

October 12, 2016

To our shareholders:

Name: Nippon Yusen Kabushiki Kaisha
Representative: Tadaaki Naito, President, President Corporate Officer
(Code Number: 9101, TSE and NSE 1st Sections)
Contact: Junichi Ono, General Manager, Finance Group
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**Notice regarding Early Redemption of Zero Coupon Convertible Bonds due 2026
(bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*)**

Nippon Yusen Kabushiki Kaisha (the "Company") hereby notifies its decision to exercise its call option to redeem early the entire outstanding amount of the Zero Coupon Convertible Bonds due 2026 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) (the "Bonds") as outlined below.

1. Reason for redemption:

The Company shall exercise the call option granted in clause 7.3 of the Terms and Conditions of the Bonds.

2. Amount for redemption:

All of the outstanding Bonds

*Outstanding Principal amount as of October 11, 2016: JPY 100,000,000

3. Last day for requesting conversion:

November 7, 2016

4. Redemption date:

November 10, 2016

5. Redemption amount:

100% of the Principal amount of the Bonds

[Outline of the Bonds]

- (1) Date of issuance: September 20, 2006
- (2) Aggregate amount of issue: JPY 55,000 million
- (3) Aggregate principal amount: JPY 55,000 million
- (4) Final maturity date: September 24, 2026
- (5) Interest rate: The Bonds bear no interest.
- (6) Conversion price (as of October 12, 2016): JPY 777.96