

[Translation]

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To whom it may concern:

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Notice of the New Medium-Term Management Plan

“Staying Ahead 2022 with Digitalization and Green”

Nippon Yusen Kabushiki Kaisha (hereafter, “NYK”) hereby announces that NYK formulates the new medium-term management plan “Staying Ahead 2022 with Digitalization and Green”. The new medium-term management plan states NYK’s corporate vision and management approach over the next five years from April 2018, which are designed to achieve sustainable growth by expeditiously adapting to the altering business environment.

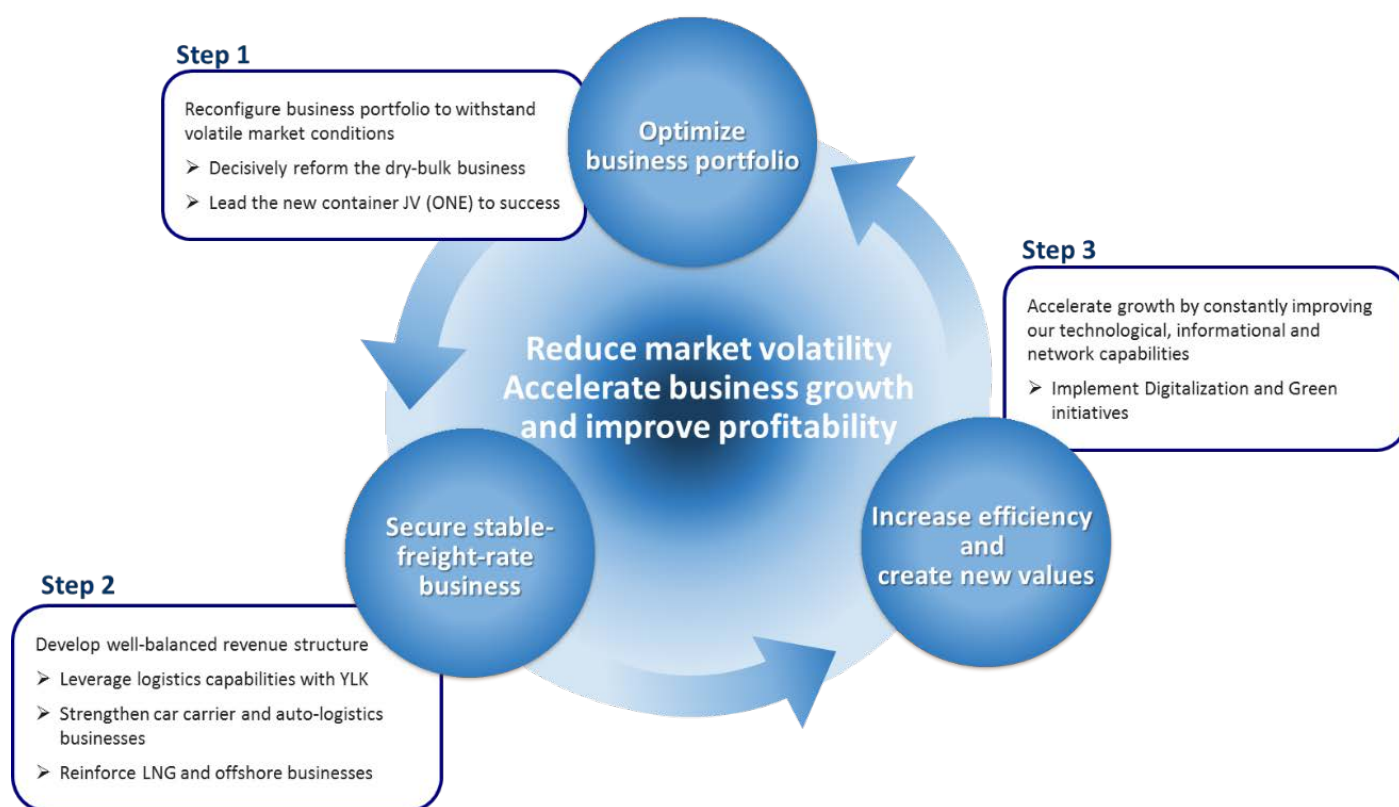
The business environment surrounding NYK group is increasing its uncertainty as a consequence of today’s volatile shipping market condition, rising geopolitical risk and rapid technological evolution.

To survive in such uncertain times, NYK group will take optimal actions to reduce market volatility and improve its profit by further reconfiguring its business portfolio and securing stable-freight-rate business. Also, NYK group will accelerate its growth by advancing its activities with a focus particularly on the keywords “Digitalization” and “Green”. This new challenge is to transform the entire supply chain environmentally sustainable as well as to produce innovative values in the field of renewable energy, by ideally combining NYK’s core competence with advanced elemental technologies in the market. NYK Group will deliver new values with the constant “staying half a step ahead” spirit, promoting each and every employee to develop their “realization” and “materialization” skills.

In addition, to further accelerate efforts to establish a stable business base and enrich its corporate value, NYK Group ensures management transparency and enhancement of its corporate governance.

The outline of the new medium-term management plan is shown as below.

■ Basic strategies of “Staying Ahead 2022 with Digitalization and Green”



■ Earnings and financial targets

(Unit: billion yen)	FY2017 Latest outlook	Medium-Term Target (by FY2022)
Recurring Profit	27 billion yen	70-100 billion yen
ROE	2.1%	min 8.0%
Shareholders' Equity Ratio	25%	min 30%
DER	1.9	1.5 or lower

Exchange rate (1US\$):
 Buner oil prices (1MT):

¥111.26
 \$343.20

¥105
 HSFO \$320 LSGO \$620 (*)
 *HSFO = High Sulphur Fuel Oil / LSGO = Low Sulphur Gas Oil

End