

To our shareholders

Corporate Name: Nippon Yusen Kabushiki Kaisha  
 Representative: Tadaaki Naito, President  
 Security Code: 9101  
 Listings: First sections of the Tokyo and Nagoya  
 stock exchanges  
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**Notice of Difference between Consolidated Earnings Forecast and Results for the Six Months Ended September 30, 2016 and Revision of Consolidated Financial Results Forecast and Year-End Dividend Forecast for Fiscal Year 2016**

NYK Line hereby announces that its consolidated actual results for the first six months of the fiscal year ending March 31, 2017 (April 1, 2016 – September 30, 2016), differed from the earnings forecast for the same six-months period. In addition, NYK Line has revised the consolidated financial results forecast, and the interim and year-end dividend forecast for fiscal year 2016, which was announced on July 29, 2016

**1. Difference between Consolidated Earnings Forecast and Results for the Six Months Ended September 30, 2016**

(In millions of yen)

	Revenues	Operating Income	Recurring Profit	Net Income attributable to owners of the Parent company	Earnings per Share (yen)
Previous Forecast (A) (July 29, 2016)	971,500	(19,600)	(17,000)	(26,500)	(15.63)
Actual Results (B)	928,582	(22,472)	(23,616)	(231,812)	(136.91)
Change (B-A)	(42,918)	(2,872)	(6,616)	(205,312)	
Percentage Change (%)	(4.4)	—	—	—	
(ref.) 1H Fiscal Year 2015 Results (ended September 30, 2015)	1,198,297	38,623	42,711	54,768	32.29

Reason for the difference:

The slump in the container business and dry bulk shipping markets has been worse than expected, leading to greater losses in the first half of the current fiscal year than the original forecast. As announced on October 7, 2016, NYK Line has recorded extraordinary losses resulting from an impairment loss and provision for losses related to contracts. As a result, it is posting a substantial loss attributable to owners of the parent.

**2. Revision of Consolidated Financial Results Forecast for Fiscal Year 2016**

(In millions of yen)

	Revenues	Operating Income	Recurring Profit	Net Income attributable to owners of the Parent company	Earnings per Share (yen)
Previous Forecast (A) (July 29, 2016)	1,992,000	0	5,000	(15,000)	(8.85)
Revised Forecast (B)	1,865,000	(25,500)	(26,000)	(245,000)	(144.96)
Change (B-A)	(127,000)	(25,500)	(31,000)	(230,000)	
Percentage Change (%)	(6.4)	—	—	—	
(ref.) Fiscal Year 2015 Results	2,272,315	48,964	60,058	18,238	10.75

※ Assumption for the Forecast (Full year)

Foreign exchange rate	(Revised)	¥103.66/US\$	(Previous)	¥106.53/US\$
Bunker oil prices	(Revised)	US\$262.83/MT	(Previous)	US\$228.16/MT

Background of the Revision :

In addition to 1, above, each level of losses was downwardly revised in the forecast of full-year financial results due to various factors, including the rising price of fuel oil.

### 3. Revision of Interim and Year-End Dividend Forecast

	Dividend per Share		
	Interim Dividend	Year-end Dividend	Total
Previous Forecast (July 29,2016)	2.00 yen	2.00 yen	4.00 yen
Revised Forecast		0.00 yen	0.00 yen
Actual Dividend	0.00 yen		
(ref.) Fiscal Year 2015 Results	4.00 yen	2.00 yen	6.00 yen

Background of the Revision:

In the fiscal year underway, as shipping market has been recovering at a slower pace than originally expected, NYK Line is expected to post a substantial loss mainly as a result of recording an impairment loss. After fully considering these factors and recognizing the importance of the stable return of profits to shareholders, the need to maintain a sufficient amount of internal reserves for dealing with changes in the market and the prolonged market slump, NYK Line has decided to pass an interim dividend and is also planning to pass a fiscal year-end dividend.

The entire Company is working together to push ahead with restructuring with the goal of resuming the payment of dividends as quickly as possible in the future.

(Note) Above mentioned forecast is based on currently available information and assumptions that NYK Line deems to be reasonable. Actual results may differ from the forecast as a result of various factors.

End.