

FACT BOOK I 2017

Segment Business Data **Ticker code: 9101** April 28, 2017

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.

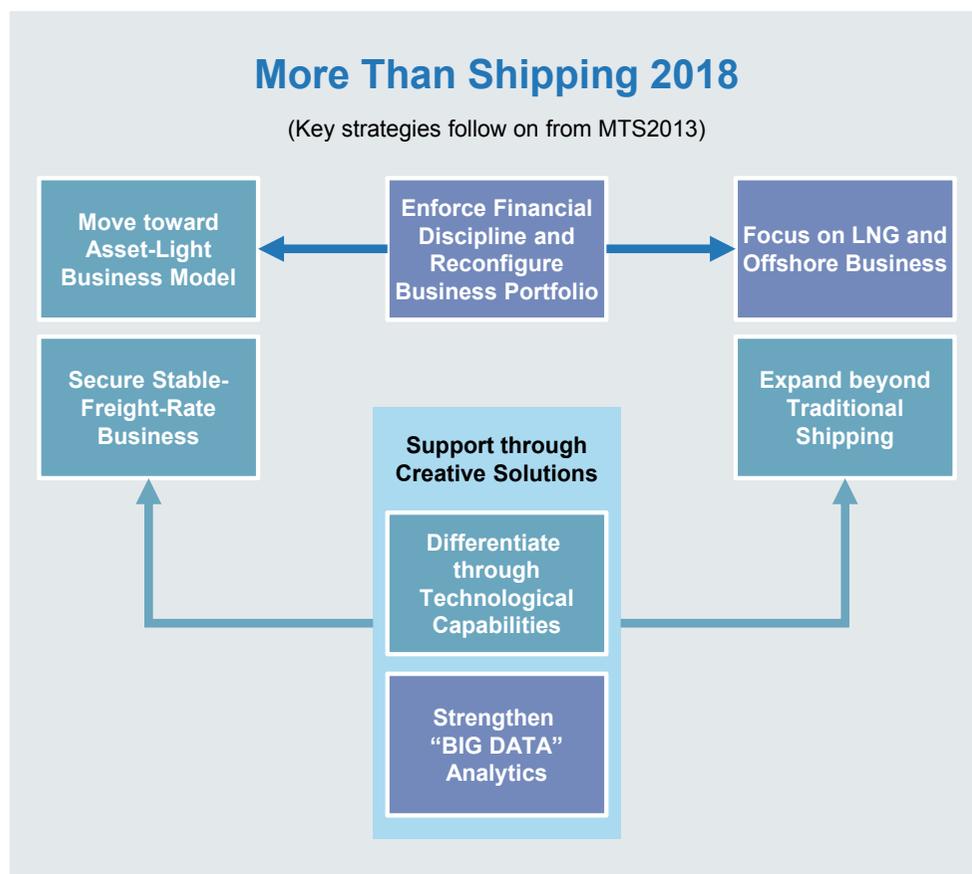
NYK Group Values

“Integrity” “Innovation” “Intensity”

Businesses and Strategy	NYK Group Sets New Medium-Term Management Plan, “More Than Shipping 2018” — Stage 2, Leveraged by Creative Solutions —	3
	NYK Group Fleet	4
	Integration of the Container Shipping Business with Two Other Shipping Companies	5
	Business Strategies	6
	Offshore Business and LNG Value Chain	7
	Performance Highlights	8
	Financial Highlights	9
	Revenues and Recurring Profit by Industry Segment	10
Business Segment Data	Container Transport	11
	Terminal and Harbor Transport Services	13
	Air Cargo	14
	Logistics	16
	Car Transport	17
	Bulk Transport	18
	Tankers	21
LNG Fleets	23	
Corporate Information	Environmental Efforts	24
	Safety on the Sea	25
	Corporate Governance	26
	Evaluation by Outside Stakeholders	27
	History of NYK Group	28
	Investor Information	29

Notes: 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”)



Objectives Over the Five Years of the Management Plan



Notes: Due to substantial changes in its operating environment and an agreement to integrate its container shipping business with those of two other companies, NYK terminated the fiscal 2018 profit and financial targets of its five-year medium-term management plan, More than Shipping 2018—Stage 2: Leveraged by Creative Solutions, which was announced in March 31, 2014, and commenced in April of the same year. Nevertheless, NYK regards the basic strategies of the current medium-term management plan as pertinent, and will carry out measures based on those strategies going forward.

NYK Group Fleet

NYK Group Fleet

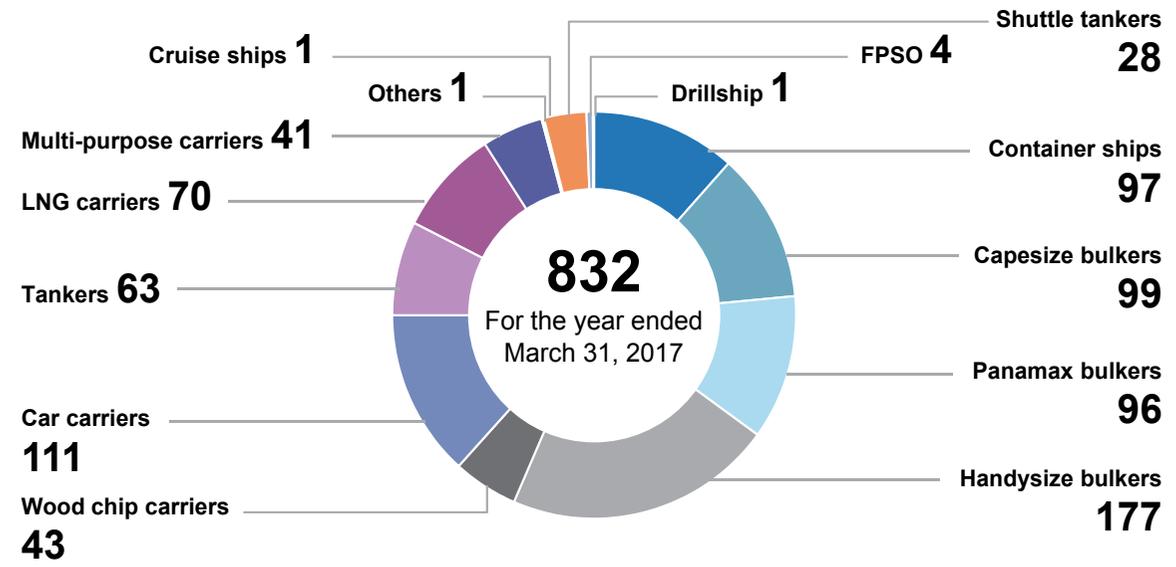
The classification of the business segment	Type of Vessel	As of March 31, 2015				As of March 31, 2016				As of March 31, 2017					
		Owned (Incl. Co-Owned)	Chartered	Total		Owned (Incl. Co-Owned)	Chartered	Total		Owned (Incl. Co-Owned)		Chartered		Total	
		Vessels	Vessels	Vessels	Kt (dwt)	Vessels	Vessels	Vessels	Kt (dwt)	Vessels	Kt (dwt)	Vessels	Kt (dwt)	Vessels	Kt (dwt)
Liner Trade	Container Ships	20	84	104	5,991	19	80	99	5,820	27	1,791	70	4,306	97	6,097
	Capesize bulkers ^{*1}	36	87	123	23,861	31	77	108	21,248	27	5,252	72	14,317	99	19,570
	Panamax bulkers ^{*2}	42	71	113	9,542	40	65	105	8,853	39	3,489	57	4,689	96	8,179
	Handysize bulkers ^{*3}	67	105	172	7,848	58	106	164	7,557	56	2,623	121	5,633	177	8,257
Bulk Shipping	Wood chip carriers	8	40	48	2,558	8	39	47	2,509	9	460	34	1,861	43	2,321
	Car carriers	28	95	123	2,215	30	89	119	2,165	31	537	80	1,473	111	2,010
	Tankers	47	21	68	11,313	47	21	68	11,030	42	7,673	21	2,406	63	10,080
	LNG carriers	66	3	69	5,416	65	3	68	5,349	67	5,400	3	228	70	5,629
	Multi-purpose carriers	15	32	47	758	17	24	41	688	21	393	20	294	41	688
	Others	1	0	1	7	1	0	1	7	1	7	0	-	1	7
Other Businesses	Cruise ships	1	2	3	21	1	0	1	7	1	7	0	-	1	7
Total		331	540	871	69,530	317	504	821	65,233	321	27,637	478	35,211	799	62,849
Offshore business <small>* Including vessels owned by equity method affiliates</small>	Shuttle tankers	28	0	28	3,159	28	0	28	3,159	28	3,279	0	-	28	3,279
	FPSO	1	0	1	-	2	0	2	-	4	-	0	-	4	-
	Drillship	1	0	1	-	1	0	1	-	1	-	0	-	1	-
Grand total		361	540	901	72,689	348	504	852	68,392	354	30,917	478	35,211	832	66,128

Proceed with the integration of the container shipping business

Reinforce asset-light strategy for dry-bulk carriers

Focus on LNG and offshore business

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



Integration of the Container Shipping Business with Two Other Shipping Companies

The announcement of integrating container shipping business

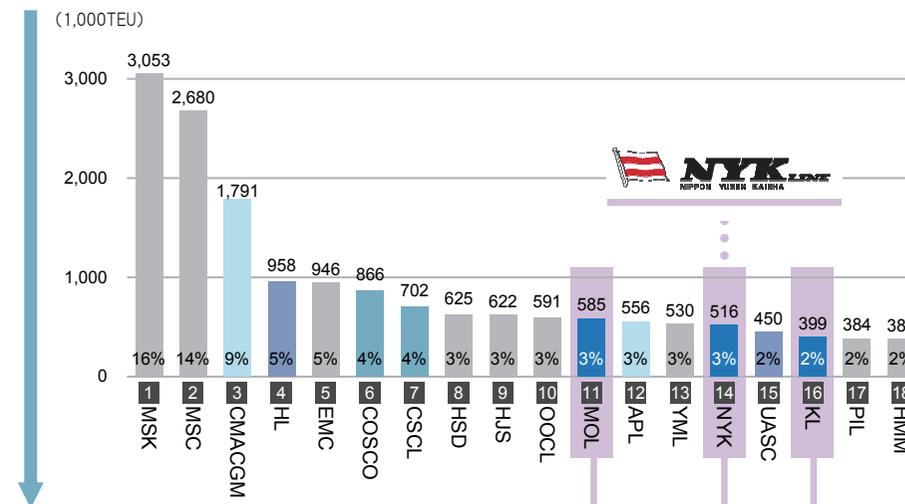
NYK Line announced on 31st October 2016, subject to related authorities' approval, to integrate container shipping business with Kawasaki Kisen Kaisha, Ltd., Mitsui O.S.K Lines, and establish an J/V on an equal footing (including terminal operating business excluding Japan).

April 1st, 2018rs/ Contribution Ratio	Kawasaki Kisen Kaisha: 31% Mitsui O.S.K Lines: 31% NYK: 38%
Amount of Contribution	Approx.300 Billion JPY (Including fleets, share of terminals as investment in kind)
Business Domain	Container Shipping Business (Including terminal operating business excluding Japan)
Fleet Size	Approx. 1.4 Million TEU*, 6th in the market with approx.7% of global share Note:1. Figures are as of October,2016 Note:2. Figures exclude order book of approx.360,000TEU
Establishment of JV (Planned)	July 1st, 2017
Service Start (Planned)	April 1st, 2018

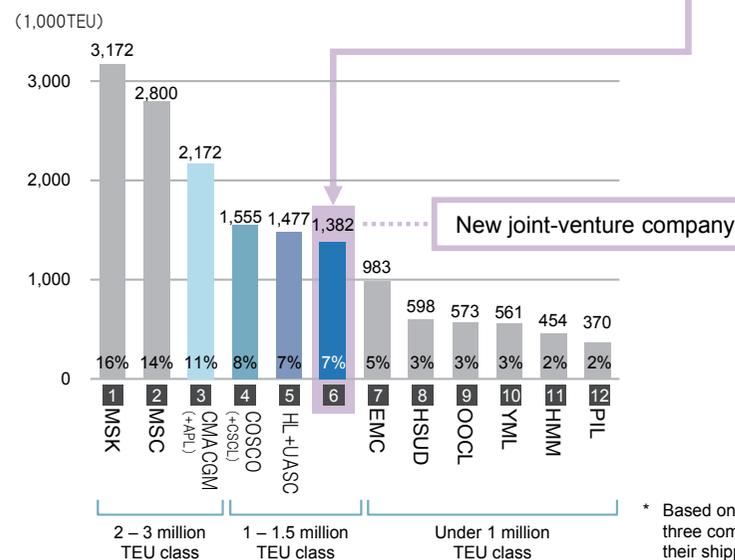
Operating Environment of the Container Shipping Business

(Competitive Conditions Changed as Acquisitions and Mergers Expand Scale of Market Players)

Container Shipping Capacity as of September 2015



Container Shipping Capacity as of October 2016



* Based on data disclosed by the three companies integrating their shipping businesses

The aim of the Joint-Venture

By strengthening the global organization and enhancing the liner network, we will be able to provide higher quality services and unlock new value in order to exceed our client's expectation.



Best Practice

Creation of more synergy and Enhancement of operational efficiency by integration of each company's best practice

Larger Business Size

Achievement of economy of scale by bringing three companies' business

Synergy of Approx.110B JPY/year

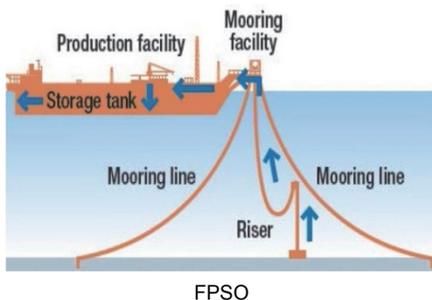
Profit stabilization by accomplishment of synergy of approx.110 B JPY/year

Business Strategies

Energy Transport

LNG Transport

- 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

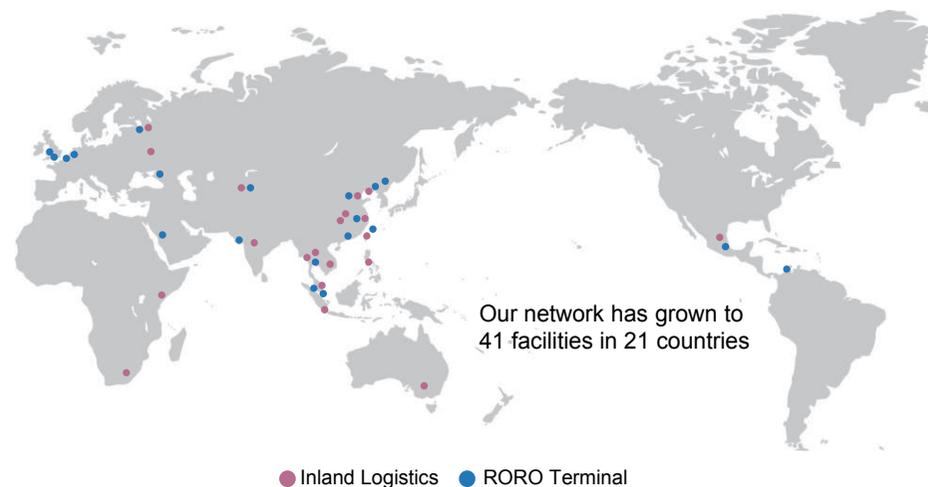
*7 Engineering, Procurement, and Construction (EPC)

*8 Exclusive Economic Zone

Auto Logistics

Provide logistics to support the shift by automakers to global production while expanding the NYK Group's main network

As of April, 2017

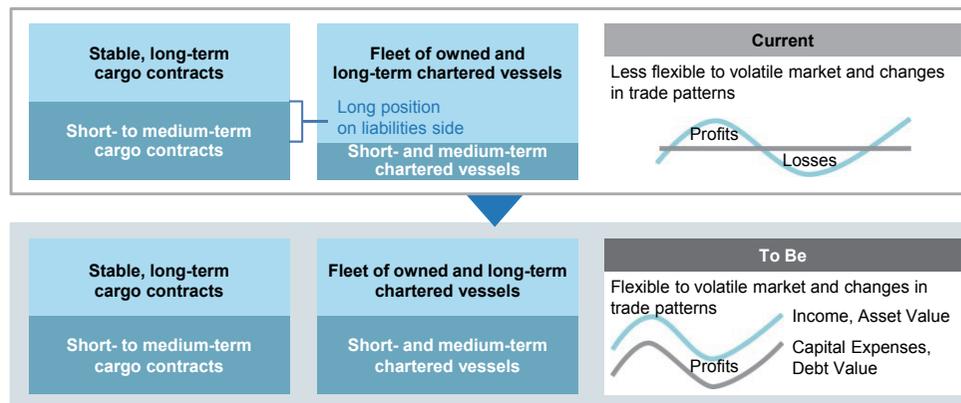


Our network has grown to 41 facilities in 21 countries

● Inland Logistics ● RORO Terminal

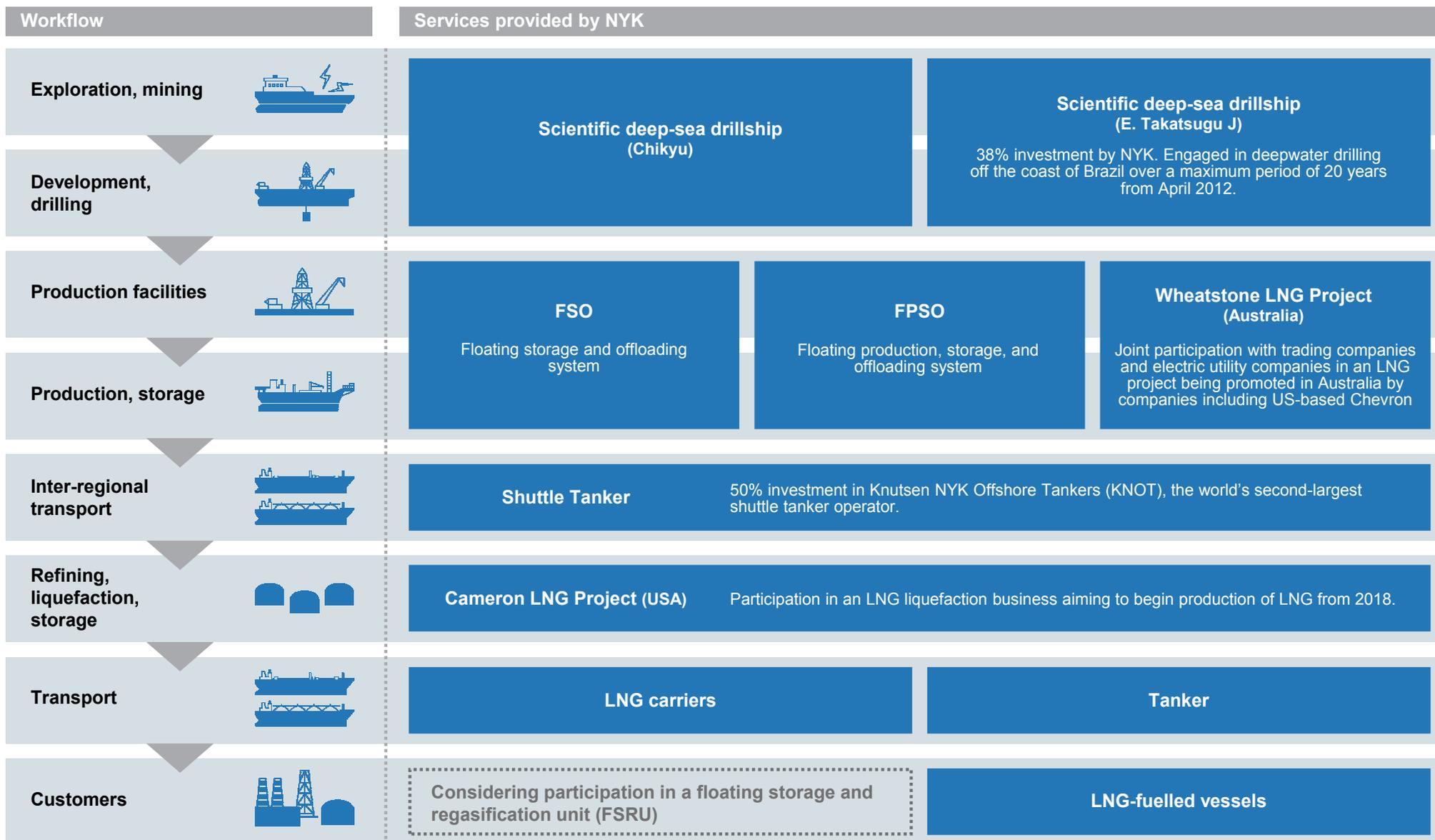
Dry-Bulk Transport

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



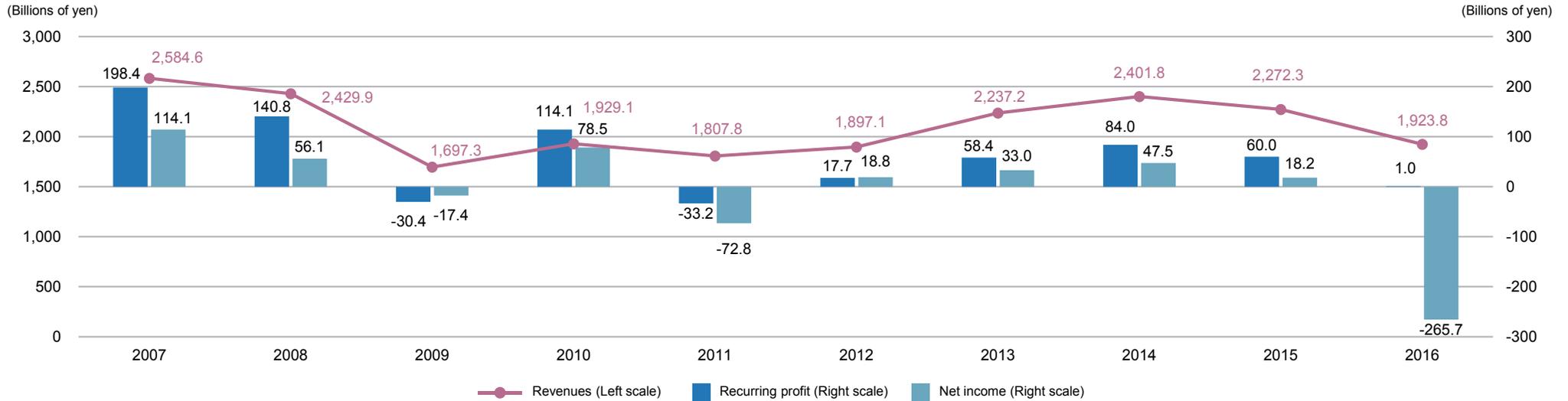
Offshore Business and LNG Value Chain

Advancing business through consistent services from extraction to customer delivery

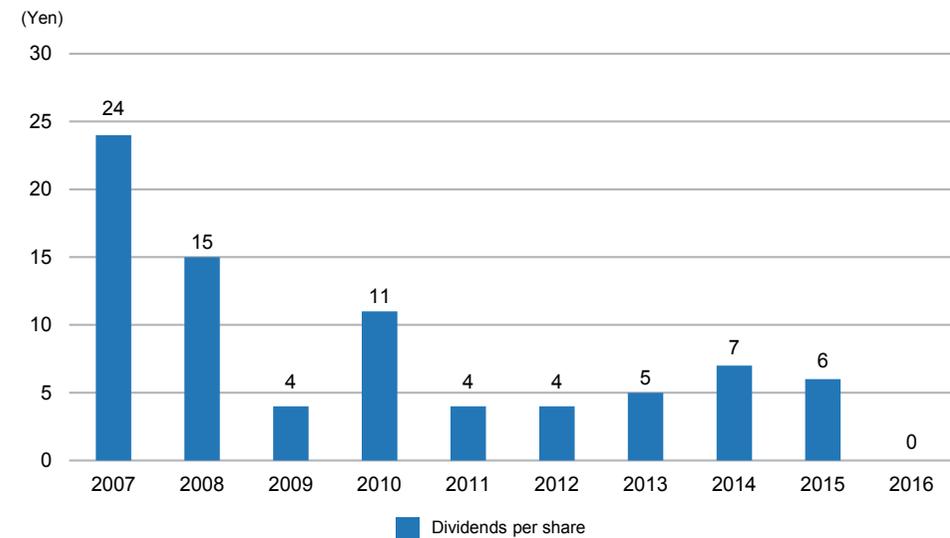


Performance Highlights

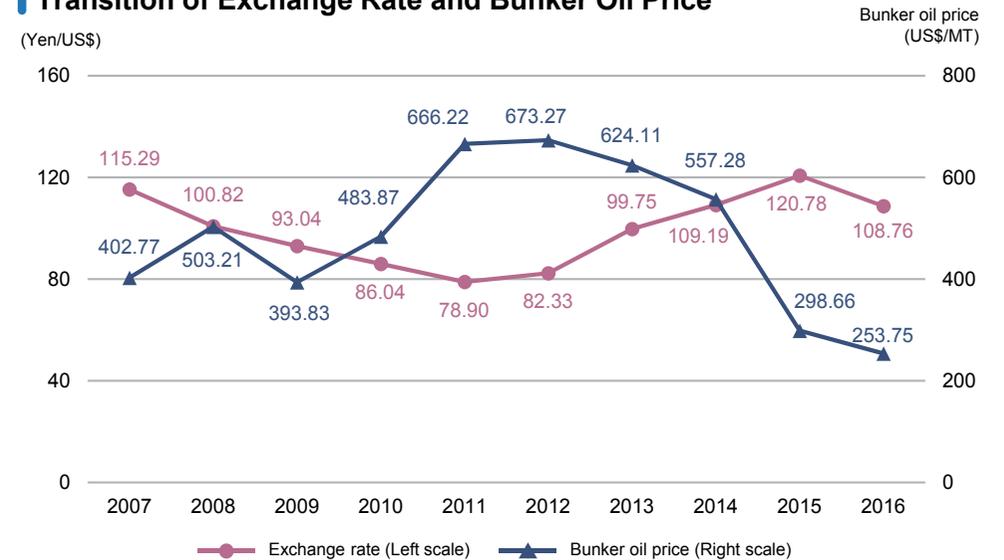
Performance Highlights



Dividends per Share

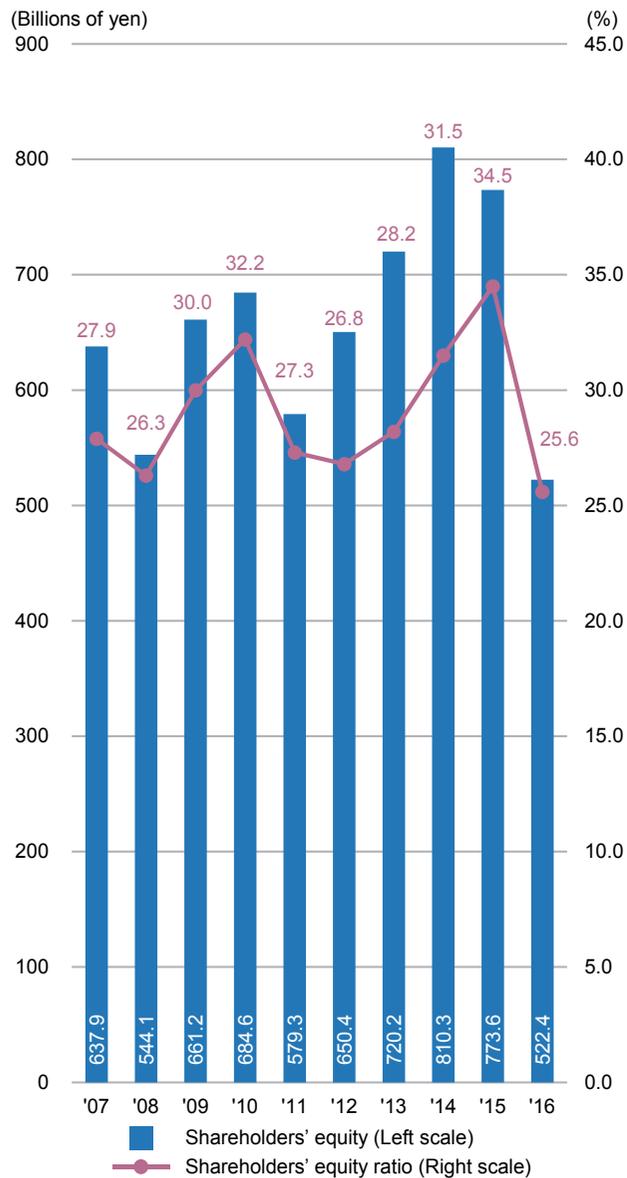


Transition of Exchange Rate and Bunker Oil Price

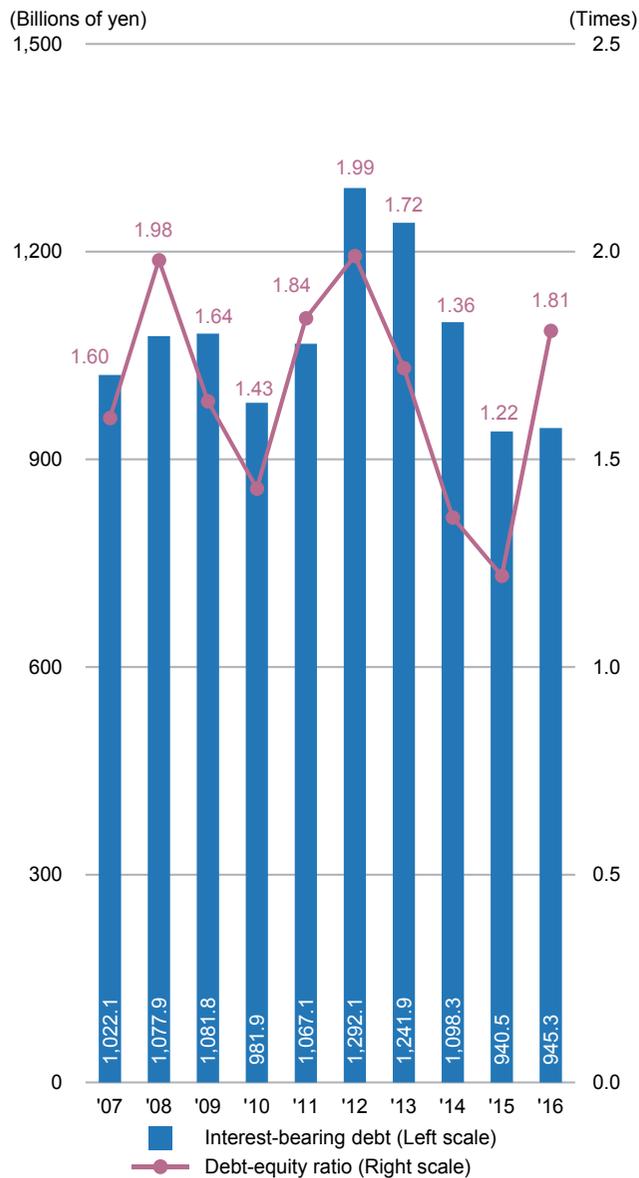


Financial Highlights

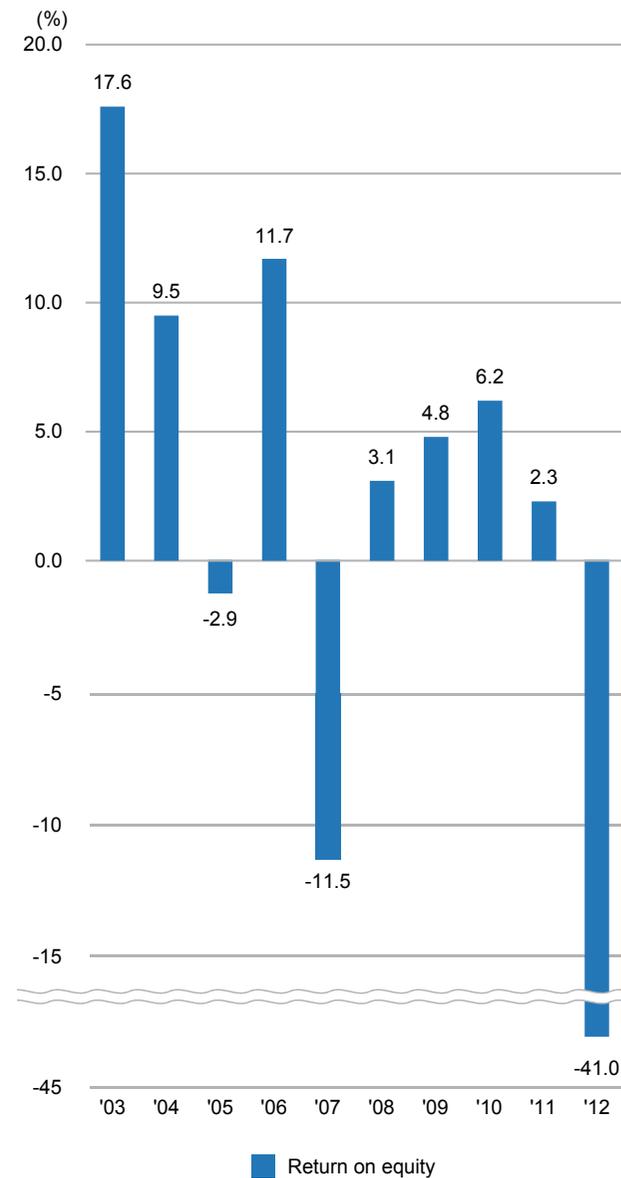
Shareholders' Equity and Shareholders' Equity Ratio



Interest-bearing Debt and Debt-equity Ratio

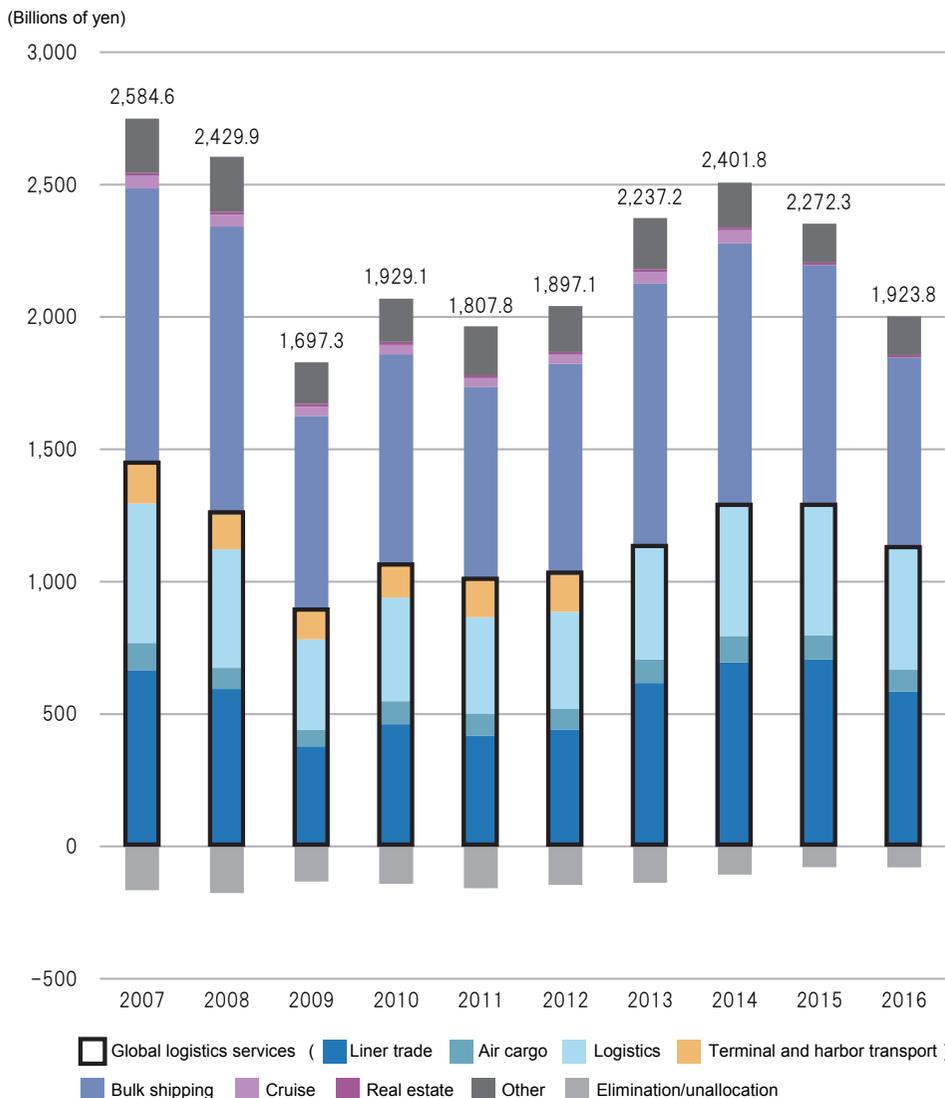


Return on Equity (ROE)

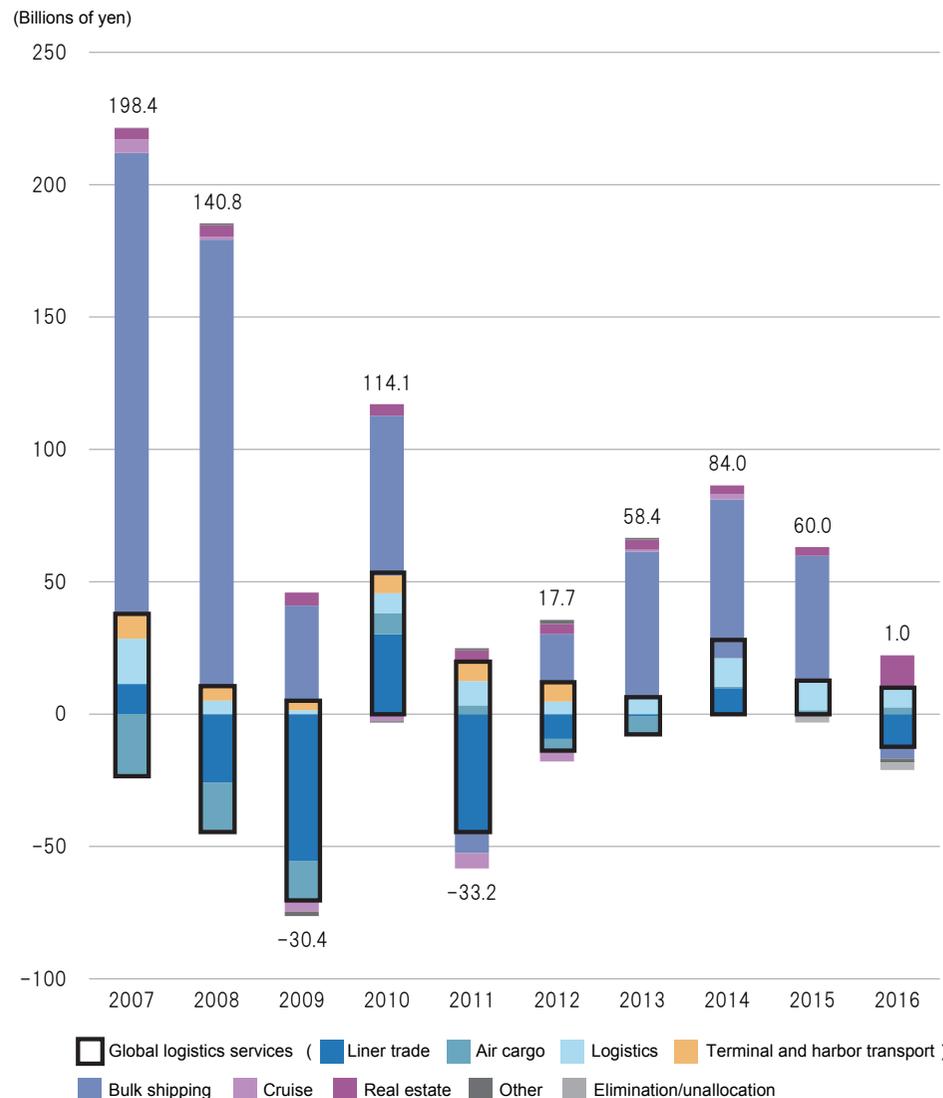


Revenues and Recurring Profit by Industry Segment

Revenues by Industry Segment



Recurring Profit by Industry Segment



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 its 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.

Container Transport

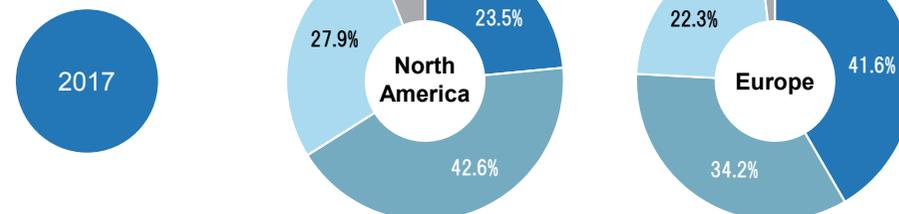
Fleet Sizes of Full Container Transport Operators

Operator	As of January 1, 2017				As of January 1, 2016				
	Ranking	Vessels	TEUs	Share	Ranking	Vessels	TEUs	Share	
Maersk Line	Denmark	1	600	3,071,164	15%	1	562	2,874,015	15%
MSC	Switzerland	2	456	2,788,808	14%	2	480	2,669,838	14%
CMA-CGM	France	3	419	2,102,318	11%	3	424	1,802,375	9%
COSCO ^{*1}	China	4	275	1,569,617	8%	6	167	858,325	4%
Evergreen	Taiwan	5	189	996,366	5%	4	198	957,841	5%
Hapag-Lloyd	Germany	6	162	923,235	5%	5	170	910,415	5%
Hamburg-Sud	Germany	7	116	603,895	3%	9	123	611,993	3%
OOCL	Hong Kong	8	93	566,981	3%	11	105	558,256	3%
Yang Ming	Taiwan	9	97	562,974	3%	13	93	527,246	3%
UASC	6 Gulf Coast Arab nations	10	58	556,305	3%	15	55	476,304	2%
Mitsui O.S.K. Lines	Japan	11	80	503,043	3%	10	102	574,667	3%
NYK Line	Japan	12	93	488,969	2%	14	96	483,747	2%
HMM	Korea	13	65	447,699	2%	17	56	385,827	2%
PIL	Singapore	14	128	355,532	2%	19	134	344,287	2%
"K" Line	Japan	15	62	355,029	2%	16	72	407,515	2%
ZIM	Israel	16	64	294,893	1%	18	81	352,956	2%
Wan Hai	Taiwan	17	89	222,776	1%	20	91	203,475	1%
X-Press Feeders	Singapore	18	86	132,890	1%	23	61	99,658	1%
KMTC	Korea	19	56	115,257	1%	21	65	113,254	1%
SITC	China	20	73	95,815	0%	22	78	100,271	1%
CSCL ^{*2}	China					7	128	725,129	4%
Hanjin ^{*3}	Korea					8	103	633,807	3%
APL ^{*4}	Singapore					12	89	544,385	3%
Total of top 20 companies		-	3,261	16,753,566	86%	-	3,533	17,215,586	87%
Others		-	1,858	3,181,110	16%	-	1,681	2,475,118	13%
Total			5,119	19,934,676	100%		5,214	19,690,704	100%

Source: Compiled by NYK Line based on data published by MDS Transmodal and Fairplay
 *1 China COSCO Shipping Corporation Limited was newly formed through the merger of China Ocean Shipping Company (COSCO) and China Shipping Container Lines (CSCL), and the integration of COSCO's container shipping operations.
 *2 Formerly CSCL (see note above)
 *3 Hanjin Shipping Co., Ltd., filed for receivership in August 2016 and was declared bankrupt in February 2017. Ten ships with a capacity of 63,000 TEU remained in the company's shipping fleet as of December 31, 2016, according to data published by MDS Transmodal.
 *4 American President Lines Ltd. (APL) was acquired by CMA CGM SA from its former parent company, Neptune Orient Lines Limited (NOL)

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

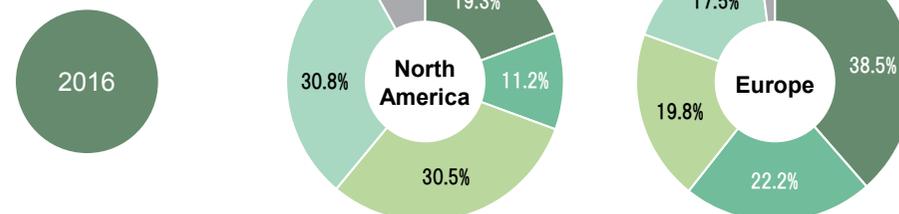
New alliances
 Share of shipping volume by shipping alliance in North America and Europe



■ 2M+HMM: Maersk, MSC, HMM
 ■ Ocean Alliance: CMA CGM^{*1}, COSCO, Evergreen, OOCL
 ■ The Alliance: Hapag-Lloyd^{*2}, K-Line, MOL, NYK, Yang Ming
 ■ Others

*1 CMA CGM includes APL.
 *2 Hapag-Lloyd includes United Arab Shipping Company (UASC).

Former alliances
 Share of shipping volume by shipping alliance in North America and Europe



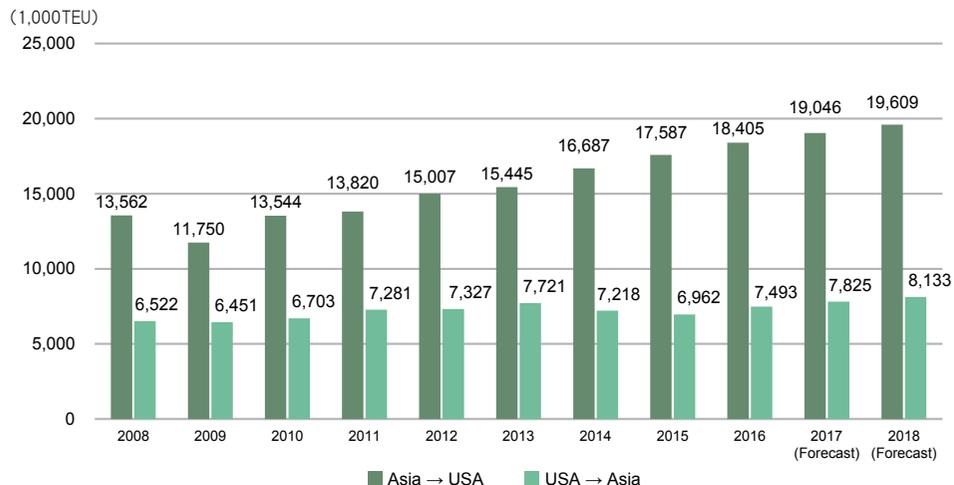
■ 2M: Maersk, MSC
 ■ O3: CMA-CGM, UASC, CSCL
 ■ CKY(H)E: COSCO, K-LINE, Yang Ming, Hanjin, Evergreen
 ■ G6: APL, Hapag-Lloyd, OOCL, MOL, Hyundai, NYK
 ■ Others

Source: Compiled by NYK Line based on data as of February 28, 2017, published by MDS Transmodal in March 2017.

Container Transport

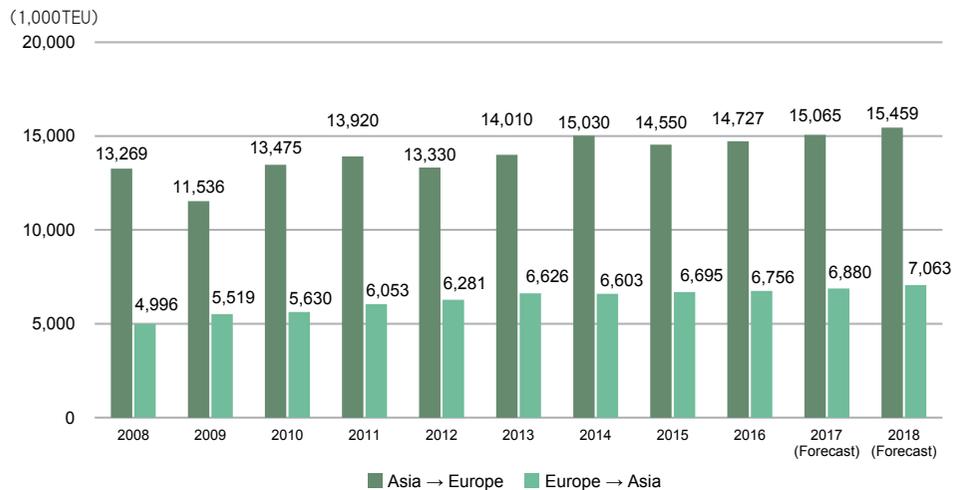
Container Transport Volumes

Asia ↔ USA



Source : Drewry Maritime Research

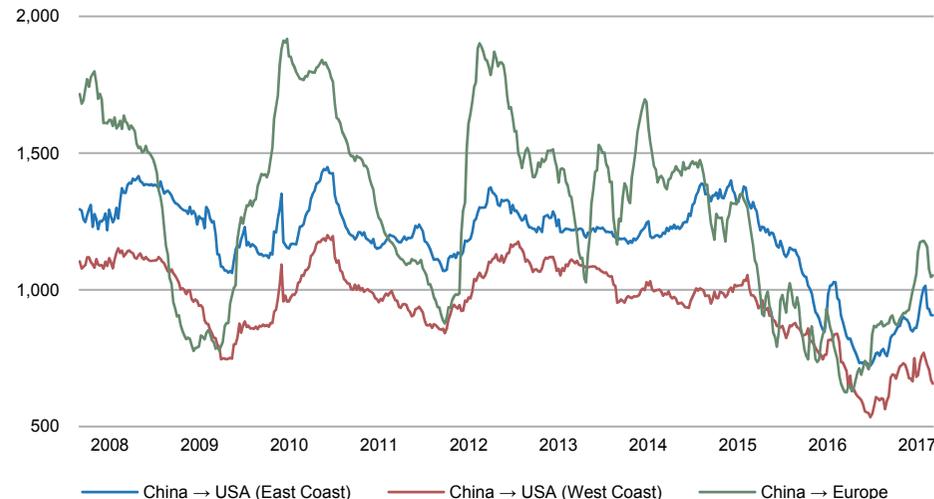
Asia ↔ Europe



Source : Drewry Maritime Research

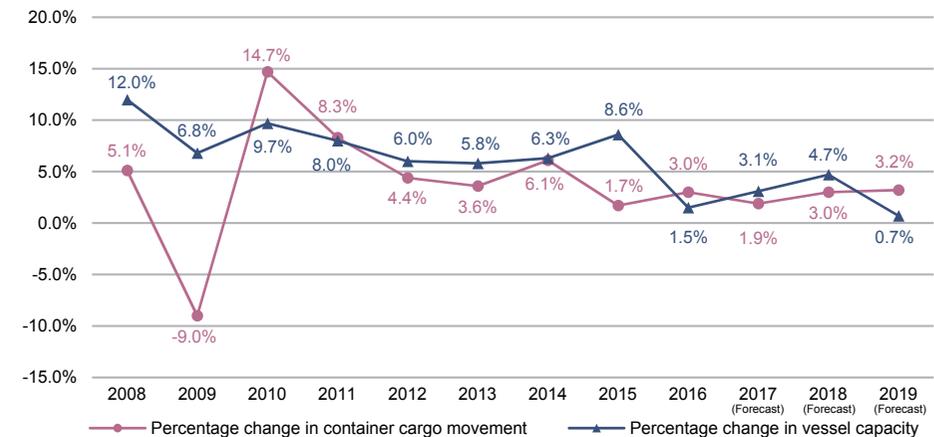
Freight Rates

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



Source : China (Export) Containerized Freight Index

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



Source: Compiled by NYK Line referencing Drewry Maritime Research 2016

Terminal and Harbor Transport Services

Global Container Operator Capacity Ranking

(2015)

Ranking	Operator	Type of Operation	Million TEUs
1	Hutchison Port Holdings	Terminal operator	81.0
2	APM Terminals	Terminal operator	69.3
3	PSA International	Terminal operator	63.8
4	COSCO Group	Terminal operator	62.8
5	DP World	Terminal operator	60.5
6	Terminal Investment Limited	Terminal operator	36.2
7	CMHI	Terminal operator	27.2
8	China Shipping Terminal Development	Shipping company	26.3
9	Eurogate	Terminal operator	14.0
10	Hanjin	Shipping company	13.5
11	CMA CGM	Shipping company	11.3
12	SSA Marine / Carrix	Terminal operator	10.6
13	Evergreen	Shipping company	9.5
14	ICTSI	Terminal operator	7.8
15	NYK Line	Shipping company	7.3

Source: Drewry Global Container Terminal Operators 2016, 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)	2011	2012	2013	2014	2015	2016
Million TEUs	6.6	7.3	8.7	9.1	9.2	12.0
No. of terminals	14	14	15	15	15	16

Stevedoring Operations

(CY)	2011	2012	2013	2014	2015	2016
Million TEUs	3.3	3.6	3.5	3.6	3.6	4.9
No. of terminals	17	17	17	17	17	16

Note: The number of terminals refers to individual terminals in operation

Terminal Locations (Location basis)

- Container terminal and stevedoring operations: 23 ports
- RORO ship stevedoring operations: 18 ports
- Other terminal and stevedoring operations: 11 ports



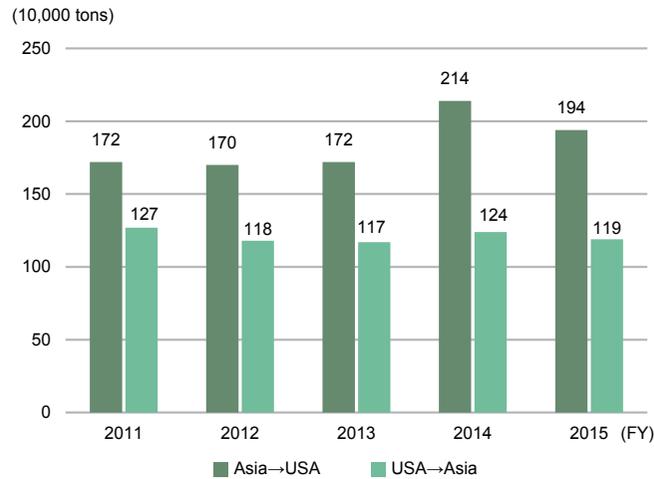
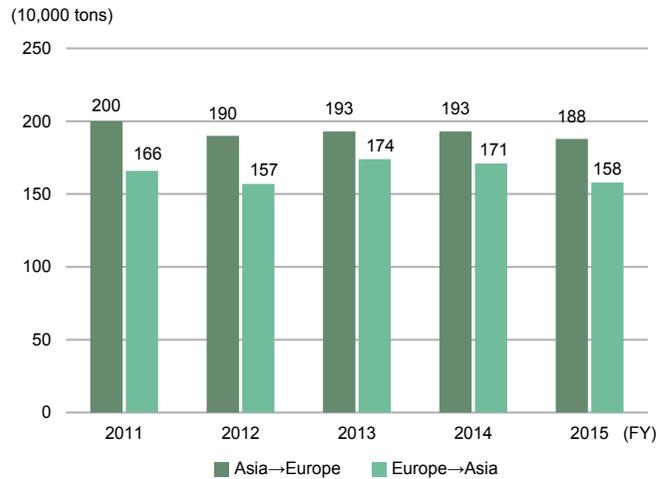
Air Cargo

International Rankings of Air Freight Forwarding Operators

Ranking	Company	Capacity (Millions of ton kilometers)
1	Emirates Airline	12,157
2	Cathay Pacific Airways	9,935
3	Korean Air	7,733
4	Qatar Airways	7,660
5	Federal Express	7,242
6	Lufthansa	6,884
7	Cargolux	6,309
8	Singapore Airlines	6,083
9	UPS	5,412
10	China Air Line	5,343
...		
21	All Nippon Airways	3,324
...		
23	Nippon Cargo Airlines (NCA, NYK Group)	2,941

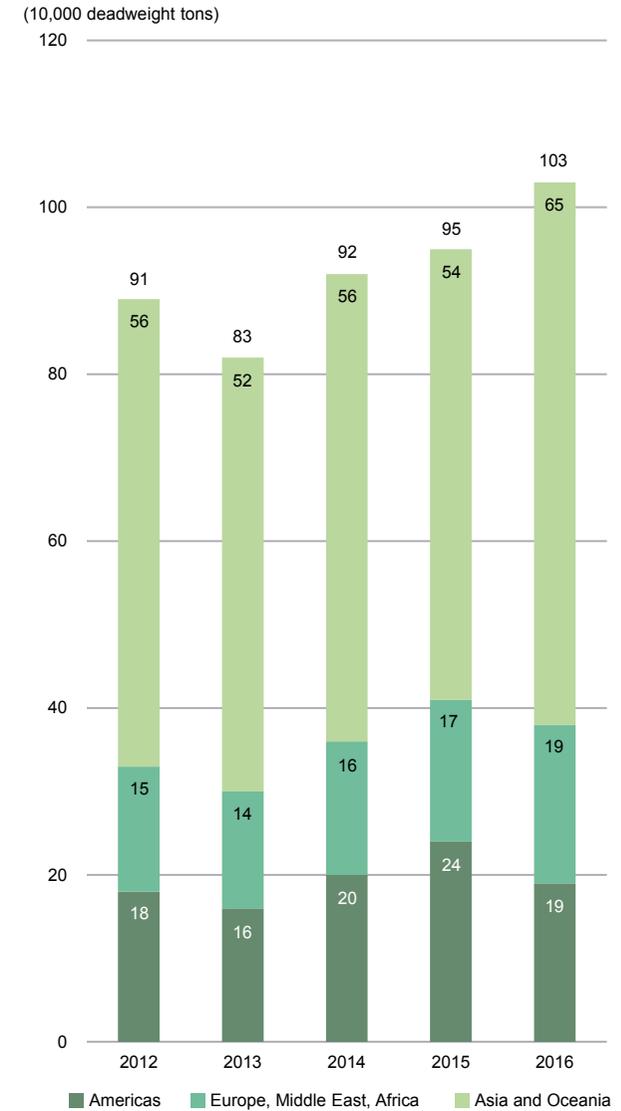
Source: IATA International Air Cargo Ranking 2015

Asia ↔ USA, Europe Change in Market Volume



Source: Compiled by NYK Line based on Seabury Trade Database

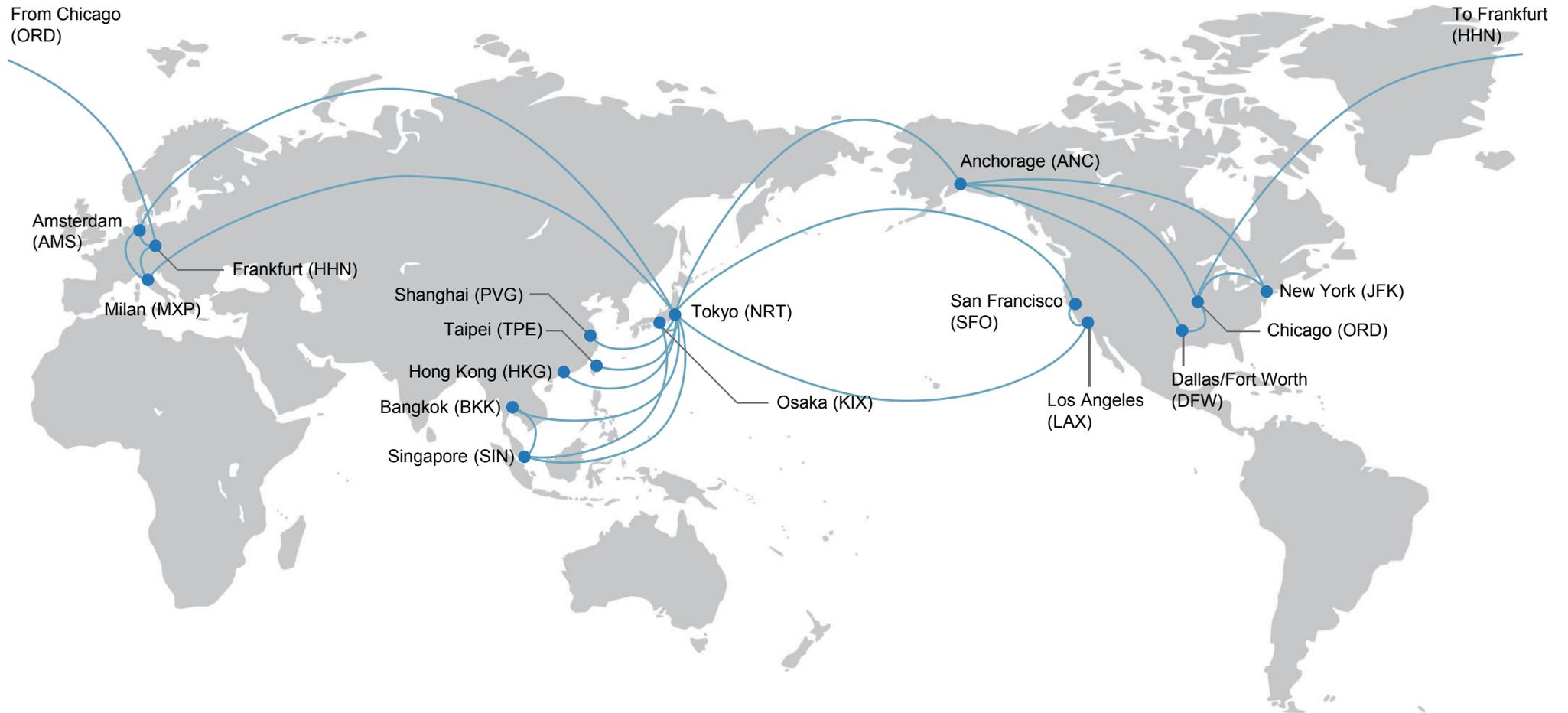
Changes in Annual Ex-Japan Air Freight Volumes by Destination Region



Source: Compiled by NYK Line based on Jafa results

Air Cargo

NCA Service Network



Logistics

Comparison of Global Freight Forwarders (Fiscal 2014)

Provider	Ocean Freight Forwarding (thousand TEU)	Air Freight Forwarding (thousand tons)
DHL Supply Chain & Global Forwarding	2,930	2,109
Kuehne & Nagel	3,820	1,250
DB Schenker	1,942	1,128
Nippon Express	855	711
Sinotrans	2,801	522
Expeditors International of Washington	1,043	872
Panalpina	1,593	836
UPS Supply Chain Solutions	615	935
DSV A/S	855	311
Hellman Worldwide Logistics	888	561
CEVA Logistics	642	451
SDV (Bollere Group)	844	580
Geodis	677	299
DACHSER Intelligent Logistics	568	275
Agility	513	372
Yusen Logistics	547	344
Kerry Logistics	785	282
Kintetsu World Express	463	457
C.H.Robinson	485	115
UTI Worldwide	512	353

Source: Created by NYK Line based on ARMSTRONG ASSOCIATES, INC.

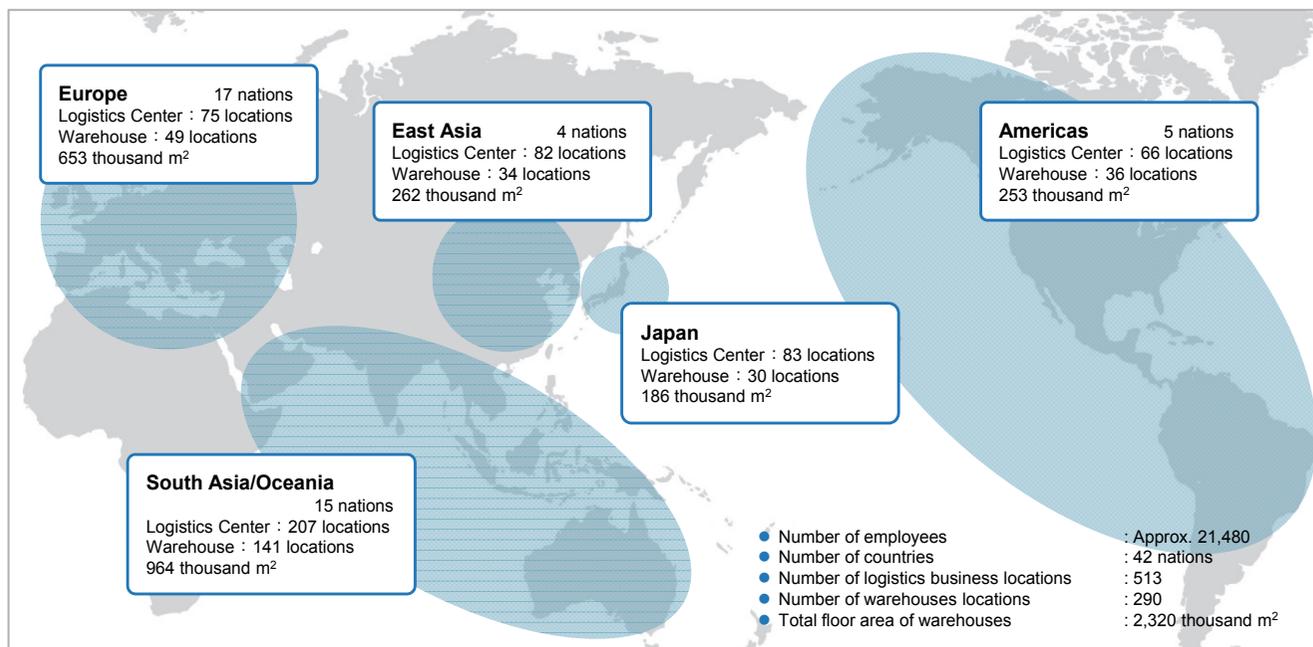
Cargo Volume in Ocean Forwarding and Air Forwarding



(As of October 2016)

Logistics Center Locations

As of September, 2016



Car Transport

Global Car Transport Fleet Ranking

(As of December 31, 2016)

Ranking	Operator	Vessels	Share (%)	Capacity (Cars)	Share (%)
1	NYK	108	15.6%	642,000	16.2%
2	Mitsui O.S.K. Lines	99	14.3%	580,000	14.6%
3	"K" LINE	78	11.3%	447,000	11.3%
4	EUKOR	67	9.7%	449,000	11.3%
5	GRIM	56	8.1%	242,000	6.1%
6	WWL	54	7.8%	365,000	9.2%
6	GLOVIS	54	7.8%	337,000	8.5%
8	HAL	46	6.6%	304,000	7.7%
9	NMCC	9	1.3%	46,000	1.2%
9	NEPTUN	9	1.3%	34,000	0.9%
9	ECL	9	1.3%	32,000	0.8%
12	SCC	8	1.2%	44,000	1.1%
12	Toyofuji Shipping Co., Ltd.	8	1.2%	42,000	1.1%
14	ARC	5	0.7%	28,000	0.7%
14	COSCO	5	0.7%	22,000	0.6%
—	Others	78	11.3%	352,656	8.9%
Total		693		3,967,000	

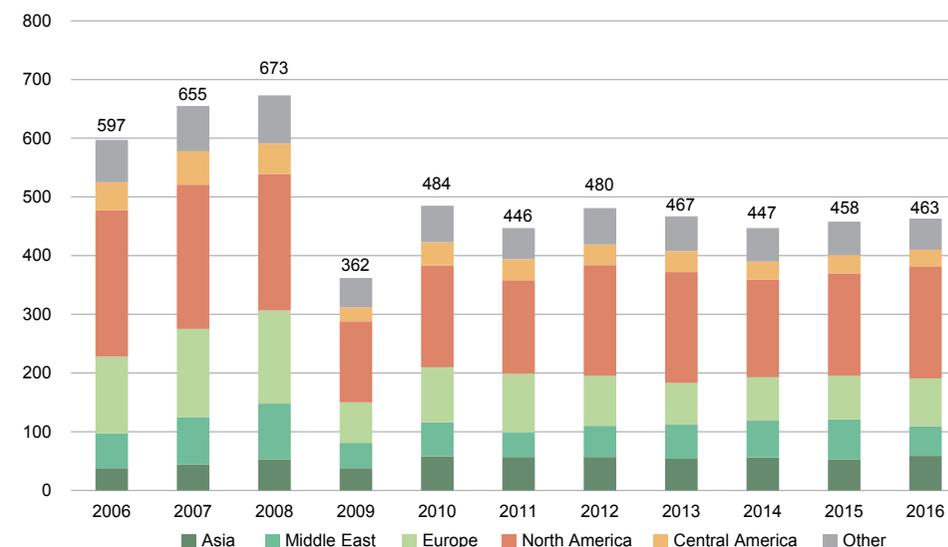
Source: Hoesung Shipping AS, *The Car Carrier Market 2016*

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)

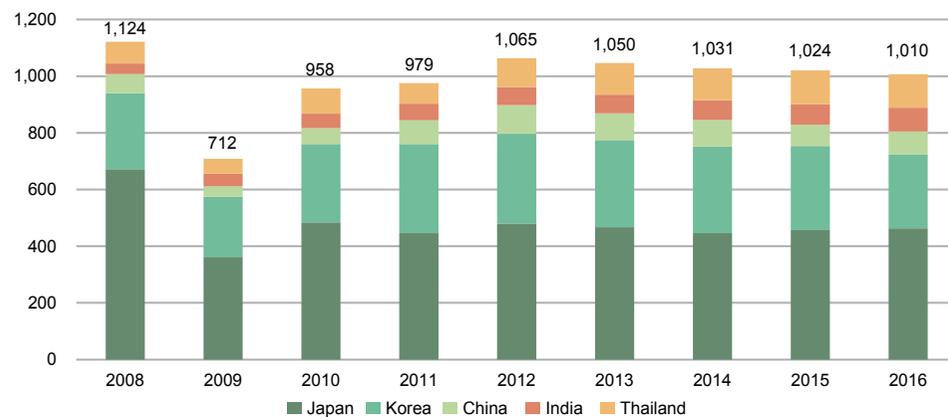
(As of December 31)



Source: Japan Automobile Manufacturers Association, Inc.

Car Exports from Main Asian Countries

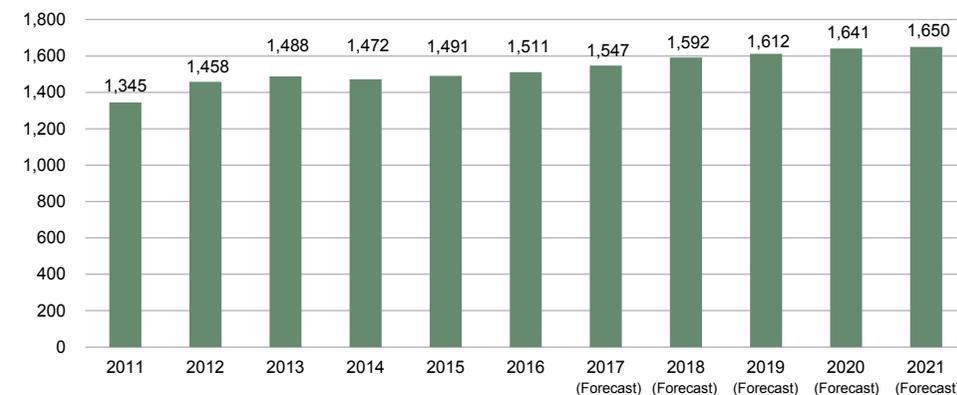
(Tens of thousands of vehicles)



Source: Automobile Manufacturers Association of each country

Worldwide Car Transport Volume

(Tens of thousands of vehicles)



Source: Created by NYK Line (including estimation)

Bulk Transport

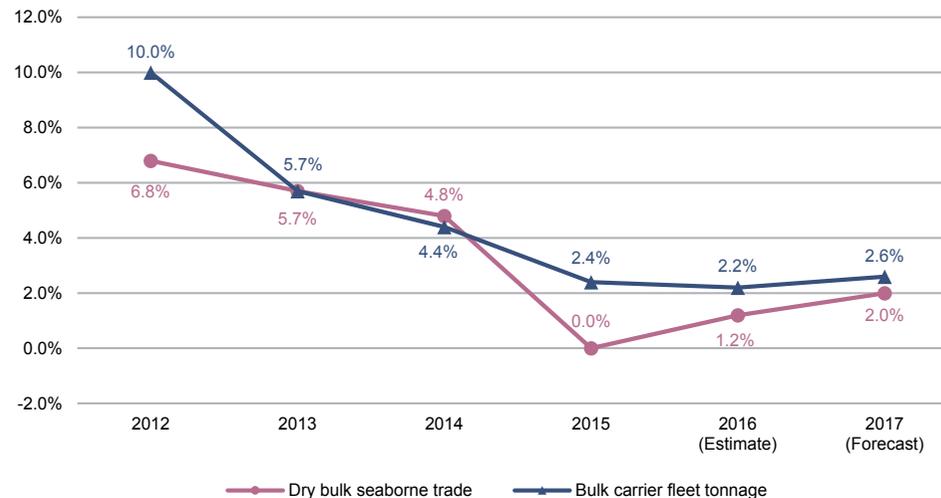
Bulk Carrier Fleet Ranking

(As of January 1, 2017)

Ranking	Company	Kt (dwt)	Vessels
1	China COSCO Shipping	29,854	332
2	Nippon Yusen Kaisha	17,315	185
3	K-Line	14,198	120
4	Mitsui O.S.K. Lines	12,021	107
5	Pacific Basin Shpg	3,782	97
6	Fredriksen Group	10,688	96
7	Imabari Shipbuilding	8,791	90
8	Mitsubishi Corp	7,158	89
9	China Merchants Grp	9,173	88
10	Wisdom Marine Group	4,302	88
11	Nissen Kaiun K.K.	8,097	82
12	Oldendorff Carriers	7,288	79
13	Navios Group	7,336	72

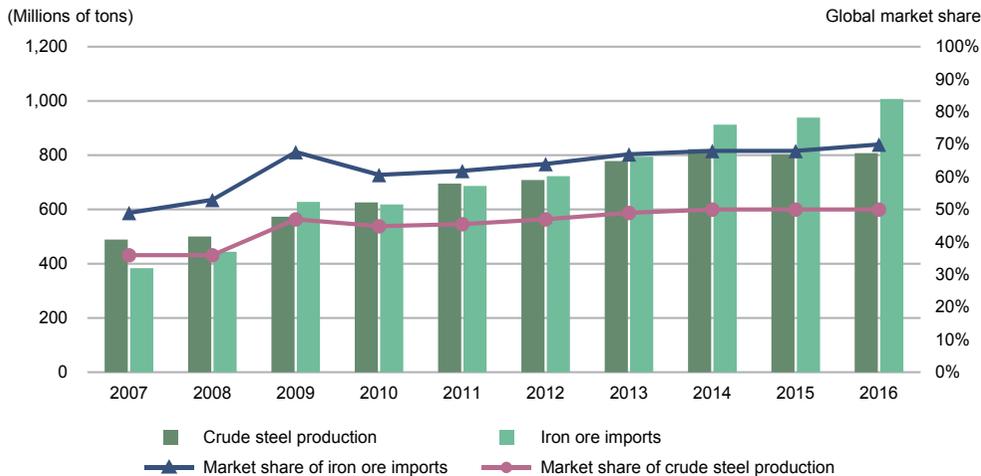
Source : Compiled by NYK Line based on Clarkson database

Increase in Seaborne Trade and Fleet Tonnage



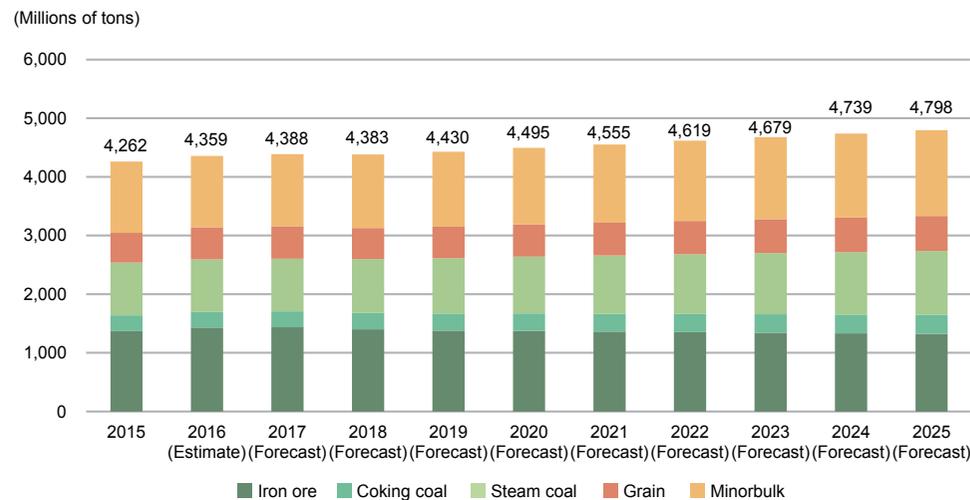
Source : Clarkson's Dry Bulk Trade Outlook (February, 2017)

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



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

Volume and Forecast of Dry Bulk Seaborne Trade



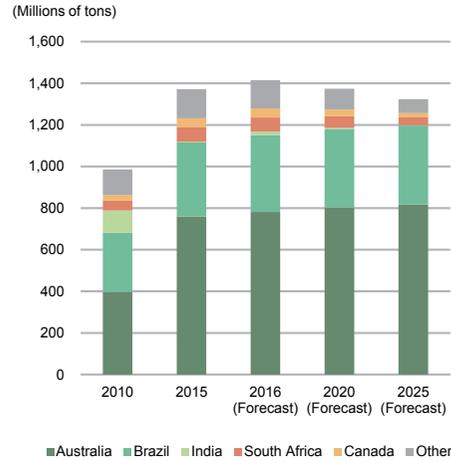
Source: After 2016: NYK Line (including estimation)

Bulk Transport

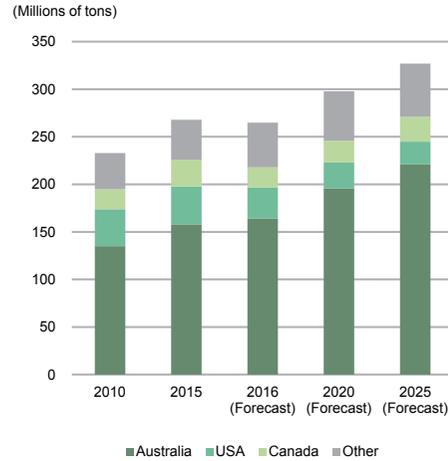
Dry Bulk Cargo Export and Import

Export

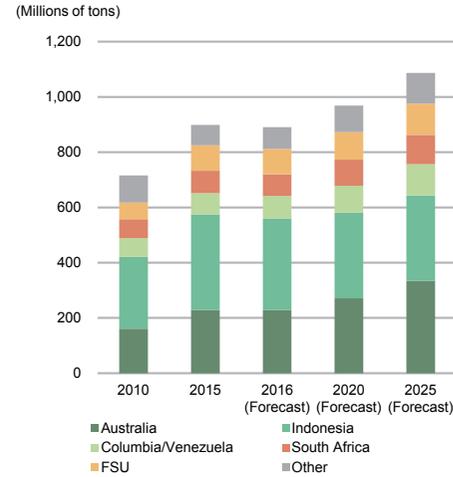
Iron Ore



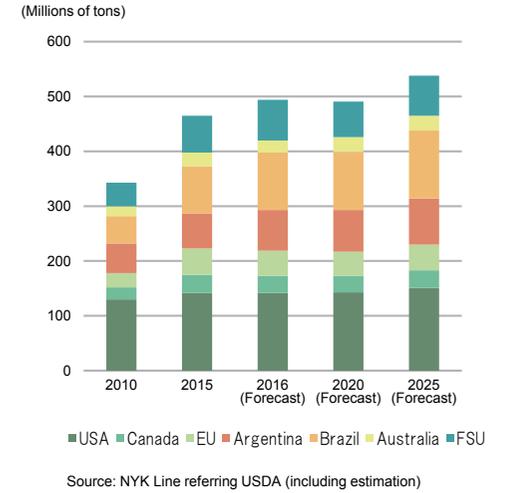
Coking Coal



Steaming Coal

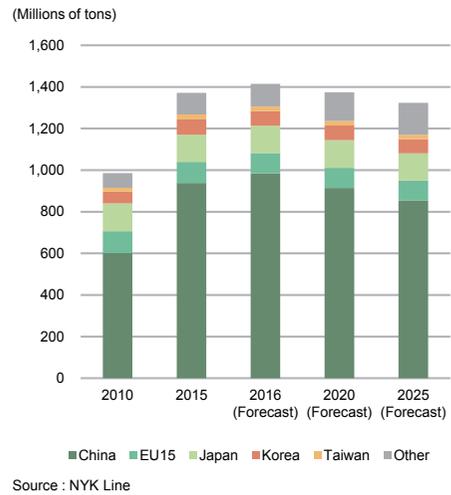


Grain

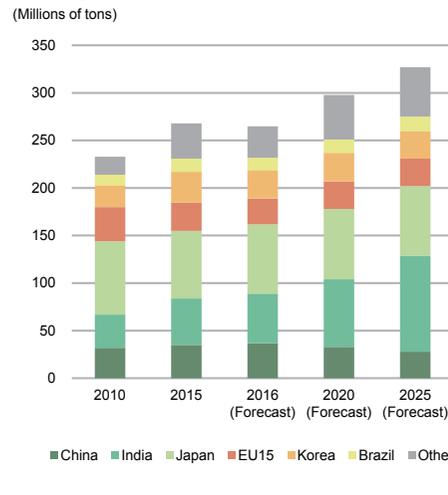


Import

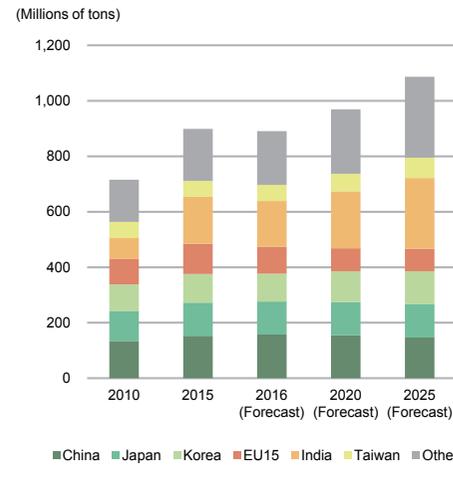
Iron Ore



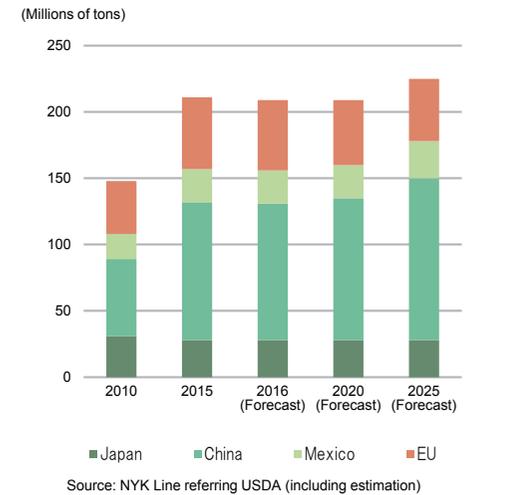
Coking Coal



Steaming Coal

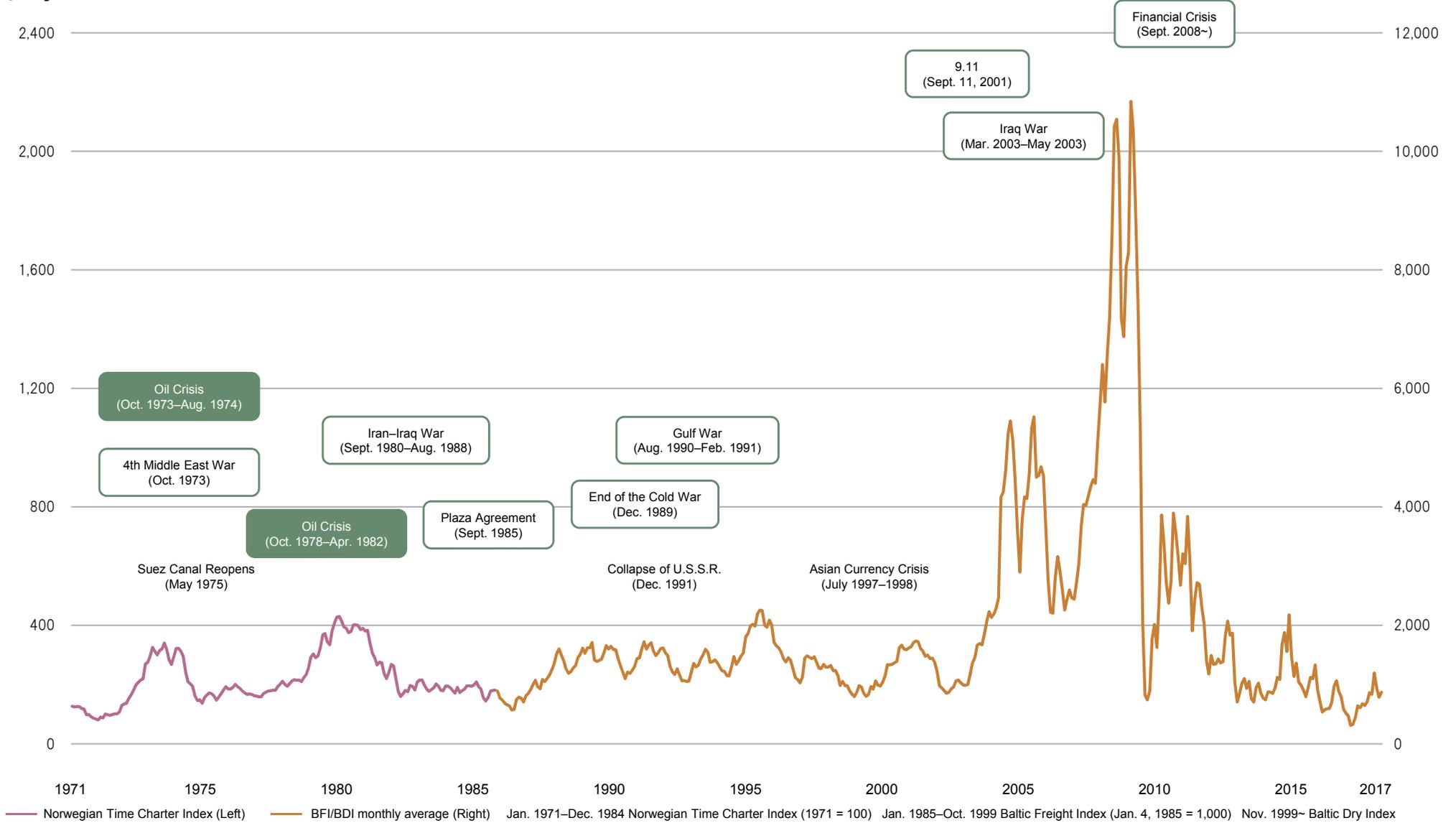


Grain



Bulk Transport

Dry Bulk Market Trends



Tankers

Tanker Fleet Ranking

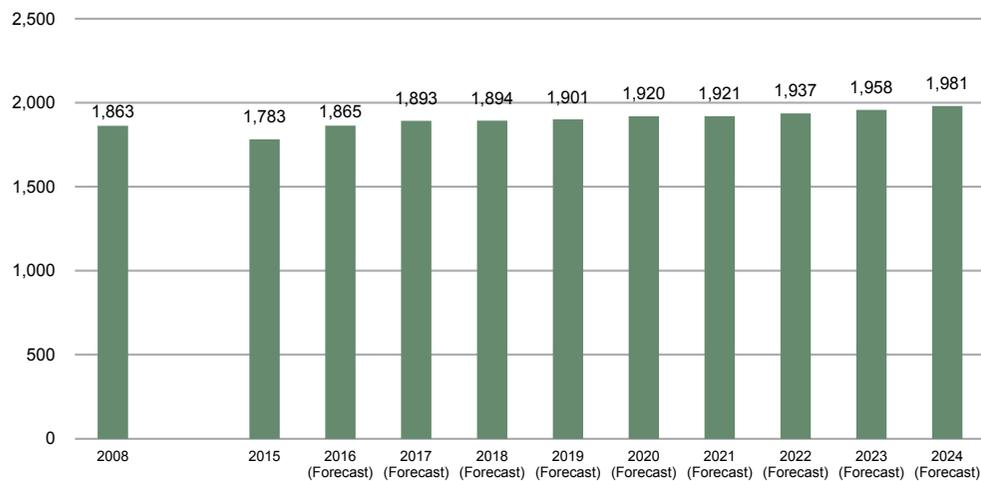
(As of January 1, 2017)

Ranking	Company	Kt (dwt)	Vessels
1	China COSCO Shipping	15,243	117
2	China Merchants Grp	14,608	93
3	NIOC	14,401	57
4	Mitsui O.S.K. Lines	14,266	146
5	Bahri	13,051	72
6	Teekay Corporation	12,927	98
7	Euronav NV	12,536	50
8	SCF Group	12,096	126
9	NYK Line	11,297	87
10	Angelicooussis Group	10,565	38
11	Petronas	9,711	76
12	Fredriksen Group	9,541	50
13	Gener8 Maritime	9,086	39
14	Dynacom Tankers Mngt	8,868	54
15	Ocean Tankers	8,048	85

Source : Compiled by NYK Line based on Clarkson database

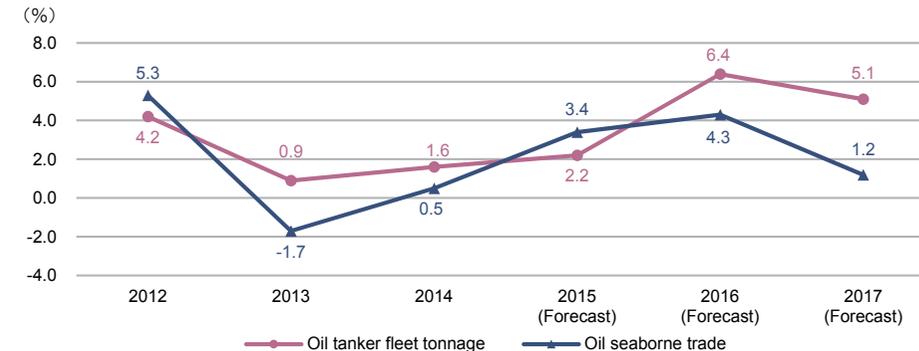
Volume and Forecast of Crude Oil Seaborne Trade

(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)

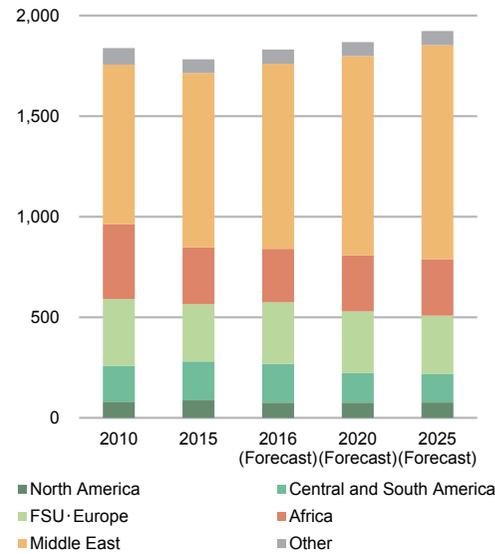


Source : Compiled by NYK Line referring Clarkson Oil & Tanker Trades Outlook (February, 2016)

Crude Oil Export and Import

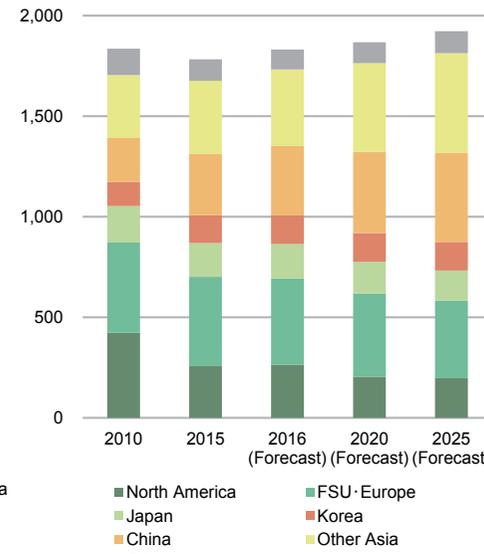
Export

(Millions of tons)



Import

(Millions of tons)

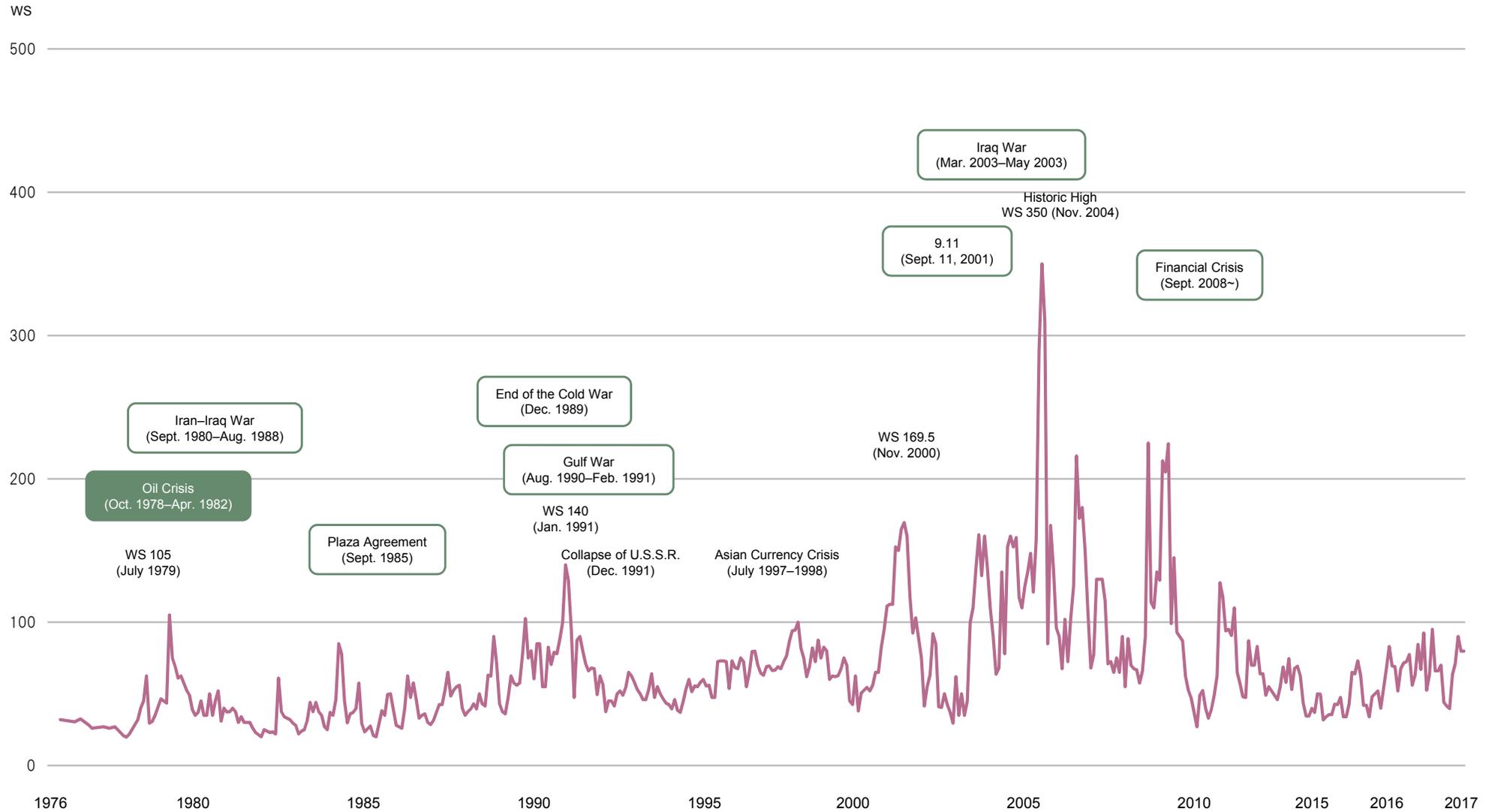


Source: 2015: GTA, After 2016: NYK Line (including estimation)

Source: 2015: GTA, After 2016: NYK Line (including estimation)

Tankers

Oil Tanker Market (world scale)



LNG Fleets

Comparison of LNG Fleets

(Vessels delivered by End of March, 2017)

Company	Vessels	Capacity (Thousand cubic meters)	Capacity Share (%)
NYK Line	70	4,194	6.3%
Mitsui O.S.K. Lines	71	3,897	5.8%
"K" Line	42	1,500	2.2%
Other Japanese Shipowners (Shipping & Trading Companies)	57	1,311	2.0%
South Korean Shipowners	27	3,483	5.2%
Buyer (Japanese)	24	1,889	2.8%
Seller/Buyer (Overseas)	110	12,106	18.2%
QGTC	64	9,106	13.7%
MISC	24	3,377	5.1%
Teekay Shipping	32	3,461	5.2%
Bergesen Worldwide	15	1,428	2.1%
Golar	15	2,251	3.4%
Gaslog	15	2,421	3.6%
Marangas	24	2,997	4.5%
Dynagas	11	1,683	2.5%
China	12	1,557	2.3%
Sovcomflot	8	937	1.4%
Others	88	9,078	13.6%
Total	709	66,676	100.0%

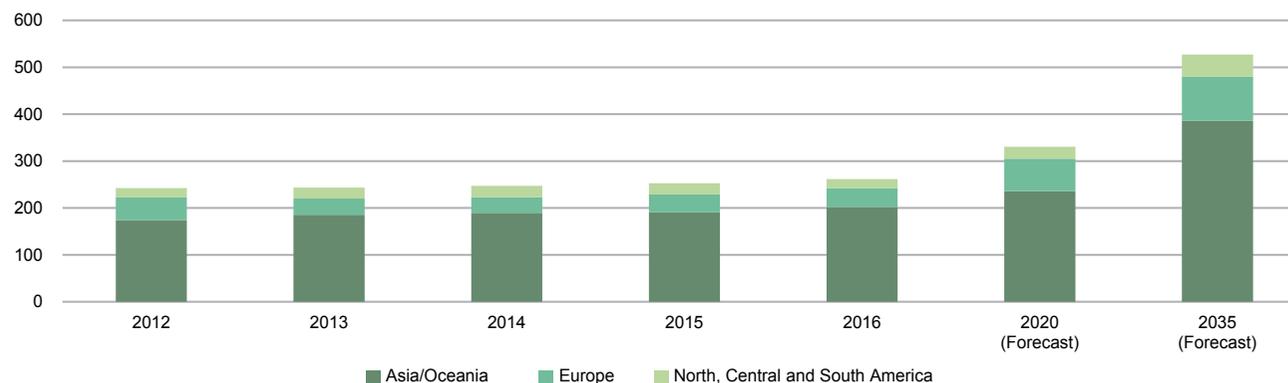
(Research by NYK)

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.

The number of LNG vessels in shipping fleets does not include remodeled floating storage and regasification units.

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

2016 Ranking of LNG export countries (mtpa)

Ranking	Country	mtpa	Share (%)
1	Qatar	80.8	29.9
2	Australia	43.5	16.1
3	Malaysia	25.0	9.3
4	Indonesia	19.7	7.3
5	Nigeria	18.8	7.0
6	Trinidad and Tobago	11.7	4.3
7	Algeria	11.7	4.3
8	Russia	10.7	3.9
9	Oman	8.7	3.2
10	Papua New Guinea	7.5	2.8
11	Brunei	6.7	2.5
12	United Arab Emirates	6.7	2.5
13	Norway	4.5	1.7
14	U.S.A. (Atlantic)	4.4	1.6
15	Peru	4.0	1.5
Total		270.6	

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

Ranking	Country	mtpa	Share (%)
1	Australia	109.5	20.3
2	U.S.A. (Atlantic)	79.4	14.7
3	Qatar	72.3	13.4
4	Mozambique	42.6	7.9
5	Canada (Pacific)	37.5	7.0
6	Malaysia	29.0	5.4
7	Indonesia	25.0	4.6
8	Nigeria	24.6	4.6
9	U.S.A. (Pacific)	16.0	3.0
10	Russia (Atlantic)	15.5	2.9
11	Russia (Pacific)	13.5	2.5
12	Papua New Guinea	13.0	2.4
13	Iran	10.1	1.9
14	Angola	9.8	1.8
15	Tanzania	9.4	1.7
Total		539.8	

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

Environmental Efforts

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

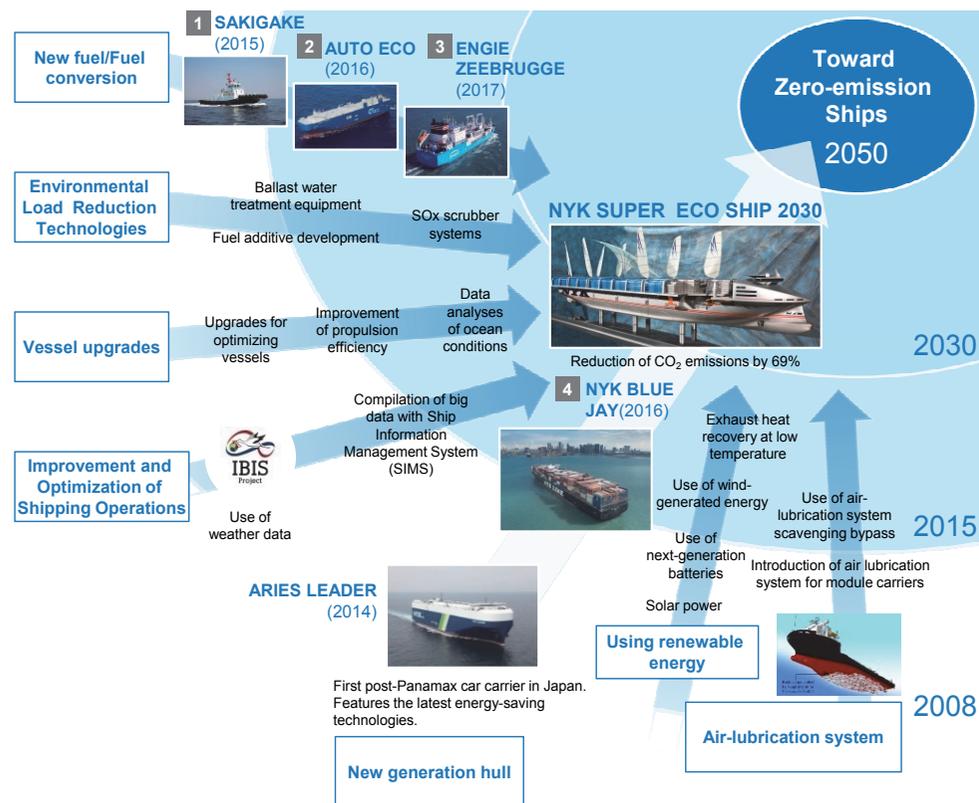
NYK's CO₂ reduction target

Improve fuel efficiency rate to 15% above fiscal 2010 levels by fiscal 2018
 ⇒ **Achieved 11.4%, surpassing the target (as of end-fiscal 2016)**

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



Promoting a Switchover to LNG as Fuel

- By switching the fuel used in its ships from heavy fuel oil to liquefied natural gas (LNG), NYK will be able to cut CO₂ emissions by about 30%, reduce nitrogen oxide (NOx) emissions by about 80%, and completely eliminate emissions of sulfur oxide (SOx).
- Since June 2016, NYK has been participating in a feasibility study on LNG bunkering facilities at the Port of Yokohama.
- Together with Engie SA, Mitsubishi Corporation, and Fluxys SA, NYK has established a service for supplying and selling LNG fuel under the global brand, Gas4Sea, and begun operations of facilities at the Port of Zeebrugge in Belgium.

Environmental Flagships

1 Sakigake completed in 2015 as Japan's first LNG-fueled tugboat

As the first tugboat powered by LNG in Japan, the *Sakigake* demonstrates the viability of using LNG as vessel fuel, and is expected to serve as the flagship for driving new opportunities in NYK's new LNG fuel business.

2 Auto Eco completed in 2016 as the World's first LNG car carrier

Equipped with dual-fuel engines that can use either heavy fuel oil or LNG, the *Auto Eco* can operate in Emission Control Areas (ECAs), including the North Sea and Baltic Sea, where there are strict regulations for the amount of sulfur contained in fuel. United European Car Carriers, NYK's joint-venture based in Oslo, Norway, began operations of the vessel along with its sister ship, the *Auto Energy*.

3 Engie Zeebrugge completed as the world's first LNG bunkering vessel in February 2017

The *Engie Zeebrugge* provides bunkering services for LNG-powered vessels travelling in the North Sea and Baltic Sea, including the *Auto Eco* and *Auto Energy*.

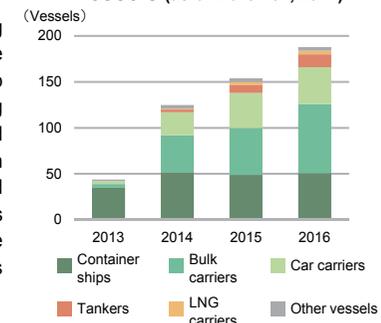
4 NYK Blue Jay completed in 2016 as a new 14,000 TEU container ship

This new container ship features a hull design that substantially increases cargo-loading efficiency by minimizing engine space. Equipped with the world's first dual rating system, the *NYK Blue Jay* has both high- and low-speed operations, allowing it to drastically reduce CO₂ emissions and fuel consumption, and to meet the industry's highest standards for energy-conserving shipping operations. Accordingly, its environmental performance is not inferior to larger 20,000-TEU class vessels.

Utilizing Big Data to Optimize Vessels

NYK is striving to ensure safe and energy-conserving shipping operations by making use of big data, such as information on the equipment and operations of ships during voyages. NYK's Ship Information Management System (SIMS) is its platform for utilizing big data. By installing the system, NYK has been able to operate and assign vessels more efficiently based on highly accurate information about vessel speeds, fuel consumption performance, weather, and other factors. NYK is working to improve the system's technologies and data analysis capabilities with a view to broaden the use of the system as an operational management platform tailored to the needs of each type of vessel in its fleet in the future.

Number of SIMS-equipped Vessels (as of March 31, 2017)



Safety on the Sea

PLAN

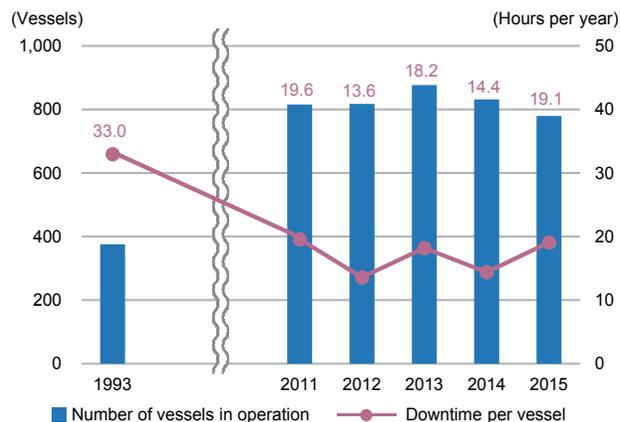
Safety promotion system

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

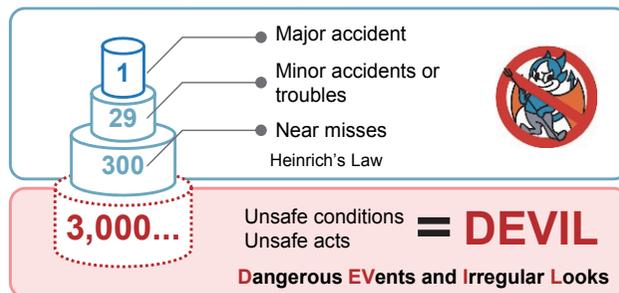
Every year, we conduct the *Remember Naka-no-Se**² safety campaign in the summer and the *Sail on Safety**³ campaign in the winter.

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 (Incidents)

2012	2013	2014	2015
60,150	56,655	55,633	57,483

POWER+

NYK Shipmanagement Japan Co., Ltd., a vessel management subsidiary, is promoting a safety initiative called Power+, which is designed to improve attitudes and awareness related to safety among ship crewmen. The initiative was awarded a Seafarers Safety Initiative Grand Prize from Japan's Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2015.



CHECK

NAV9000



In 1998, the NYK Group introduced NAV9000, which is a rigorous, self-imposed ship safety management system, in order to fulfil 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. Furthermore, NAV9000 inspections require ships, ship owners, and ship management companies to make improvements so that they can continue to operate vessels safely.

*1 Emergency Response Network

Our emergency response network divides the world into four 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

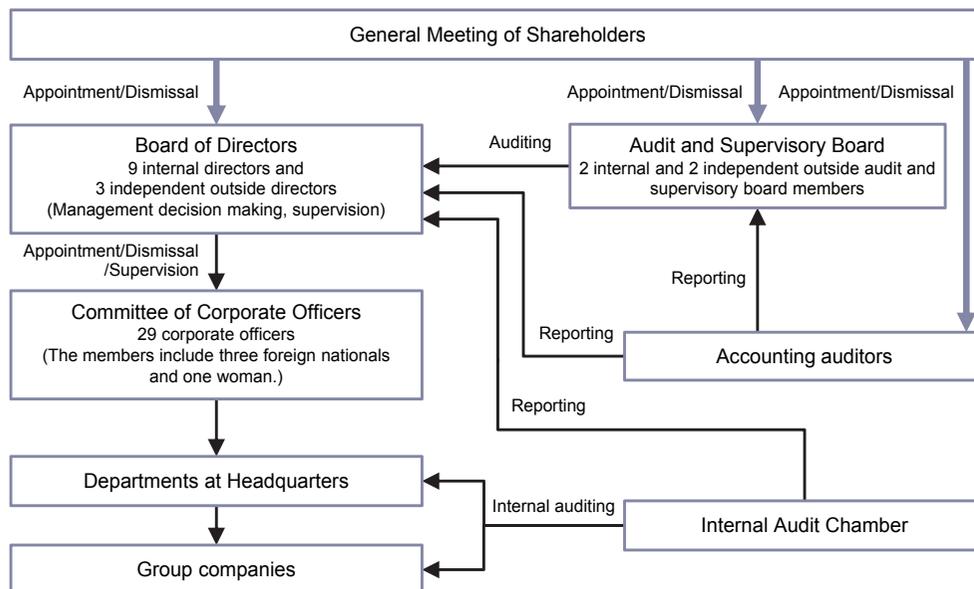
We publish a safety information journal to raise awareness and issue instructions to the entire fleet on piracy, terrorism, and other matters of concern in voyages as well as causes of accidents and problems and prevention measures.

Corporate Governance

Corporate Governance System

Organizational format	Company with Board of Directors and Audit and Supervisory Board		
Number of directors	FY2015:13 (of whom 2 are outside directors)	FY2016:12 (of whom 3 are outside directors)	FY2017(candidates):11 (of whom 3 are outside directors) (Plan)
Number of Audit and Supervisory Board Members	4 (of whom 2 are outside audit and supervisory board members)		
Term of office for directors	1 year (same for outside directors)		
Employment of corporate officer system	Yes		
Reduction in number of directors	FY2005: 17	FY2016: 12	FY2017(candidates) : 11
Organization supporting decision making of Board of Directors	Committee of Corporate Officers		
Incentives for directors	NYK Line established the Board Incentive Plan Trust as a performance-based stock remuneration plan for the Company's directors and corporate officers (excluding outside directors and Corporate Officers who are non-residents in Japan, foreign nationals or directors of listed subsidiaries companies.) (established on June 2016)		
Number of consolidated subsidiaries	More than 300		
Independent auditor	Deloitte Touche Tohmatsu LLC		

NYK's Corporate Governance Organisation Chart (As of April 2017)



Introduction of performance-based stock remuneration plan for Directors and Corporate officers

- The Board Incentive Plan Trust ("BIP Trust") has adopted upon the introduction of the plan. The BIP Trust is a stock incentive plan referenced to the Performance Share system and Restricted Stock system in the U.S., wherein the Company shares that are acquired by the BIP Trust will be delivered to Directors, etc. based on the degree of achievement of business performance goals, etc.
- Upon the introduction of the Plan, a certain portion of the basic cash compensation of the Directors, etc. will be reduced. In the case where the financial results of the Company are in line with the business performance goals, the proportion of the basic compensation and the stock compensation for the Chairman and the President will be approximately five to five and approximately six to four for executive Directors.
- Eligible persons; The Directors and Corporate officers (excluding Outside Directors and Corporate officers who are non-residents in Japan, foreign nationals or directors of listed subsidiary companies) of the Company
- Target period of the plan; Three consecutive fiscal years from the fiscal year ending March 31, 2017 up to the fiscal year ending March 31, 2019 (In case of an extension of the trust term, three consecutive fiscal years thereafter)
- Conditions for achievement of business performance ; Requirements shall fluctuate according to the title of the Directors, etc. during the year, the achievement of the medium-term management plan, achievement of the consolidated operating income, consolidated recurring profit, consolidated net income attributable to owners of the parent company, EBITDA and ROE shall be used as indicators for consolidated performance.
- Margin for fluctuation due to performance: 0 - 150%
- There is no dilution as the Company shares are scheduled to be acquired from the stock market.

Establishment of the Nomination Advisory Committee and the Compensation Advisory Committee (Constituted on Oct.1 2016)

1. Purpose of Establishment

NYK decided to establish the Nomination Advisory Committee and the Compensation Advisory Committee as organizations where important matters concerning nomination and compensation should be consulted and advised according to the consultation by the President in order to enhance Corporate Governance and secure transparency of function of the Board of Directors, while the President has already provided sufficient explanation to Independent Outside Directors in advance and obtained their appropriate involvement and advice when determining nomination and compensation.

2. Matters to be consulted on the Nomination Advisory / the Compensation Advisory Committee

The Nomination Advisory Committee

- (1) Appointment and dismissal of Directors;
- (2) Appointment, dismissal and successor plan of the President;
- (3) Appointment and dismissal of Representative Directors;
- (4) The independence criteria for Independent Outside Directors and Independent Outside Audit and Supervisory Board Members; and
- (5) Appointment and dismissal of Corporate Officers.

The Compensation Advisory Committee

- (1) Policies and procedures related to compensation for Directors and Corporate Officers; and
- (2) Content of compensation for Directors and Corporate Officers.

3. Structure of the Nomination Advisory / the Compensation Advisory Committee

Committee Chairman: The Chairman of the Board of Directors

Committee Members: The President, Independent Outside Directors (Three (3) Directors)

(Note) It is structured that the majority of both committees shall be Independent Outside Directors, three (3) out of five (5) members including the Committee Chairman, as of October 1, 2016.

Evaluation by Outside Stakeholders

<p>Included Again in the Dow Jones Sustainability Index</p>	<p>The Dow Jones Sustainability Index (DJSI)* recognizes companies that exceed certain standards for sustainability using detailed research to assess their economic, environmental, and social performance.</p> <p>* The DJSI is an investment index jointly operated by S&P Dow Jones Indices LLC, a U.S.-based investment research firm, and RobecoSAM AG, a Switzerland-based firm that conducts CSR research and ratings.</p>	<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p>
<p>Selected for FTSE4Good Index for the 14th Straight Year</p>	<p>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.</p> <p>* FTSE4Good Index: Launched by the UK-based FTSE Group, which is jointly owned by the Financial Times and the London Stock Exchange.</p>	
<p>Included Again in the MS-SRI</p>	<p>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.</p>	
<p>Included in the MSCI Global Sustainability Indexes</p>	<p>NYK has been included in the MSCI Global Sustainability Indexes, which are internationally leading stock indexes for socially responsible investing. Developed by U.S.-based MSCI Inc., the MSCI Global Sustainability Indexes recognize companies that are particularly outstanding according to environmental, social, and corporate governance criteria.</p>	
<p>ESI Award for Best Green Shipping Line from Port Authority in France</p>	<p>For the fourth consecutive year, NYK was recognized with an Environmental Ship Index (ESI)* award as a Best Green Shipping Line by Haropa, a French port authority jointly managed by the ports of Le Havre, Rouen, and Paris. NYK was the only Japanese shipping company to receive the award.</p> <p>* The ESI evaluates the environmental impact of shipping operations based on the amount of nitrogen oxide (NOx) and sulfur oxide (SOx) emitted by vessels. Every year since 2012, the Haropa port authority has rated vessels calling at the three ports it manages and awarded shipping companies that attain high scores on the ESI.</p>	
<p>Selected as a White 500 Company</p>	<p>“White 500” acknowledges excellent large companies that strategically carry out efforts in cooperation with an insurer to manage employee health. NYK is the only company in the maritime industry to be included for 2017 year.</p>	
<p>Recognized as a Competitive IT Strategy Company</p>	<p>NYK was the first company in the marine transport industry to be included in the 2016 Competitive IT Strategy Company Stock Selection, which is jointly selected by the Tokyo Stock Exchange and Japan’s Ministry of Economy, Trade and Industry. NYK’s internal organization was highly evaluated for ensuring proper governance with respect to carrying out proactive IT initiatives and drafting and implementing IT policies.</p>	

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.
1988	NYK Line (North America) Inc. established. Hong Kong Logistics Center completed.
1989	NYK Bulkship (USA) Inc., and NYK Bulkship (Europe) Ltd. established. 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. Los Angeles and Oakland container terminals open.
1991	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.
1994	NYK Line (Deutschland) GmbH, NYK Line (Benelux) B.V., and NYK Line (Sverige) AB established. 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.
2003	NYK 21 "Forward 120," the company's medium and long-term group management vision, announced. NYK Logistics (Europe) Ltd., a united logistics company, established. Invests in Dalian Port Car-carrier Terminal.
2004	All NYK logistics subsidiaries uniformly rebranded as "NYK Logistics." 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.
2006	Luxury cruise ship Asuka II to cover Japanese market began service. 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.
2008	New Horizon 2010, the company's new medium-term management plan, released. 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. Yusen Logistics established to integrate the NYK Group's logistics.
2010	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.
2011	New medium-term management plan, "More than shipping 2013", released. NYK participated in FPSO business for Petroleo Brasileiro S.A. in Brazil.
2012	The members of Grand and The New World alliances create The G6 Alliance and cooperate for new Asia-Europe container services. 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
2016	NYK announces the integration of its container shipping business with two other Japanese shipping companies.

Investor Information (As of March 31, 2017)

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.	BBB+
Japan Credit Rating Agency, Ltd.	A
Moody's Japan K.K.	Baa3

Principal Shareholders

Shareholder	Number of shares held
Japan Trustee Services Bank, Ltd. (Trust Accounts)	125,252,000
The Master Trust Bank of Japan, Ltd. (Trust Accounts)	96,901,000
Japan Trustee Services Bank, Ltd. (Trust Accounts 9)	48,683,000
Mitsubishi Heavy Industries, Ltd.	41,038,312
Meiji Yasuda Life Insurance Company	34,473,267
Japan Trustee Services Bank, Ltd. (Trust Accounts 5)	31,039,000
Tokio Marine and Nichido Fire Insurance Co., Ltd.	28,945,788
Japan Trustee Services Bank, Ltd. (Trust Accounts 7)	23,275,000
STATE STREET BANK WEST CLIENT - TREATY 505234	23,110,901
Japan Trustee Services Bank, Ltd. (Trust Accounts 1)	23,106,000

Stock Price Range (Tokyo Stock Exchange)



