

Summary of Q&A Session at Briefing on Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2017

<Liner Business>

Q1.

The said synergy effect of the merger is JPY 110 billion. What has the most impact?

A1.

According to the study by a third-party organization, purchasing is the area with the biggest positive impact. The liner business of the current three companies will merge to become one large company, and taking advantage of its merits of scale negotiations/contracts with the vendors should become much more favorable.

Q2.

Although it is mentioned that the merger effect is JPY 110 billion, all three companies made downward revisions on their liner business forecasts. What profit level do you expect from the new JV?

A2.

The merger effect of JPY 110 billion is based on items that are for certain. We expect the actual amount to be even greater.

Q3.

Why is the contribution ratio different amongst the three companies?

A3.

The contribution ratio was decided based on a study by a third-party organization taking into consideration the asset value, profitability and vessel fleet of each companies. Although the contribution ratio is different, the three companies are in an agreement to manage the new JV on an equal-footing.

Q4.

How is the progress of THE ALLIANCE?

A4.

The basic concepts of the new alliance were complete two months ago. However, with the bankruptcy of Hanjin Shipping some revisions were necessary. We should be able to make

an official announcement of THE ALLIANCE soon.

<Bulk Shipping Business>

Q1.

Downward revision was made to the full-year forecast of Bulk Shipping Business. Can you inform us of the detail?

A1.

In terms of amount, it is in the order of Car Carrier, Liquid, Dry Bulk (large to small).

<Mid-Term Management Plan related>

Q1.

Do you plan measures such as pre-term cancellation of free Dry Bulk vessels?

A1.

Measures as such pre-term cancellation is vital, and is an issue for the management. We will make the decision considering our financial condition and market situation amongst the other factors.

Q2.

Is "Beat the Crisis" action making progress?

A2.

As well as cutting down on G&A expenses, we are working with a mid-to-long term vision to find new sources of business within the next one to two years. The decision to merge container business is one of the ideas, and other departments are also working to review their business.

Q3.

Please inform of NYK's plan to review its business portfolio?

A3.

The new Mid-Term Management Plan will be completed by April 2018. We will need to analyze our strengths and weaknesses, as well as managing the group companies as "NYK group." We hope to explain the details of the new Mid-Term Management Plan on April 2018.

<Financial Situation>

Q1.

Please comment on the soundness of the balance sheet and shareholder's equity ratio?

A1.

Financial indicators such as shareholder's equity and debt equity ratio are important, but cash flow is the most important, and to have enough cash is vital for the stable management of a company.

Q2.

The forecasted operating cash flow at the end of FY16 is JPY 40 billion. Are there special factors that lowered the operating cash flow?

A2.

The downward revision of operating cash flow is due to the downward revision of the business performance forecasts, and not because of "special factors."