

July 20, 2018

To whom it may concern:

Company Name: Nippon Yusen Kabushiki Kaisha
Representative: Tadaaki Naito, President
(Stock Code: 9101, First Sections of the Tokyo Stock
Exchange and the Nagoya Stock Exchange)
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Administrative measures to Nippon Cargo Airlines Co., Ltd.

Nippon Cargo Airlines Co., Ltd.(hereinafter “NCA”) , the subsidiary of Nippon Yusen Kabushiki Kaisha (hereinafter “the Company”) received today the administrative measures by the Minister of Land, Infrastructure, Transport and Tourism for the inappropriate operations of aircraft maintenance etc. We sincerely apologize the inconvenience caused to our customers, shareholders and all other stakeholders.

1 . Outline of the administrative measures

Based on the acknowledgement for the inappropriate operations of aircraft maintenance, deliberate falsification and disguise actions of maintenance records, which was not individually performed, NCA received the order to improve operations of the site of maintenance and the company business mainly focused on the following subjects.

- (1) Assurance of awareness of Safety consciousness and compliance training
- (2) Appropriate formulation of the safety management system
- (3) Appropriate report of maintenance records
- (4) Appropriate maintenance related to the aircraft structure
- (5) Appropriate operations for damages potentially corresponding to aircraft accidents
- (6) Confirmation for soundness of aircrafts
- (7) Suspension of maintenance operations to the aircraft structure etc.

2 . Corresponding actions in future

The Company as a parent company of NCA, shall make best effort to thoroughly implement effective measures for NYK Group compliance taking such serious situations into considerations sincerely and oversee actions taken by NCA for proper improvements over business operations to support its preventing measures and strengthening the compliance system.

Furthermore, The Company shall take necessary actions adequately to assign an external legal firm (NAGASHIMA OHNO & TSUNEMATSU) to ensure preventing measures and legal compliance in line with

NCA for the reorganization of the safety management system and organization of maintenance of NCA and its assured effective practices.

3. Effect to the Consolidated Financial Results Forecast of the Company

We are investigating the effect to the Consolidated Financial Results Forecast, which shall be disclosed at that moment when it gets clear enough.

4. Corporate Profile of Nippon Cargo Airlines Co., Ltd.

- (1) Location : Narita-shi, Chiba
- (2) President & CEO : Hitoshi Oshika
- (3) Business : Air Cargo Transportation
- (4) Paid in Capital : JPY 10 billion
- (5) Revenue : JPY 97.9 billion (Fiscal Year 2017)

End