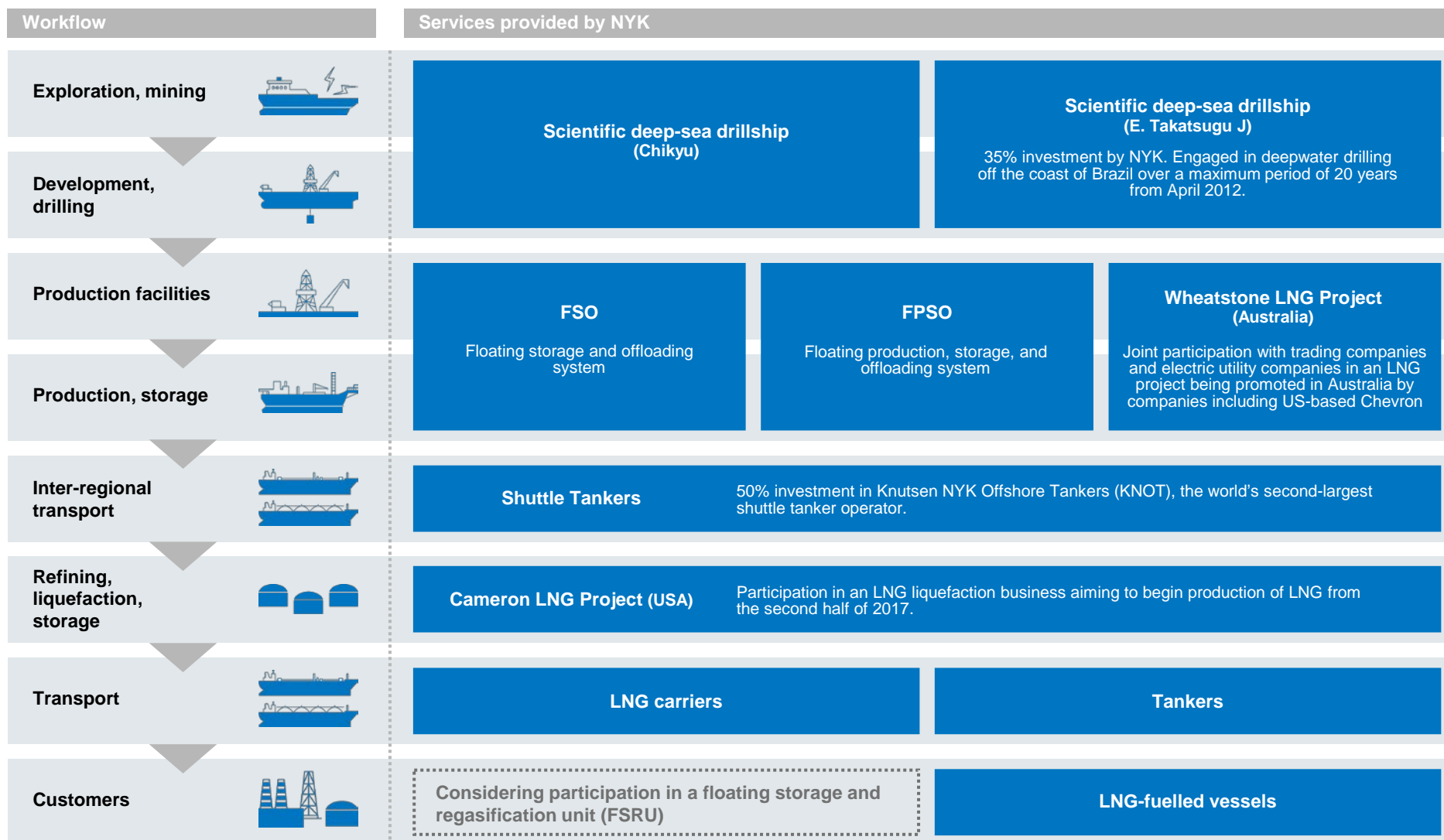
- Final investment decision settled
- Final investment decision postponed or pending



Source : Created by NYK

Offshore Business and LNG Value Chain

Advancing business through consistent services from extraction to customer delivery



Environmental Efforts

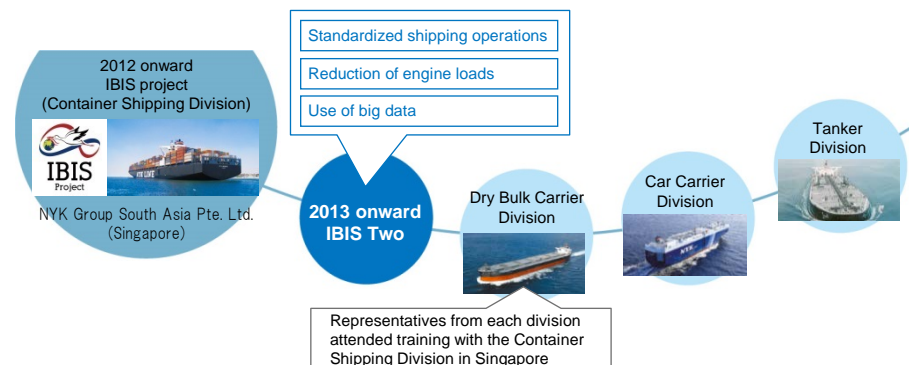
Long-term vision: Contribute to global efforts to cut greenhouse gases in half by 2050

NYK's CO₂ reduction target

- ① Improve fuel efficiency rate to 10% above to fiscal 2010 levels by fiscal 2015
⇒ **Achieved 14.3%, surpassing the target (as of end-fiscal 2015)**
- ② Improve fuel efficiency rate to 15% above fiscal 2010 levels by fiscal 2018

Optimizing Shipping Operations by Utilizing Big Data

We began activities under the Innovative Bunker and Idle-time Saving (IBIS) project on our containerships in 2012 to achieve optimal economics in our shipping operations. Under IBIS, we utilized our Ship Information Management System (SIMS) to share performance-related information in real time, including weather and sea forecasts, data on sea currents, status of ship operations, and voyage plans between the mainland and ships. Further, we realize greater efficiency in optimizing our shipping operations by analyzing and evaluating the big data accumulated through this process. Since fiscal 2013, we have been promoting our IBIS Two project, which applies the knowledge and expertise gained through IBIS to other ship types depending on their respective characteristics and conditions with the aim of further optimizing shipping operations.



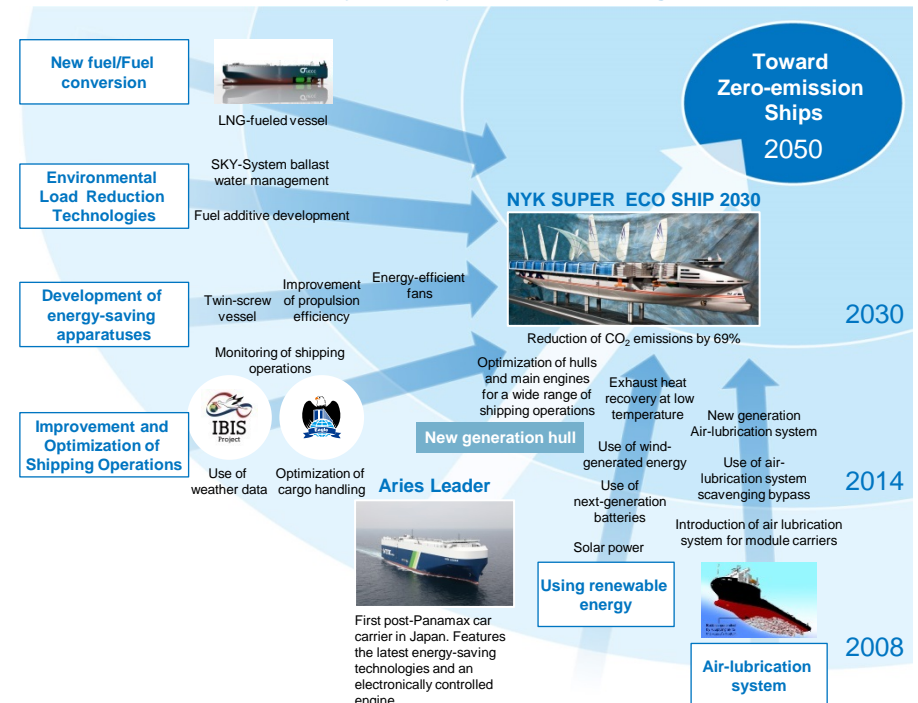
First Steps Toward Changing Fuel to LNG

In August 2015, NYK completed the construction of a tugboat, named "Sakigake," equipped with a dual-fuel engine able to use liquefied natural gas (LNG) as fuel together with fuel oil. Meanwhile, NYK's construction of the world's first LNG car carrier, which will be compliant with the strict environmental regulations in the North Sea and Baltic Sea regions, as well as the world's first LNG bunkering vessel is scheduled for completion in the second half of 2016. In addition, we have decided to participate in the LNG fuel sales business in Europe. We are projecting that the use of LNG as fuel will enable reductions of approximately 30% of CO₂ emissions, approximately 80% of NO_x emissions, and 100% of SO_x emissions compared to use of fuel oil to date.

Development of Fuel-Efficient Vessels for the Future

We are progressing with development toward realization of the on-board technologies of our future concept ship, the NYK Super Eco Ship 2030, in key categories including (1) new generation hulls and complementing energy-saving apparatuses, (2) air lubrication systems, and (3) renewable energy usage.

Roadmap for Environmentally Friendly Vessel Technologies



Safety on the Sea

PLAN

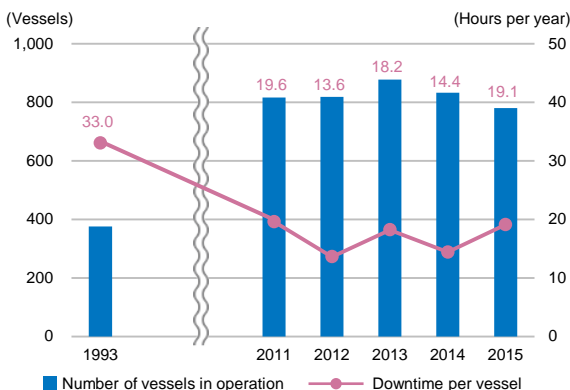
Safety promotion system

Each year, the Safety and Environmental Management Committee, chaired by the president reviews activities for the previous year and sets targets and guidelines for the next year.

Using downtime to measure safety

We use the time that ships are stopped due to accidents or problems as an indicator to measure the degree to which we have achieved safe ship operations. Our sea and land operations work together to bring us closer to the target of zero downtime.

Hours of Delay per Vessel



Emergency response network

We have created an emergency response network^{*1} to prepare for maritime accidents and problems no matter where they occur in the world.

DO

Safety campaigns

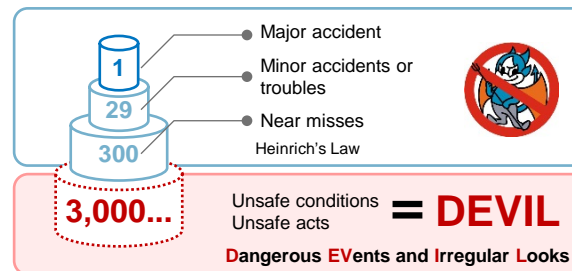
Every year, we conduct the *Remember Naka-no- Se*^{*2} safety campaign in the summer and the *Sail on Safety*^{*3} campaign in the winter.

Emergency response exercises

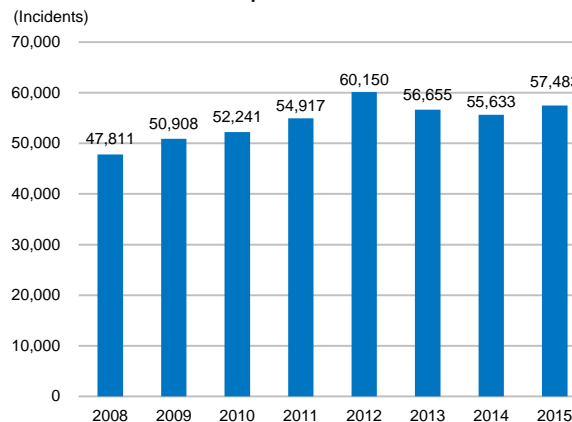
We conduct regular training to increase the ability of our employees to respond to accidents.

Near Miss 3000 activities

Inspired by Heinrich's Law^{*4}, we conduct *Near Miss 3000* activities on board our ships as a proactive program to prevent accidents before they occur. We have developed this program from a near-miss level to create what we call *DEVIL Hunting*^{*5} activities that seek to eliminate accidents by identifying and addressing situations that are precursors to often overlooked problems. Further, we expanded the scope of the program to cover the entire NYK Group in 2006, and it also covers our partner shipowners and ship-management companies.



Number of Near Misses Reported



CHECK

NAV9000



In 1998, the NYK Group introduced *NAV9000*, which is a rigorous, self-imposed ship safety management system, in order to fulfill our responsibilities in terms of safety and environmental protection. This system requires ships, shipowners, and ship management companies to disclose information on safe ship operations and adhere to NYK standards for both ships we own and chartered vessels.

Breakdown of NAV9000 Audits (2012-2015)

	2012	2013	2014	2015
Ship audits	292	317	303	300
Company audits	35	35	31	30

ACT

Identification of causes and improvements toward achieving our objectives

We use information on accidents in order to prevent their recurrence. We notify the fleet immediately when accidents occur, and follow up through means including safety bulletins^{*6} that issue instructions to prevent recurrence once we have identified the causes and formulated countermeasures.

^{*1} Emergency Response Network

Our emergency response network divides the world into six regions. This enables us to respond quickly and minimize damage in the event of any accident or problem anywhere on the seas.

^{*2} Remember Naka-no-Se Campaign

We conduct this campaign every July, the month in which an oil spill occurred from the very large crude oil carrier Diamond Grace at Naka-no-Se in Tokyo Bay in 1997, to ensure that the lessons from the spill are not lost.

^{*3} Sail on Safety Campaign

We conduct this campaign over the winter months of December and January with a primary focus on rough weather safety.

^{*4} Heinrich's Law

A formula regarding work-related accidents stating that there are 29 minor accidents and 300 near misses behind every major accident.

^{*5} DEVIL Hunting

DEVIL is an acronym derived from Dangerous Events and Irregular Looks. The purpose of these activities is to eliminate precursors and factors behind accidents at the very early stages before a major event occurs.

^{*6} Safety Bulletins

We publish a safety information journal to raise awareness and issue instructions to the entire fleet on piracy, terrorism, and other matters of concern in voyages as well as causes of accidents and problems and prevention measures.

Evaluation by Outside Stakeholders

NYK Selected for DJSI for 13th Consecutive Year

The Dow Jones Sustainability Index (DJSI)* is one of the major global stock indexes for socially responsible investment (SRI) and chooses companies through a selection process that is based on independent international standards of corporate environment sustainability and social responsibility.

* DJSI: Developed jointly by S&P Dow Jones Indices, a U.S.-based publisher of business and financial news and information, and RobecoSAM AG, a Swiss-based company that conducts CSR research and ratings.

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

NYK Selected for FTSE4Good Index for the 13th Straight Year

The FTSE4Good Index* is one of the two leading indexes for investors who are concerned about corporate social responsibility. The other major index is the DJSI.

* FTSE4Good Index: Launched by the UK-based FTSE Group, which is jointly owned by the Financial Times and the London Stock Exchange.

NYK Again Included in the MS-SRI

The Morningstar Socially Responsible Investment Index (MS-SRI) is the first socially responsible investment index in Japan. Morningstar Japan K.K. selects 150 companies from among approximately 3,600 listed companies in Japan, and NYK has been a part of this index every year since 2004.

**NYK Included in Climate Disclosure Leadership Index for a Fourth Consecutive Year**

NYK has been included in the CDP**'s Climate Disclosure Leadership Index (CDLI) for a fourth consecutive year.

* The CDP is an international, not-for-profit organization providing the only global system to measure, disclose, manage, and share vital environmental information. The CDP harnesses the power of market forces, including 822 institutional investors with assets of US\$95 trillion, to collect information from companies on their greenhouse gas emissions and assessment of climate change and other issues related to the environment.



NYK Group Mission Statement

Basic Philosophy

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.

Management Policy

Together with Our Customers

Through the use of our extensive skill and expertise and by considering each business site to be of utmost importance, we always work to create new value so that our customers will consider us a trusted and reliable partner.

Together with Our Shareholders and Investors

We aim to enhance our corporate value by being financially responsible and by conducting business activities in an open, honest, and transparent fashion.

Together with Society

As a good corporate citizen, we positively take on the tough issues that challenge our society, such as concerns involving the preservation of our natural environment, as we work for the betterment of the world that we inhabit.

Together with All Staff Members in the NYK Group

As a global enterprise that has the utmost respect for diversity in the workplace and the spirit of challenge, we emphasize the development of employee talents so that all staff members can take pride in their work and eventually fulfill their dreams.

NYK Group Values

“Integrity” “Innovation” “Intensity”

NYK Business Credo

Founded in 1885, Nippon Yusen Kabushiki Kaisha (NYK Line) has become a leader in global marine transport by meeting challenges head on and achieving steady growth.

NYK recognizes our role in providing safe and reliable services for a broad range of trade and commercial activities that are the basis for developing the world's economies and cultures.

Our safety and environmental initiatives are our highest priority. We work tirelessly to improve our services in ways that are useful to society, and making every effort to meet our customers' expectations and maintain their trust.

In all of our business activities, both domestic and international, we respect human rights, comply with laws and ordinances and adhere to international rules and their underlying spirit. We meet the highest ethical standards to ensure that our business activities contribute to the sustainable development of society.

In our daily business, we follow the "NYK Business Credo":

1	Good-faith business activities	We respect national competition laws, engage in business practices that are fair, transparent, freely competitive, and appropriate, and do not tolerate bribery or corruption in any form. We work hard to keep the good relationships we have built with our shareholders, investors, and other stakeholders.
2	Environmental and safety initiatives	In all of our business activities we undertake initiatives to enhance safety and to preserve the marine environment and natural ecosystems. Through these efforts we hope to achieve sustainable growth and to develop and refine safe, environment-friendly transportation technologies.
3	Enhanced security	We have established strong security measures to prevent the disruption and abuse of international logistics networks. We strictly prohibit any type of illegal activity and the unauthorized access and leakage of information.
4	Compliance with laws and ordinances, respect for human rights	We recognize our role in society and act in a manner that is fair and just by complying with national laws and ordinances and international norms. We believe that corporate activities should adhere to social mores, respect human rights, honor local customs and practices, and address the concerns and interests of stakeholders.
5	Exclusion of antisocial activities	We resolutely stand against all antisocial forces and organizations that threaten the order and safety of civic life.
6	Disclosure of information and communication with society	We disclose corporate information in a proactive and fair manner, emphasizing communication not only with shareholders but with society at large. We rigorously protect and manage the privacy and personal information of our customers, employees and everyone involved in our business activities.
7	Social contribution activities	We proactively contribute to social activities as a good corporate citizen.
8	Preservation of favorable work environments	We respect the diversity, individuality, and humanity of employees and facilitate the activities of a diverse workforce. We make every effort to preserve favorable work environments.

Top management recognizes our role in achieving the spirit of this credo. We are committed to ensuring that the ideals set forth in this document are practiced by Nippon Yusen Kabushiki Kaisha and its group companies. We encourage our business partners to act accordingly, and have established effective internal systems to accomplish this. We acknowledge our responsibility and obligation to quickly and accurately identify the causes and take measures to prevent recurrence in the event of a violation of a law or ordinance or other act that contravenes this credo.

Formulated December 19, 1997

Revised August 26, 2004

Revised April 1, 2011

History of NYK Group

History

Global Logistics Matter

Bulk Shipping Matter

Management Plan Matter

Others

1885	Yubin Kisen Mitsubishi Kaisha and Kyodo Unyu Kaisha merge on September 29 to form Nippon Yusen Kaisha (NYK); new company inaugurates operations on October 1 with a fleet of 58 steamships.
1945	Only 37 vessels, totaling 155,469 gross tons, remain after World War II.
1951-1957	Resumed liner services to Bangkok, New York, Seattle, Europe and others.
1959	Crude Oil Tanker, Tanba Maru, commissioned
1960	Iron Ore Carrier, Tobata Maru, commissioned.
1962	World's first large LPG carrier, Bridgestone Maru commissioned.
1964	NYK and Mitsubishi Shipping Co. Ltd. merge; newly enlarged NYK Group owns 153 vessels of 2,287,696 deadweight tons.
	World's first chip carrier, Kure Maru, commissioned.
1968	Hakone Maru, Japan's first fully containerized ship, begins service on new California route.
	Near Seas and domestic coastal services transferred to Kinkai Yusen Kaisha Ltd.
1969	Car Carrier, Toyota Maru No.5, commissioned.
	NYK Line (Hong Kong) Ltd. and NYK (Thailand) Co. Ltd. established.
1971	Container service to Europe begins.
1978	NYK, three other Japanese shipping companies, and All Nippon Airways Co. Ltd. established Nippon Cargo Airlines (NCA).
	NYK Line (Singapore) Pte. Ltd. established.
1983	LNG shipments from Indonesia to Japan initiated.
1985	Double-stack container train service begins between Los Angeles, Chicago, and Cincinnati in cooperation with Southern Pacific Transportation.
	NYK Line (North America) Inc. established.
1988	Hong Kong Logistics Center completed.
	NYK Bulkship (USA) Inc., and NYK Bulkship (Europe) Ltd. established.
1989	NYK Line (Europe) Ltd. Established. Bangkok, Los Angeles, and Sydney logistics centers open.
1990	World-class luxury cruise ship Crystal Harmony begin service.
	Nippon Liner System Co. Ltd. Acquired.
1991	Los Angeles and Oakland container terminals open.
	Laem Chabang (Thailand) Container Terminal opens.
	NYK Line (Australia) Pty. Ltd. and NYK Shipping (N.Z.) Ltd. established.
1992	Kaohsiung (Taiwan) Container Terminal opens.
	Liner service begins between the west coast of South America and Europe.
1993	Double-hull tanker Takamine Maru completed.
	NYK Line (Deutschland) GmbH, NYK Line (Benelux) B.V., and NYK Line (Sverige) AB established.
1994	Kobe and Yokohama container terminals open.
1995	NYK Line (China) Co. Ltd. established.
1996	New container service by the Grand Alliance for the United States and Europe trades starts.
	LNG Shipments from Qatar to Japan initiated.
1998	NYK and Showa Line Co. Ltd. merge, adding three owned vessels of 549,031 deadweight tons and 75 chartered vessels of 6,140,134 deadweight tons to the shipping lineup.

1998	Introduction of NAV9000, a rigorous self-imposed safety management system
1999	Liner Division and Car Carrier Division obtain ISO 9002 certification.
2000	NYK 21 "New Millennium Declaration" an in-depth analysis of medium and long term management challenges announced.
	NYK Logistics (China) Co. Ltd. established.
2001	NYK Shipmanagement Co. Ltd. established in Singapore.
2002	NYK (including chartered fleet) obtains ISO14001 certification, world's first for a shipping company.
	Ceres Terminals Inc. in the United States acquired.
	NYK 21 "Forward 120," the company's medium and long-term group management vision, announced.
2003	NYK Logistics (Europe) Ltd., a united logistics company, established.
	Invests in Dalian Port Car-carrier Terminal.
	All NYK logistics subsidiaries uniformly rebranded as "NYK Logistics."
2004	MTI (Monohakobi Technology Institute) established for the development of new technology.
	New medium-term management plan, "New Horizon 2007," released.
2005	Nippon Cargo Airlines (NCA) becomes a consolidated subsidiary of NYK.
	NYK Lauritzen Cool AB established.
	Luxury cruise ship Asuka II to cover Japanese market began service.
2006	Local trade headquarters in Sao Paulo established for container transport operations for South Africa and Central/South America service routes.
2007	NYK-TDG Maritime Academy opens in the Philippines.
	New Horizon 2010, the company's new medium-term management plan, released.
2008	Auriga Leader, a solar-power-assisted vessel, completed.
	Emergency Structural Reform Project "Yosoro".
2009	Exploratory design for NYK Super Eco Ship 2030.
	Participation in project for ultra-deepwater drillship to be chartered by Petrobras.
	Headquarter function of Liner Trade segment's transferred from Tokyo to NYK Group South Asia Pte. Ltd. in Singapore.
2010	Yusen Logistics established to integrate the NYK Group's logistics.
	Two module carriers equipped with an Innovative air-lubrication system delivered.
	NYK invested in Knutsen Offshore Tankers ASA and entered into offshore shuttle tanker business.
	New medium-term management plan, "More than shipping 2013", released.
2011	NYK participated in FPSO business for Petroleo Brasileiro S.A. in Brazil.
	The members of Grand and The New World alliances create The G6 Alliance and cooperate for new Asia-Europe container services.
2012	NYK jointly participates in wheatstone LNG project in Australia.
2013	NYK Bulk & Projects Carriers Ltd. began operations.
2014	New medium-term management plan, "More than shipping 2018", released.
2015	NYK Line issues its Corporate Governance Guidelines

Investor Information (As of March 31, 2016)

Head Office	3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005, Japan Phone: +81-3-3284-5151 Web site: http://www.nyk.com/english/
Closing Date	The Company's books are closed on March 31 each year.
Ordinary General Meeting of Shareholders	The ordinary general meeting of shareholders is held in late June each year.
Common Stock	Number of authorized shares: 2,983,550,000 Number of issued and outstanding shares: 1,700,550,988
Stock Listing	NYK's shares are listed for trading on the following stock exchanges: the first sections of Tokyo and Nagoya exchanges.
Number of Shares per Unit	The Company's stock is traded in units of 1,000 shares each.
Share Registrar and Special Management of Accounts	Mitsubishi UFJ Trust and Banking Corporation Head office: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan Contact information: Transfer Agency Department, 10-11, Higashisuna 7-chome, Koto-ku, Tokyo 137-8081, Japan Phone: +81-3-5391-1900
Public Notices	The Company's public notices are available through electronic distribution. http://www.nyk.com/koukoku/ However, in the event that electronic distribution is impossible, due to an accident or other unavoidable circumstances, the Company's public notices will appear in the <i>Nihon Keizai Shimbun</i> , published in Tokyo, Japan.
Independent Auditor	Deloitte Touche Tohmatsu Head office: MS-Shibaura Building, 13-23, Shibaura 4-chome, Minato-ku, Tokyo 108-8530, Japan

Ratings

Rating and Investment Information, Inc.	A-
Japan Credit Rating Agency, Ltd.	A+
Moody's Japan K.K.	Baa2

Principal Shareholders

Shareholder	Number of shares held
Japan Trustee Services Bank, Ltd. (Trust Accounts)	102,463,000
The Master Trust Bank of Japan, Ltd. (Trust Accounts)	98,235,000
Mitsubishi Heavy Industries, Ltd.	41,038,312
Meiji Yasuda Life Insurance Company	34,473,267
Tokio Marine and Nichido Fire Insurance Co., Ltd.	28,945,788
STATE STREET BANK WEST CLIENT - TREATY 505234	23,293,901
Japan Trustee Services Bank, Ltd. (Trust Accounts 7)	22,987,000
THE BANK OF NEW YORK MELLON SA/NV 10	22,188,488
Japan Trustee Services Bank, Ltd. (Trust Accounts 6)	18,400,000
Japan Trustee Services Bank, Ltd. (Trust Accounts 5)	18,397,000

Stock Price Range (Tokyo Stock Exchange)

