

## **Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members**

### Article 1. Purpose

The purpose of these criteria is to establish the independence criteria for recommending candidates for Outside Directors as well as Outside Audit and Supervisory Board Members of Nippon Yusen Kabushiki Kaisha (hereinafter, the “Company”).

### Article 2. Outside Directors

Outside Director candidates shall be recommended from among those who meet the conditions set out in the following items, but do not fall under any of the items of Article 4, upon consideration of the diversity in the composition of the Board of Directors.

- (1) A person with broad knowledge or advanced expertise, excellent insight, a wealth of experience and a good track record in his/her area of specialty, who is expected to bring diverse viewpoints into the Board of Directors of the Company.
- (2) A person who does not fall under any of the reasons for disqualification from becoming a Director prescribed in each item of Article 331, Paragraph 1 of the Companies Act.
- (3) A person who meets the requirement for Outside Directors prescribed in Article 2, Item 15 of the Companies Act.

### Article 3. Outside Audit and Supervisory Board Member

Outside Audit and Supervisory Board Member candidates shall be recommended from among those who meet the conditions set out in the following items, but do not fall under any of the items of Article 4, upon consideration of the diversity in the composition of the Audit and Supervisory Board.

- (1) A person with broad knowledge or advanced expertise, excellent insight, a wealth of experience and a good track record in his/her area of specialty, which can contribute to the execution of audit operations of the Company.
- (2) A person who does not fall under any of the reasons for disqualification from becoming an Audit and Supervisory Board Member prescribed in each item of Article 331, Paragraph 1 of the Companies Act, as applied under Article 335 of the same Act.
- (3) A person who meets the requirement for an Outside Audit and Supervisory Board Member under Article 2, Item 16 of the Companies Act.

### Article 4. Independence of Outside Directors and Audit and Supervisory Board Members

A person who does not fall under any of the following criteria is deemed to be independent.

- (1) A major shareholder of the Company (a party who holds shares representing voting rights that exceed 10% of the total voting rights as at the end of the most recent fiscal year) or an executive thereof.
- (2) A major lender to the Company (a party whose name or trade name is listed among the top 10 lenders to the Company as a major lender in the Business Report for the most recent fiscal year) or an executive thereof.
- (3) A major supplier of the Company (which income from the Company accounts for more than 2% of the consolidated annual revenues of such supplier for the most recent fiscal year) or an executive thereof.
- (4) A major customer of the Company (which income from such customer accounts for more than 2% of the consolidated annual revenues of the Company for the most recent fiscal

year) or an executive thereof.

- (5) A person who is responsible for the audit operation of the Company or its consolidated subsidiary, as accounting auditor, its employee or others of the Company or its consolidated subsidiary.
- (6) An attorney, judicial scrivener, patent attorney, certified public accountant, tax accountant, consultant or others, who receives, apart from compensation for officers, money or other property equivalent to more than JPY10 million per year from the Company, or a person who belongs to a group such as corporation or union, which receives such property as aforementioned equivalent to more than JPY10 million per year from the Company and it is in excess of 2% of its annual income.
- (7) A person who receives donations in excess of JPY5 million per year from the Company, or an executive at a group such as corporation or union, which receives donations in excess of JPY5 million per year from the Company and it is in excess of 2% of its annual income.
- (8) Any person who has fallen under any of (1) through (7) above during the past three years.
- (9) A relative within the second degree of kinship (only if he/she is an important person) of a person who falls under any of (1) through (8) above.
- (10) A relative within the second degree of kinship of Director, Corporate Officer and others, employee or accounting advisor (including staff members who are to perform such duties in the case of a corporation) of the Company or its subsidiary.
- (11) A relative within the second degree of kinship of a person who has acted as Director, Corporate Officer and others, employee or accounting advisor (including staff members who are to perform such duties in the case of a corporation) of the Company or its subsidiary, during the past three years.
- (12) Any person other than the aforementioned items of this article with special circumstances which precludes his/her fulfilling duties as an independent outside Director or Audit and Supervisory Board Member, such as having conflicts of interest with general shareholders of the Company.

Supplementary provision: Revision or abolition of these criteria shall be subject to the resolution of the Board of Directors meeting.

Established on November 26, 2015