NYK Line

November 2014

Summary of Q&A Session at Briefing on Financial Results
for the First Six Months of the Fiscal Year ending March 31, 2015

Liner Trade

Q1 Please explain the second-half forecast for the container shipping business.

A1 In the first half, we successfully implemented various cost-cutting programs, including a program to maximize gross profit by efficiently utilizing containers, and a program to reduce fuel consumption. We also launched a new program to reduce underutilized slot space. As a result, we increased lifting volume by 14% year on year. We will continue these programs in the second half as we strive to meet our annual targets. Since the liner trade uses a large amount of bunker oil, the lower bunker oil prices should also greatly benefit the business.

Air Cargo Transportation

Q1 Regarding Air Cargo shipping demand which is currently robust, please explain the second-half forecast.

A1 Air Cargo shipping demand is currently strong. According to statistics from the Japan Aircargo Forwarders Association (JAFA), air cargo shipping has increased year on year every month since November 2013, and it has rebounded to the same levels seen in FY2011 (monthly export cargo volume exceeding 80,000 tons). Exports (ex-Japan) are strongly supported by shipping related with automobile industry, while Hong Kong-originated and Shanghai-originated exports of electric appliances are strong. We believe this demand will continue until at least the end of 2014.

Bulk Shipping

Q1 In the offshore business, will the plunge in crude oil prices have an impact on FPSO or shuttle tanker business models?

A1 Regarding FPSO business, all the vessels are under long-term contracts, so the business will not be affected by changes in crude oil prices. In the shuttle tanker business, basically the contracts are under 5-10 years, which are unaffected by oil price changes. Some of those tankers, however, are under spot contracts, and therefore there may be a minor impact. Currently, tanker freight rates are increasing (the shuttle tankers can also be used as Suezmax and Aframax), and even if spot contracts cannot be acquired, these vessels can be assigned in the general tanker market to gain the benefit of rising freight rates. For these reasons, we are not concerned about the crude oil price decline.