June 2020

Nippon Yusen Kabushiki Kaisha

Summary of the questions and answers for presentation of the financial results for the full fiscal year ended March 2020

<Forecast performance and dividends for the fiscal year ending March 2021>

Q1:
What is your outlook for the first half and the second?

A1:
Though we are not yet in the stage of being able to mention anything specific, we expect the first quarter to be most impacted by the novel coronavirus infectious disease ("COVID-19") and, subsequently, our performance to gradually improve from the second quarter and recover to a certain level by the third quarter. Therefore, we anticipate the second half to catch up on our performance after the first half.

Q2:
Why does the forecast net income for the current fiscal year remain "yet to be determined"?

A2:
That is because there are many uncertainties before getting down to the bottom line. For example, it is extremely difficult to forecast the market values of vessels and other assets.

Q3:
What is your dividend policy for the current year?

A3:
Despite the current year's bottom line remaining yet to be determined, our forecast year-end dividend is 20 yen at this point in accordance with our basic dividend policy (minimum amount). Nevertheless, if the situation improves significantly, we might consider interim dividend, too.

Q4:
What is the breakdown by segment of the approx. 50-60 billion-yen impact of COVID-19 on your performance? Also, excluding its impact, how much would each segment improve in year-on-year performance?

A4:
We anticipate mainly the liner business and the bulk shipping to be impacted. Excluding COVID-19's impact, we would expect all segments to improve at a moderate pace but would not expect any specific segment to grow drastically.

Q5:
What is your outlook for the next fiscal year, the year ending March 2022, assuming COVID-19 continues? Also, how much progress has been made towards improving your earning structure in a forward-looking way?

A5: At this point of time, it is very difficult to indicate our outlook for the next fiscal year. Improvement of our earning structure is making steady progress including the following: ONE has achieved a surplus, having overcome its teething problems. The Car Transportation Division has rationalized vessels deployment, withdrawing from its unprofitable routes. The Dry Bulk Division has implemented early re-delivery of high-cost chartered vessels. The Energy Division has been accumulating medium to long-term contracts for LNG vessels and offshore businesses and, also, will see earning contributions from the Cameron LNG project.

<Air Cargo Transportation Business>

Q6:
Did you make a forecast for the current fiscal year's recurring profit based on multiple scenarios? Also, did you achieve a monthly surplus in April?

A6:
Our forecast has not been made based on a comparison of multiple scenarios but calculated based on certain assumptions we have at this point. The demand for air-cargo transportation will remain sluggish but the key factor is the supply. The recent supply-demand balance is tight due to cancelation and reduction of international passenger flights and hence a decrease in spaces for cargo transportation. We forecast our performance based on certain assumptions including when

operation of more passenger flights resumes. We do not disclose the monthly performance in April but expect the supply-demand balance to be tightest in the first quarter and, therefore, the first quarter to achieve a surplus as reflected to the forecast full-year surplus of 12 billion yen.

Q7:
It has been stated that Nippon Cargo Airlines ("NCA") is the biggest management issue. Given, however, the recent recovery in the cargo market, would you say there is no clear solution for this management issue? Also, assuming a world with COVID-19 continuing, how will NCA be positioned?

A7:
Our view that NCA is our biggest management issue has not changed at all. Though its recent performance is improving due to the tight supply-demand balance and improved market conditions reflecting the significant reduction in international passenger flights, this improvement is dependent on the present unique situation. It does not essentially affect our consideration about the issue. We have continued and continue considering this management issue, eyeing all options and listening to a range of opinions. Though there is a view that recovery of international passenger flights will have to wait for another few years even after the COVID-19 crisis settles down, it is difficult at this point to forecast their recovery and therefore we are not in the stage of indicating something specific. In considering this issue, we believe it is necessary to take into consideration the roles of and needs for freighter.

<Logistics Business>

Q8:
Regarding the forecast negative recurring profit for the current fiscal year, what are the factors and trends by segment?

A8:
The air freight forwarding business is expected to enjoy positive impacts of the very limited supply and of the incremental demand for relief service and chartered flights, a new earning opportunity, which are helping our gross margin level remain high. On the other hand, the ocean freight forwarding business and the contract logistics business are expected to be impacted negatively by the following factors. We expect the world seaborne trade volumes to shrink by approx. 10% year on year, which will also affect onshore track transport, warehousing, etc.

Furthermore, the supply chain solutions, especially in the U.S. region, are expected to be impacted by the decreased demand in the U.S. Our forecast has incorporated these factors.

<Bulk Shipping Business>

Q9:
Your market assumptions for the dry-bulk shipping business looks slightly aggressive compared to the present level. What is your view?

A9:
We use own calculation method using the level of freight forward agreements (FFAs) as an indicator. Our forecast is not particularly aggressive. On a full-year basis compared to the previous fiscal year, we expect the market to decline for capsize bulkers and the BDI also to decline. The recent market remains sluggish reflecting the weak market sentiment. Last summer, however, saw the market rise sharply. Our market assumptions have been formulated on a full-year basis.

Q10:
In the Dry Bulk Division, what percentage of the market exposures has been fixed with FFAs?

A10:
At this point, only a very small percentage has been fixed. Given the recent level of FFAs that is lower than our anticipated level, we do not think it is necessary to rush to fix.

Q11:
What is your medium-term outlook including about cost reduction measures for car carriers?

A11:
It is very difficult to forecast demand recovery; that also varies by region etc. Though some of our vessels are already being idled, if the epidemic of COVID-19 continues and gets prolonged, leading to a prolonged reduction in cargo volumes, we might have to reduce our fleet size including by scrapping vessels we own and redelivering chartered vessels. At this point, we have no clear visibility and are paying close attention to the situation.