

Full Acquisition of Yusen Logistics Co., Ltd.

October 31, 2017

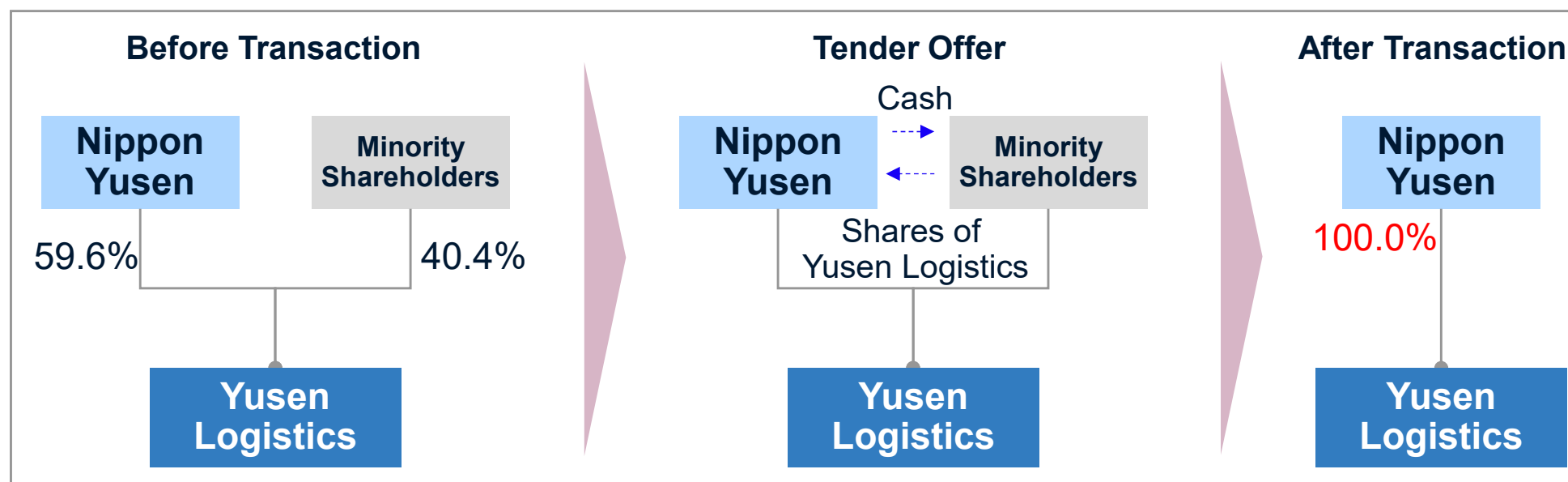
Transaction Overview

► Overview

- Nippon Yusen's full acquisition of Yusen Logistics (TSE Ticker:9370) which is a consolidated subsidiary of Nippon Yusen

► Transaction Structure

- Tender offer for the shares of Yusen Logistics (deducting the shares held by Nippon Yusen) in cash
- Transaction Value : App. JPY 25.6Bn^(※) (JPY1,500 per share)



► Schedule

- Tender Offer Period : From Nov. 1st,2017 to Dec. 14th,2017
- Settlement Commencement Date : Dec. 21st,2017
- Estimated Closing Date : Late-March, 2018 at the latest

- ▶ NYK Group place emphasis on the following strategies in order to focus on minimizing impact of market volatility and improving competitiveness ahead of its competitors.

1 Move toward Asset Light Business Model

- Reduce owned and long-term chartered fleets.
- Expand short-term chartered vessels and forwarding business.

2 Promote Container Transport Business Strategies

- Pursue optimum business portfolio for container transport.
 - Core Assets: Ensure success of the container shipping business integration and establishment of ONE.
 - Non-Asset: Expand forwarding business.

3 Expand beyond Traditional Shipping Secure Stable Freight Rate Business

- Facilitate differentiation through NYK Group's technological capabilities.
 - e.g. automobile-related logistics, project cargos, etc.

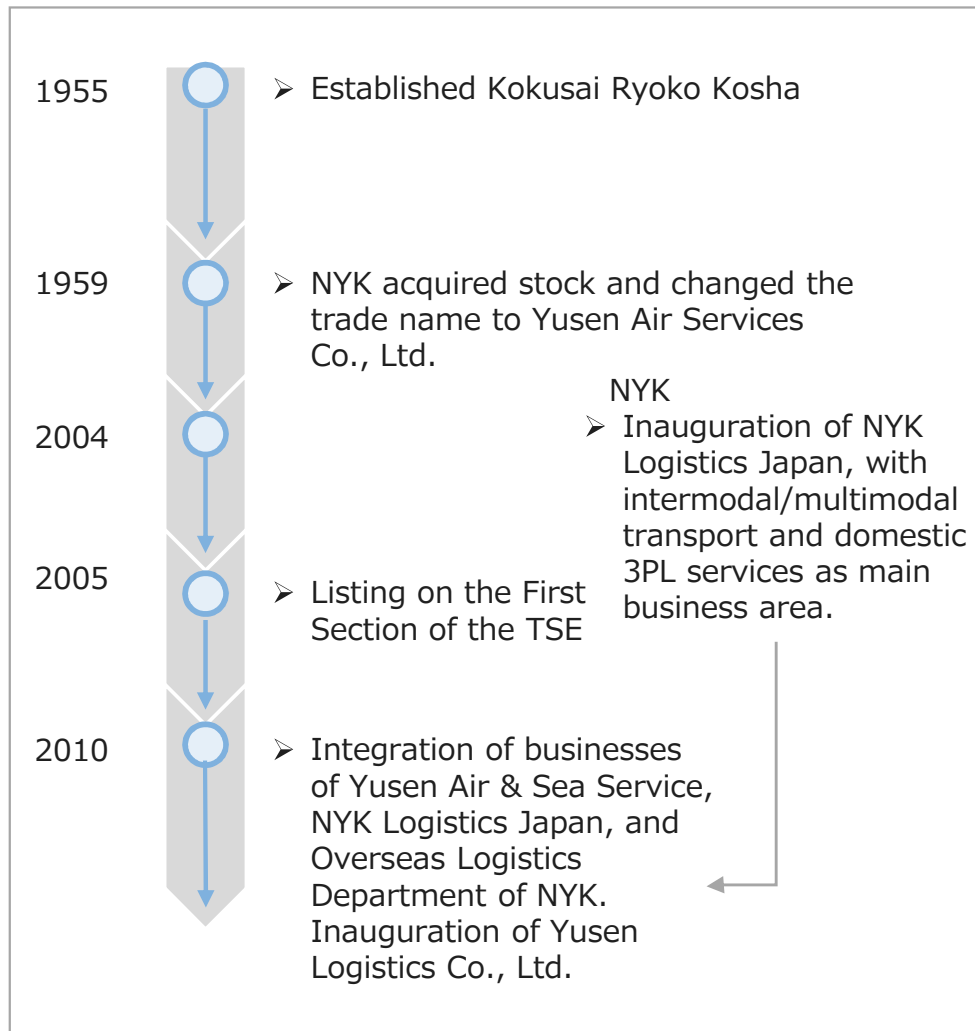
- ▶ NYK Group set logistics business as its core business and will engage in various measures targeted to strengthen its business foundation.

Logistics Business	
Operating Environment	<ul style="list-style-type: none">✓ <u>Changes in customers' needs</u><ul style="list-style-type: none">• Globalization• Supply chain complication/diversification• Increase in demand for one-stop services
Actions	<ul style="list-style-type: none">✓ <u>Enhance total logistics business</u> focusing on growth industries and emerging markets.✓ <u>Strengthen sales platform</u> through further business collaboration.✓ <u>Seek strategic investment opportunities including mergers and acquisitions</u> for the purpose of further expanding business opportunities.✓ <u>Fully utilize the Group's management resources supported by the pillars of people, assets, IT, and capital</u> to strengthen sales capabilities.

- Past integration of NYK Group's logistics companies into YLK in aim to boost the value of the Group's logistics business.

Integration of NYK Group's logistics businesses into YLK

History of YLK



• Outline of the Integration

- Integration of businesses of Yusen Air & Sea Service, NYK Logistics Japan, and Overseas Logistics Department of NYK in 2010.

• Background and Objective of the Integration

- Globalization of customers' logistics and their needs of optimized logistics.
- Globalization of logistics providers and intensified competition.



- To establish two main pillars of business, namely freight forwarding (air/ocean) and contract logistics, **to meet the needs of global customers for optimized logistics as a total logistics provider. (Actualization of YLK's medium-to long-term vision "TRANSFORM 2025")**



Deepening the collaboration of each business and strengthening sales capabilities

- Expand business opportunities through integration of businesses including automobile-related logistics, project cargos, etc.
- Strengthen sales capabilities and profitability by enhancing business collaboration with the Group companies.



Mutually utilizing the global network

- Further enhance Group's front-line functions utilizing its vast network with diversified operations.



Efficiently utilizing the management resources

- Promote collaboration through the common use of information, technology, and systems with aim to enhance technological development.
- Share NYK's financial strength and creditworthiness which allows large-scale and flexible investments.



免責事項

本資料は、電子的または機械的な方法を問わず、当社の書面による承諾を得ることなく複製又は頒布等を行わないようお願いします。

Legal Disclaimer

No part of this document shall be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of NYK Line.