

October 31, 2017

To our shareholders

Corporate Name: Nippon Yusen Kabushiki Kaisha  
 Representative: Tadaaki Naito, President  
 Security Code: 9101  
 Listings: First Section of the Tokyo and Nagoya  
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**Notice of Difference between Consolidated Earnings Forecast and Results for the Six Months Ended September 30, 2017, and Revision of Consolidated Financial Results Forecast for Fiscal Year 2017**

NYK Line hereby announces that its actual consolidated results for the first six months of the fiscal year ending March 31, 2018 (April 1, 2017 – September 30, 2017), differed from the earnings forecast for the same six-month period. In addition, the company will revise the consolidated financial results forecast for fiscal year 2017, which was announced on July 31, 2017.

1. Difference between Consolidated Earnings Forecast and Results for the Six Months Ended September 30, 2017

(In million yen)

	Revenues	Operating profit	Recurring profit	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast (A) (July 31, 2017)	1,053,000	8,500	14,500	1,000	5.93
Actual results (B)	1,064,279	12,741	22,012	6,291	37.30
Change (B-A)	11,279	4,241	7,512	5,291	
Percentage change (%)	1.1	49.9	51.8	529.1	
(ref.) 1H fiscal year 2016 results (ended September 30, 2016)	928,582	(22,472)	(23,616)	(231,812)	(1,369.08)

Note: NYK Line conducted reverse stock split at a ratio of one ordinary share for 10 ordinary shares effective on October 1, 2017. The company is taking into account the impact of this reverse stock split on profit per share in the 1H forecast and results for fiscal year 2017. Profit per share for the 1H results of fiscal year 2016 was calculated assuming that the reverse stock split had been conducted at the beginning of the previous fiscal year.

Reason for the difference: The 1H profit improved over the previous forecast mainly due to increased container cargo movement and a drybulk shipping market trending above the forecast.

2. Revision of Consolidated Financial Results Forecast for Fiscal Year 2017

(In million yen)

	Revenues	Operating profit	Recurring profit	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast (A) (July 31, 2017)	2,112,000	21,500	23,000	5,000	29.65
Revised forecast (B)	2,153,000	33,000	35,000	11,000	65.22
Change (B-A)	41,000	11,500	12,000	6,000	
Percentage change (%)	1.9	53.5	52.2	120.0	
(ref.) Fiscal year 2016 results	1,923,881	(18,078)	1,039	(265,744)	(1,572.35)

Note: NYK Line conducted reverse stock split at a ratio of one ordinary share for 10 ordinary shares effective on October 1, 2017. The company is taking into account the impact of this reverse stock split on profit per share in the forecast of consolidated financial results for the fiscal year ending March 31, 2018. Profit per share for the results of fiscal year 2016 was calculated assuming that the reverse stock split had been conducted at the beginning of the previous fiscal year.

\*Assumptions for the forecast

Foreign exchange rate (Revised) ¥110.60/US\$ (Previous) ¥110.37/US\$  
 Bunker oil price (Revised) US\$335.76/MT (Previous) US\$336.68/MT

Reason for the revision: In the container shipping business, strong cargo movement is expected to continue through the 2H slack season, and in the dry bulk division moderate market recovery on the back of strong cargo movement is forecast to continue. Therefore, we upwardly revised our consolidated financial results forecast for fiscal year 2017.

Note: The forecasts of financial results shown above are based on available information and certain assumptions deemed reasonable by management at the time of preparing this announcement. Accordingly, NYK Line makes no guarantee of these forecasts being realized, as actual results may differ widely owing to various factors.