

May 16, 2014

Nippon Yusen Kabushiki Kaisha
Corporate Communication and CSR Group

The Supreme Court of Korea's Judgment on Airfreight Charges

In November 2010, the Korea Fair Trade Commission informed Nippon Cargo Airlines Co., Ltd. (NCA), one of our subsidiaries, of its decision to impose a fine against NCA's breach of the Korea's Monopoly Regulation and Fair Trade Law with respect to the airfreight charges applied to the air cargo shipped on ex-Korea routes and ex-Japan Korea routes. As a result of carefully examining the decision of the Korea Fair Trade Commission, NCA decided to take action against the Korea Fair Trade Commission by filing a petition of appeal to vacate the decision with the Seoul High Court in Korea on December 28, 2010. The Seoul High Court affirmed the decision of the Korea Fair Trade Commission and ruled against NCA for both cases related to "airfreight charges on all ex-Korea routes" and "airfreight charges on ex-Japan Korea bound routes". As a result of carefully examining the decision of the Seoul High Court, NCA appealed to Supreme Court for the case related to "airfreight charges on ex-Japan Korea bound routes" on June 1, 2012, and for the case related to "airfreight charges on all ex-Korea routes" on July 10, 2012.

Today, the Supreme Court of Korea, the highest court in Korea, ruled in favor of NCA and decided to remand the case related to "airfreight charges on all ex-Korea routes to the Seoul High Court". On the other hand, for the case related to "airfreight charges on ex-Japan Korea bound routes" it ruled against NCA, and the judgment that orders payment the fine for 469 Million Korean Won, has become final. However NCA had already recorded extraordinary loss equal to the fine as an anti-monopoly law allowance, therefore there is no impact on our consolidated forecasts.

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