INFORMATION

The document following this cover sheet exists solely to provide English translations of selected information in the original Japanese text and the documents attached to the Notice of Ordinary General Meeting of Shareholders for reference only.

The original Japanese text of the Notice of Ordinary General Meeting of Shareholders should be available to foreign shareholders at their respective sub-custodians in Japan. Please contact your custodian with your voting instructions as soon as possible.

Shareholders who hold one thousand or more shares of record on the original register of shareholder as of March 31, 2015 will be invited to attend the meeting.

Notice of the 128th Ordinary General Meeting of Shareholders

The 128th Fiscal Year
Report

From April 1, 2014
to March 31, 2015

Nippon Yusen Kabushiki Kaisha

Notes: 1. The forecast incorporates certain assumptions the Company regarded as rational expectations at the time this report was announced. Actual results could differ materially from those projected figures.
2. Fractions of amounts and the numbers of shares in this report are rounded down.
3. ( ) indicates minus.

Greetings from the President

I, Tadaaki Naito, was appointed as President in April of this year. I would like to express my sincere gratitude to our shareholders for your understanding and support for NYK Group's corporate activities. With the arrival of the notice of the General Meeting of Shareholders, I would like to share a few words.

For the consolidated fiscal year (FY2014), the NYK Group's consolidated revenues increased from the previous fiscal year by 7.4% to ¥2,401.8 billion, operating income was up 47.1% year-on-year to ¥66.1 billion, recurring profit rose 43.8% year-on-year to ¥84.0 billion, and net income increased 44.0% year-on-year to ¥47.5 billion.

Looking back at the business environment in FY2014, we were faced with various uncertainties such as disorder in the liner trade segment caused by the prolongation of the labor negotiations in West Coast ports in North America and the further deterioration of the dry bulk market. Despite this challenging environment, the NYK Group was able to steadily accumulate profit in the stable-freight-rate business such as the many long-term contracts it holds, while also achieving a considerable degree of success in the business which is not based on stable freight rates through continuing efforts to improve the efficiency of operations and reduce costs. Furthermore, the ongoing yen depreciation and a decline in fuel oil prices during FY2014 also helped to boost the NYK Group's performance.

The NYK Group started the medium-term management plan "More Than Shipping 2018 –Stage 2 Leveraged by Creative Solutions–" from FY2014. The plan aims to combine the broad range of know-how that has been accumulated within the Group related to marine technology, engineering, logistics technology, and information technology with originality and ingenuity in everyday operations in order to propose new services and improve operations even more actively. The plan also continues to push forward with our strategy to pursue shipping plus alpha in an aim to further improve corporate value. We will focus investments on the LNG transport and offshore business that requires sophisticated vessel management and navigation quality control, and bring together the Group's technological and human capabilities to conduct safe and stable business operations. At the same time, we will steadily implement revenue improvement measures in business which is not based on stable freight rates through further efforts to improve the efficiency and reduce costs.

Based on these circumstances, we propose a fiscal year-end dividend of ¥5.00 per share (annual dividend of ¥7.00), an increase of ¥2.00 compared to the previous fiscal year-end. Our forecast of consolidated results for the upcoming period (FY2015) is: revenues of ¥2,420.0 billion, operating income of ¥88.0 billion, recurring profit of ¥90.0 billion, and net income of ¥55.0 billion. Based on this, we are planning an interim dividend of ¥4.00 per share and a year-end dividend of ¥4.00 per share, for an annual dividend of ¥8.00 per share (a consolidated payout ratio of 24.7%).

In December of last year, NYK entered into a plea-agreement with the United States Department of Justice that includes payment of fines for a violation of US antitrust laws regarding the ocean shipping services for cars and trucks from previous fiscal years. We solemnly and seriously recognize that an incident occurred, and we deeply apologize for causing concerns to our shareholders. Taking into account the severity of this matter, for this fiscal year there is no payment of bonuses for Directors in the same manner as the previous fiscal year.

Going forward NYK will further strengthen and expand various measures for complying with laws and regulations, such as holding regular meetings of a Committee for ensuring adherence to antitrust law and carrying out risk assessments of antitrust laws in all our businesses. We will thus devote our best efforts to preventing recurrence and to ensuring thorough compliance to laws and regulations, as we conduct business fairly.

We do appreciate our shareholders' further understanding and support.

June 2015



Tadaaki Naito
President

To Our Shareholders

June 1, 2015

Notice of the 128th Ordinary General Meeting of Shareholders

To the Shareholders of Nippon Yusen Kabushiki Kaisha:

You are cordially invited to attend the 128th Ordinary General Meeting of Shareholders of Nippon Yusen Kabushiki Kaisha to be held as follows.
When attending the meeting, please submit the enclosed Voting Form (orange colored) at the reception desk on arrival at the meeting.
If you are unable to attend the meeting, you may exercise your voting rights by either of the methods described below. Please review the Reference Documents for the General Meeting of Shareholders shown in the following pages (p. 5 through 15) and exercise your votes.

Voting by Mail
Please indicate your vote for or against each of the proposals on the enclosed Voting Form, and return the form by 5:00 p.m. Japan Time, Monday, June 22, 2015.

Voting via an electromagnetic method (such as the Internet, etc.)
If you exercise votes via the Internet, please review the "Guidance on the Exercise of Votes via electromagnetic method (such as the Internet, etc.)" as described in pages 65 and 66, and exercise your vote by 5:00 p.m. Japan Time, Monday, June 22, 2015.

Yours faithfully

Nippon Yusen Kabushiki Kaisha

Tadaaki Naito
President

ISIN	JP3753000003
SEDOL	6643960
TSE	9101

1. Date: 10:00 a.m., Tuesday, June 23, 2015 (The reception desk will open at 9:00 a.m.)

2. Place: The Prince Park Tower Tokyo, second basement level Ballroom
4-8-1 Shiba Koen, Minato-ku, Tokyo

3. Agenda of the Meeting:
Matters to be reported: 1) The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 128th Fiscal Year (from April 1, 2014 to March 31, 2015)
2) Unconsolidated Financial Statements for the 128th Fiscal Year (from April 1, 2014 to March 31, 2015)

Proposals to be resolved:

Proposal No.1:	Appropriation of surplus
Proposal No.2:	Partial amendments to the Articles of Incorporation
Proposal No.3:	Election of thirteen Directors
Proposal No.4:	Election of two Audit & Supervisory Board Members
Proposal No.5:	Election of one Substitute Audit & Supervisory Board Member

Notes: The Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Unconsolidated Financial Statements that should be attached to the Notice of Convocation are as described from page 5 to page 15 and page 18 to page 64.

4. Items relating to the exercise of votes:
(1) If you make no selection as to approval/disapproval for the respective proposals, you shall be deemed to have expressed intent to give approval as to the proposals.
(2) In the event that the exercise of votes is duplicated by both the method of mailing the Voting Form and via the Internet, the exercise of votes via the Internet shall be deemed valid. In addition, in the event that votes are exercised via the Internet two or more times, the most recent exercise of votes shall be deemed valid.
(3) If you are unable to attend the Ordinary General Meeting of Shareholders, you may exercise your votes by appointing one proxy who shall be a shareholder with votes present at the meeting; provided that, the shareholder or his/her proxy shall submit to the Company a document evidencing his/her power of representation.

5. Method to announce the revision of the content:
If the need arises to revise the content of the Reference Documents for the General Meeting of Shareholders, Business Report, Unconsolidated Financial Statements, Consolidated Financial Statements and/or items in this Notice, the revised items will be announced on the following page on the Internet (http://www.nykline.co.jp).

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No.1: Appropriation of surplus

The Company regards a continuous and stable return of profits to shareholders as one of the most important management issues. Therefore, the Company proposes to distribute a year-end dividend of ¥5.00 per share as indicated below, an increase of ¥2.00 compared to the previous fiscal year-end, taking comprehensive consideration for retaining an appropriate level of internal reserves for further upheaval in the business environment and other relevant factors. Accordingly, the total dividend for the fiscal year including the interim dividend of ¥2.00 per share amounts to ¥7.00 per share.

1. Items relating to year-end dividends
   (1) Type of dividend property
   Cash
   (2) Items relating to the appropriation of dividend property to shareholders and total amount
   ¥5.00 per share of Company common stock, total amount ¥8,480,007,830
   (3) Date of validity of dividends of surplus
   June 24, 2015

Proposal No.2: Partial amendments to the Articles of Incorporation

The Company intends to make the following partial amendments to the Articles of Incorporation. These amendments shall become effective at the conclusion of this meeting.

1. Reasons for the amendments
   (1) To stipulate the Company's corporate name in English, which had not been stipulated thus far, in Article 1 of the current Articles of Incorporation.
   (2) To make amendments to Article 33 and Article 43 of the current Articles of Incorporation to allow Directors who are not Executive Directors etc. and Audit & Supervisory Board Members, to fully perform the roles expected of them as they have become entitled to enter into liability limitation agreement subject to the provisions in the Articles of Incorporation, under the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014, effective May 1, 2015; hereinafter the "Revised Act"). With regards to the proposal to this General Meeting of Shareholders of the aforementioned amendment to Article 33, consent of all Audit & Supervisory Board Members has been obtained.
   (3) To change paragraph number in Article 36, Paragraph 3 of the current Articles of Incorporation for the Revised Act.
2. Details of the amendments
   Details of the amendments are as follows.

(Underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
(Name) Article 1. The name of the Company shall be Nippon Yusen Kabushiki Kaisha. (Newly established)	(Name) Article 1. 1. The name of the Company shall be Nippon Yusen Kabushiki Kaisha. 2. The name of the Company in English shall be Nippon Yusen Kabushiki Kaisha, Nippon Yusen Kaisha, or NYK Line.
Article 2. – Article 20. (Provisions omitted)	Article 2. – Article 20. (Unchanged)
CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS
Article 21. – Article 32. (Provisions omitted)	Article 21. – Article 32. (Unchanged)
(Limitation of Liabilities of Outside Directors) Article 33. The company may enter into an agreement with each of Outside Directors to the effect that any liabilities for damages of such Outside Directors as stipulated in Article 423, Paragraph 1 of the Companies Act shall be limited to the extent permitted by law; provided, however, the limit of the liability thereunder shall be a prescribed amount in advance that is to be twenty million yen or more or an amount set by law, whichever is the greater.	(Limitation of Liabilities of Nonexecutive Directors) Article 33. The company may enter into an agreement with each of Nonexecutive Directors to the effect that any liabilities for damages of such Nonexecutive Directors as stipulated in Article 423, Paragraph 1 of the Companies Act shall be limited to the extent permitted by law; provided, however, the limit of the liability thereunder shall be a prescribed amount in advance that is to be twenty million yen or more or an amount set by law, whichever is the greater.
CHAPTER V AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD	CHAPTER V AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD
Article 34. – 35. (Provisions omitted)	Article 34. – 35. (Unchanged)
(Term of Office of Audit & Supervisory Board Members) Article 36. 1. (Provision omitted) 2. (Provision omitted) 3. The effect of the resolution of election of Substitute Audit & Supervisory Board Members in accordance with Article 329, Paragraph 2 of the Companies Act shall be valid until conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within four years from the said election. 4. (Provision omitted)	(Term of Office of Audit & Supervisory Board Members) Article 36. 1. (Unchanged) 2. (Unchanged) 3. The effect of the resolution of election of Substitute Audit & Supervisory Board Members in accordance with Article 329, Paragraph 3 of the Companies Act shall be valid until conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within four years from the said election. 4. (Unchanged)
Article 37. – 42. (Provisions omitted)	Article 37. – 42. (Unchanged)
(Limitation of Liabilities of Outside Audit & Supervisory Board Members) Article 43. The Company may enter into an agreement with each of Outside Audit & Supervisory Board Members to the effect that any liabilities for	(Limitation of Liabilities of Audit & Supervisory Board Members) Article 43. The Company may enter into an agreement with each of Audit & Supervisory Board Members to the effect that any liabilities for damages of such Audit

Current Articles of Incorporation	Proposed Amendments
damages of such Outside Audit & Supervisory Board Members as stipulated in Article 423, Paragraph 1 of the Companies Act shall be limited to the extent permitted by law; provided, however, the limit of the liability thereunder shall be a prescribed amount in advance that is to be twenty million yen or more or an amount set by law, whichever is the greater. Article 44. – 51. (Provisions omitted)	& Supervisory Board Members as stipulated in Article 423, Paragraph 1 of the Companies Act shall be limited to the extent permitted by law; provided, however, the limit of the liability thereunder shall be a prescribed amount in advance that is to be twenty million yen or more or an amount set by law, whichever is the greater. Article 44. – 51. (Unchanged)

Proposal No.3: Election of thirteen Directors

The term of office of all incumbent Directors (thirteen (13) Directors) will expire upon conclusion of this meeting.

The Company therefore recommends and proposes the following thirteen (13) candidates for election as Directors.

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions	Number of the Company's shares held / Attendance rate of meetings of the Board of Directors held during FY2014
1	Re-election Yasumi Kudo (November 14, 1952)	April 1975 Joined the Company June 1998 General Manager, Semi-Liner Group April 2002 Corporate Officer June 2004 Managing Director and Corporate Officer April 2006 Representative Director, Senior Managing Corporate Officer April 2008 Representative Director, Executive Vice-President Corporate Officer April 2009 President, President Corporate Officer April 2015 Chairman, Chairman Corporate Officer (to the present)	149,745 shares 100%
2	Re-election Tadaaki Naito (September 30, 1955)	April 1978 Joined the Company April 2004 General Manager of Petroleum Group April 2005 Corporate Officer April 2007 Managing Corporate Officer June 2008 Director, Managing Corporate Officer April 2009 Representative Director, Senior Managing Corporate Officer April 2013 Representative Director, Executive Vice-President Corporate Officer April 2015 President, President Corporate Officer (to the present)	106,362 shares 100%
3	Re-election Naoya Tazawa (October 27, 1955)	April 1978 Joined the Company April 2002 General Manager of Human Resources Group April 2005 Corporate Officer April 2007 Managing Corporate Officer June 2009 Director, Managing Corporate Officer April 2010 Representative Director, Senior Managing Corporate Officer April 2015 Representative Director, Executive Vice-President Corporate Officer (to the present) Chief Compliance Officer, Chief Executive of Technical Headquarters, In charge of General Affairs Headquarters	108,363 shares 100%

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions	Number of the Company's shares held Attendance rate of meetings of the Board of Directors held during FY2014
4	Re-election Kenji Mizushima (April 21, 1956)	April 1979 Joined the Company April 2007 Corporate Officer, General Manager of Container Trade Management Group April 2008 Managing Corporate Officer June 2009 Director, Managing Corporate Officer April 2012 Representative Director, Senior Managing Corporate Officer (to the present) Chief Executive of Management Planning Headquarters, Chief Financial Officer	64,674 shares 100%
5	Re-election Hitoshi Nagasawa (January 22, 1958)	April 1980 Joined the Company April 2004 General Manager of LNG Group April 2007 Corporate Officer April 2009 Managing Corporate Officer June 2011 Director, Managing Corporate Officer April 2013 Representative Director, Senior Managing Corporate Officer (to the present) Chief Executive of Energy Division	90,422 shares 93%
6	Re-election Koichi Chikaraishi (April 19, 1957)	April 1980 Joined the Company April 2003 General Manager of Petroleum Product and LPG Group April 2009 Corporate Officer April 2012 Managing Corporate Officer June 2012 Director, Managing Corporate Officer April 2013 Representative Director, Senior Managing Corporate Officer (to the present) Chief Executive of Automotive Transportation Headquarters	66,503 shares 93%
7	Re-election Masahiro Samitsu (December 4, 1957)	April 1980 Joined the Company September 2003 General Manager of Bulk/Energy Atlantic Group April 2009 Corporate Officer April 2013 Managing Corporate Officer June 2013 Director, Managing Corporate Officer April 2015 Director, Senior Managing Corporate Officer (to the present) Chief Executive of Dry Bulk Division	54,593 shares 100%

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions	Number of the Company's shares held Attendance rate of meetings of the Board of Directors held during FY2014
8	Re-election Hidetoshi Maruyama (May 27, 1957)	April 1981 Joined the Company April 2008 Corporate Officer, General Manager of Container Trade Management Group April 2013 Managing Corporate Officer June 2013 Director, Managing Corporate Officer (to the present) Chairman of Group IT Policy Committee, Chief Information Officer, Chief Executive of Global Logistic Headquarters	45,917 shares 100%
9	Re-election Hitoshi Oshika (March 28, 1959)	April 1982 Joined the Company April 2006 General Manager of Global Management Strategy Group April 2009 Corporate Officer June 2013 Director, Corporate Officer (to the present) In charge of Corporate Planning Division, Cruises Division and Air Cargo Transportation Division	39,115 shares 93%
10	Re-election Kazuo Ogasawara (March 9, 1958)	April 1982 Joined the Company April 2006 General Manager of Capesize Bulker Group April 2009 Corporate Officer June 2013 Director, Corporate Officer (to the present) In charge of Dry Bulk Division	50,593 shares 100%
11	Re-election Outside Director Independent Director Yukio Okamoto (November 23, 1945)	April 1968 Joined Japan's Ministry of Foreign Affairs January 1991 Retired from the Ministry March 1991 President of OKAMOTO ASSOCIATES, INC. (current position) November 1996 Special Advisor to the Prime Minister March 1998 Retired from the above mentioned position September 2001 Special Advisor to the Cabinet Secretariat April 2003 Retired from the above mentioned position Special Advisor to the Prime Minister March 2004 Retired from the above mentioned position June 2008 Outside Director (to the present) <u>Significant concurrent positions</u> President of OKAMOTO ASSOCIATES, INC. Outside Director of MITSUBISHI MATERIALS CORP. Outside Director of NTT DATA CORPORATION	73,429 shares 100%

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions	Number of the Company's shares held Attendance rate of meetings of the Board of Directors held during FY2014
12	Re-election Outside Director Independent Director Yuri Okina (March 25, 1960)	April 1984 Joined BANK OF JAPAN April 1992 Joined THE JAPAN RESEARCH INSTITUTE, LTD. April 1994 Chief Researcher of THE JAPAN RESEARCH INSTITUTE, LTD. April 2000 Senior Researcher of THE JAPAN RESEARCH INSTITUTE, LTD. September 2001 Visiting Professor, Graduate School of Keio University June 2006 Research Director of THE JAPAN RESEARCH INSTITUTE, LTD June 2008 Outside Director June 2014 Vice Chairman of THE JAPAN RESEARCH INSTITUTE, LTD. (current position) (to the present) Significant concurrent positions Vice Chairman of THE JAPAN RESEARCH INSTITUTE, LTD. Outside Director of SEVEN BANK, LTD. Outside Director of BRIDGESTONE CORPORATION Corporate Auditor (part-time) of INCORPORATED ADMINISTRATIVE AGENCY, NIPPON EXPORT AND INVESTMENT INSURANCE	55,974 shares 100%
13	New appointment Yoshiyuki Yoshida (May 30, 1957)	April 1981 Joined the Company April 2005 General Manager of Tramp Co-ordination Group April 2011 Corporate Officer April 2015 Managing Corporate Officer (to the present) Chief Executive of General Affairs Headquarters	56,550 shares —

Notes:
1. No transactions or special interests exist between the Company and any of the above candidates for Directors.
2. Mr. Yukio Okamoto and Ms. Yuri Okina are candidates for the Company's Outside Directors as stipulated in Article 2, Item 15 of the Companies Act. The Company believes that Mr. Okamoto and Ms. Okina have no conflict of interest with general shareholders and are highly independent. In the event that they are elected as Directors of the Company, they will continuously be reported as the Independent Directors to Tokyo and Nagoya stock exchanges.
3. The Company is proposing the election of Mr. Yukio Okamoto as an Outside Director in order to reflect his extensive knowledge and insight as an expert of international affairs in the management of the Company and believes that his knowledge and insight will contribute to the management of the Company.
4. The Company is proposing the election of Ms. Yuri Okina as an Outside Director in order to reflect her extensive knowledge and insight as an expert of economic and financial conditions in the management of the Company and believes that her knowledge and insight will contribute to the management of the Company.
5. The Company entered into a plea-agreement in December 2014 with the United States

Department of Justice that includes payment of fines for a violation of US antitrust laws regarding the ocean shipping services for cars and trucks from previous fiscal years. Prior to the Company being investigated for the conduct subject to the plea-agreement, Mr. Yukio Okamoto and Ms. Yuri Okina were not aware of such conduct. As well as making previous statements on compliance with laws and regulations, Mr. Okamoto and Ms. Okina have been expressing their opinions for the purpose of eradicating violations of antitrust laws including overseas competition laws, and preventing the recurrence of such incidents, at the meetings of the Board of Directors, a Committee for ensuring adherence to antitrust law and other such meetings.

6. It was found in March 2011 that some of facilities in some factories of MITSUBISHI MOTORS CORP., for which Mr. Yukio Okamoto had been concurrently serving as an Outside Audit & Supervisory Board Member until June 2014, had been used without necessary reporting, etc., under applicable environmental laws and regulations. A fact that MITSUBISHI MOTORS CORP. incorrectly disposed the equipment utilizing insulation oil which contains or may contain PCB (Polychlorinated biphenyl) was identified through September to December 2012. Mr. Okamoto was not involved in any of the matters. He regularly provides his opinions in relation to compliance in a timely manner, and after the occurrence of the case, he worked on enhancing the company's compliance systems with various measures, including reviewing the company's initiatives to prevent the recurrence of such incident.
7. Mr. Yukio Okamoto and Ms. Yuri Okina will have served as Outside Directors of the Company for seven years at the conclusion of this meeting.
8. The Company has established the provisions in the Articles of Incorporation to the effect that it may enter into a liability limitation agreement with Outside Directors, and has actually entered into the liability limitation agreement with each of Outside Directors as stipulated in Article 33 of the Articles of Incorporation established under Article 427, Paragraph 1 of the Companies Act setting forth that the liability under Article 423, Paragraph 1 of the same Law shall be the liability limit of ¥20 million or the liability limit stipulated by law, whichever is greater, as long as the Outside Director performs his/her duty in good faith and without gross negligence on his/her part. In the event that the proposed election of Mr. Yukio Okamoto and Ms. Yuri Okina is approved, the Company will continue to have the liability limitation agreement with each of them.

Proposal No.4: Election of two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Mr. Mikitoshi Kai and Mr. Fumio Kawaguchi will expire upon conclusion of this meeting.

The Company therefore recommends and proposes the following two (2) candidates for election as Audit & Supervisory Board Members.

The Audit & Supervisory Board has previously given its approval.

No.	Name (Date of birth)	Career summary and significant concurrent positions	Number of the Company's shares held
1	New appointment Yoko Wasaki (August 15, 1954)	April 1978 Joined the Company April 2002 General Manager of Tramp Coordination Group April 2009 Corporate Officer April 2014 Commissioned Advisor (to the present, scheduled to retire on June 22, 2015)	48,115 shares
2	New appointment Outside Audit & Supervisory Board Member Independent Auditor Toshio Mita (November 2, 1946)	April 1969 Joined CHUBU ELECTRIC POWER COMPANY, INCORPORATED June 2003 Director, General Manager of Tokyo Office of CHUBU ELECTRIC POWER COMPANY, INCORPORATED June 2005 Director & Managing Executive Officer, General Manager of Customer Service Division of CHUBU ELECTRIC POWER COMPANY, INCORPORATED June 2006 President & Director of CHUBU ELECTRIC POWER COMPANY, INCORPORATED June 2007 President & Director (Executive Officer) of CHUBU ELECTRIC POWER COMPANY, INCORPORATED June 2010 Chairman of CHUBU ELECTRIC POWER COMPANY, INCORPORATED (current position) (to the present) Significant concurrent positions Chairman of the Board of Directors of CHUBU ELECTRIC POWER COMPANY, INCORPORATED Outside Audit & Supervisory Board Member of TOYOTA INDUSTRIES CORPORATION Chairman of CHUBU ECONOMIC FEDERATION	0 shares

Notes:
1. No transactions or special interests exist between the Company and any of the above candidates for Audit & Supervisory Board Members.
2. Mr. Toshio Mita is a candidate for the Company's Outside Audit & Supervisory Board Member as stipulated in Article 2, Item 16 of the Companies Act. The Company believes that Mr. Mita has no conflict of interest with general shareholders and is highly independent. In the event that he is elected as an Audit & Supervisory Board Member of the Company, he will be reported as the Independent Auditor to Tokyo and Nagoya stock exchanges.
3. The Company is proposing the election of Mr. Toshio Mita as an Outside Audit & Supervisory Board Member in order to reflect his extensive knowledge and insight gained through wealth of experience primarily in corporate management in the audit of the Company and believes that his knowledge and insight will contribute to the execution of audit in the Company.
4. The Company has established the provisions in the Articles of Incorporation to the effect that it may enter into a liability limitation agreement with Outside Audit & Supervisory Board Members, and has actually entered into the liability limitation agreement with each of

Outside Audit & Supervisory Board Members as stipulated in Article 43 of the Articles of Incorporation established under Article 427, Paragraph 1 of the Companies Act setting forth that the liability under Article 423, Paragraph 1 of the same Law shall be the liability limit of ¥20 million or the liability limit stipulated by law, whichever is greater, as long as the Outside Audit & Supervisory Board Member performs his/her duty in good faith and without gross negligence on his/her part. In the event that the proposed election of Mr. Toshio Mita is approved, the Company will enter into the similar liability limitation agreement with him, regardless of whether Proposal No.2 is approved or not.

5. In the event that Proposal No.2 is approved, the Company will enter into the liability limitation agreement with each of Audit & Supervisory Board Members, whereby the liability under Article 423, Paragraph 1 of the Companies Act shall be the liability limit of ¥20 million or the liability limit stipulated by law, whichever is greater, as long as the Audit & Supervisory Board Member performs his/her duty in good faith and without gross negligence on his/her part. In the event that the proposed election of Ms. Yoko Wasaki is approved, the Company will enter into the similar liability limitation agreement with her.

Proposal No.5: Election of one Substitute Audit & Supervisory Board Member

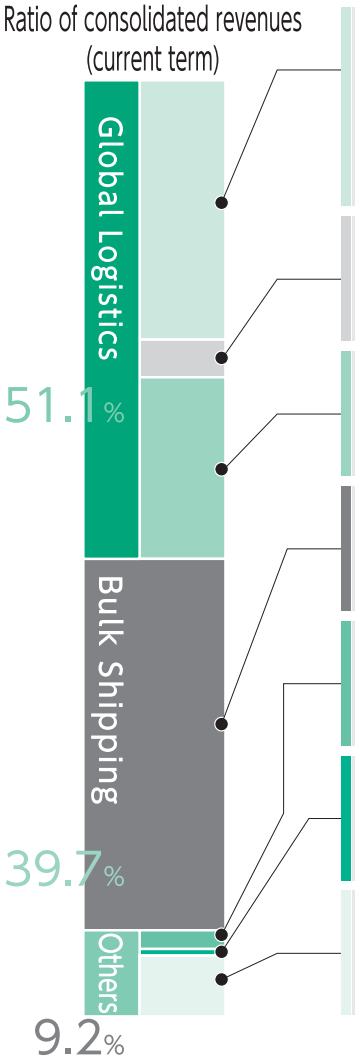
In order to keep statutory minimum number of Audit & Supervisory Board Members at all times, the Company is newly proposing the election of a Substitute Audit & Supervisory Board Member who shall fill in incidental vacancy of any Outside Audit & Supervisory Board Members.

The Audit & Supervisory Board has previously given its approval.

Name (Date of birth).	Career summary and significant concurrent positions	Number of the Company's shares held
Michio Matsui (March 22, 1953)	April 1976 Joined the Company March 1987 Resigned the Company April 1987 Joined MATSUI SECURITIES CO., LTD... December 1988 Director of MATSUI SECURITIES CO., LTD.. October 1990 Managing Director & General Manager of Sales Division of MATSUI SECURITIES CO., LTD.. June 1995 President & CEO of MATSUI SECURITIES CO., LTD.. (current position) (to the present) Significant concurrent positions President & CEO of MATSUI SECURITIES CO., LTD.	0 shares

Notes:
1. No transactions or special interests exist between the Company and Mr. Michio Matsui.
2. Mr. Michio Matsui is a candidate for the Company's Substitute Outside Audit & Supervisory Board Member. The Company believes that Mr. Matsui has no conflict of interest with general shareholders and is highly independent. In the event that proposed election of Mr. Matsui is approved, and in the event that he assumes the position of Outside Audit & Supervisory Board Member, he will be reported as the Independent Auditor to Tokyo and Nagoya stock exchanges.
3. The Company is proposing the election of Mr. Michio Matsui, as he is believed capable to reflect in the audit of the Company his extensive knowledge and insight gained through wealth of experience primarily in corporate management.
4. Mr. Michio Matsui served as an employee of the Company for 11 years from 1976 to 1987.
5. The Company has established the provisions in the Articles of Incorporation to the effect that it may enter into a liability limitation agreement with Outside Audit & Supervisory Board Members, and has actually entered into the liability limitation agreement with each of Outside Audit & Supervisory Board Members as stipulated in Article 43 of the Articles of Incorporation established under Article 427, Paragraph 1 of the Companies Act setting forth that the liability under Article 423, Paragraph 1 of the same Law shall be the liability limit of ¥20 million or the liability limit stipulated by law, whichever is greater, as long as the Outside Audit & Supervisory Board Member performs his/her duty in good faith and without gross negligence on his/her part. In the event that the proposed election of Mr. Michio Matsui is approved, and in the event that he assumes the position of Outside Audit & Supervisory Board Member, the Company will enter into the similar liability limitation agreement with him, regardless of whether Proposal No.2 is approved or not.
6. Mr. Michio Matsui's appointment as a Substitute Audit & Supervisory Board Member may be cancelled by the resolution of the Board of Directors subject to the consent of the Audit & Supervisory Board only for the period before he assumes the position.

Business segment results



Liner Trade

27.7%

(In 100 millions of yen)	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	Liner Trade 4,187 Terminal and Harbor Transport 1,400	5,360	6,174	6,963
Recurring profit (loss)	Liner Trade (447) Terminal and Harbor Transport 77	(16)	(7)	98

Air Cargo Transportation

4.0%

(In 100 millions of yen)	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	826	778	888	991
Recurring profit (loss)	33	(48)	(73)	6

Logistics

19.4%

(In 100 millions of yen)	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	3,651	3,668	4,315	4,869
Recurring profit (loss)	92	47	65	107

Bulk Shipping

39.7%

(In 100 millions of yen)	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	7,308	8,245	9,884	9,958
Recurring profit (loss)	(77)	177	548	600

Cruises

2.0%

(In 100 millions of yen)	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	324	350	452	498
Recurring profit (loss)	(58)	(37)	7	21

Real Estate

0.4%

(In 100 millions of yen)	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	108	104	99	95
Recurring profit (loss)	39	39	38	32

Other

6.8%

(In 100 millions of yen)	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	1,845	1,736	1,927	1,706
Recurring profit (loss)	8	14	6	(5)

Assets by business segment

(In 100 millions of yen)

		The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Global Logistics	Liner Trade	Liner Trade 2,615 Terminal and Harbor Transport 1,584	4,078	4,524	**4,998**
	Air Cargo Transportation	697	903	788	**562**
	Logistics	2,052	2,172	2,379	**2,743**
Bulk Shipping		12,956	14,500	15,022	**15,012**
Others	Cruises	281	286	337	**442**
	Real Estate	545	573	538	**568**
	Other	4,575	6,078	5,529	**4,141**
Total		25,309	28,592	29,121	**28,468**
Adjustments		(4,087)	(4,291)	(3,609)	**(2,770)**
Consolidated		21,222	24,301	25,512	**25,698**

Notes: 1. The above shows figures before elimination of internal transactions between segments.

2. From the 127th term, in accordance with a review for the NYK Group's management policy and organizational management system, presentation method has changed to include "Terminal and Harbor Transport" under "Liner Trade". In addition, we have changed the business segment, to which some consolidated subsidiaries belong, from "Liner Trade" to "Bulk Shipping". Any changes from this review are not reflected in the above stated business segment results for the 125th term.
3. From the current term, general and administrative expenses not attributable to specific segment are recorded as corporate expenses and not included in the above figures.
4. Content of adjustments includes adjustments for receivables and assets regarding internal transactions between segments, and corporate assets. Corporate assets mainly include surplus operating funds of the Company (cash and deposits).

The 128th Ordinary General Meeting of Shareholders
Documents attached to the Notice of Ordinary General Meeting of Shareholders

Business Report (From April 1, 2014 to March 31, 2015)

1. Overview of Operations for NYK Group

(1) Business Progress and Results

1) Business Progress and Results for Current Fiscal Year

Looking back at the global economy in the current fiscal year, the U.S. economy experienced a steady recovery, supported by the improvements in employment, consumption, etc., despite some fragility contained. The European economy followed a path to a gentle recovery, although there were downside risks in some countries. Although the pace of growth slowed in the Chinese economy, it remained higher compared to other regions. As for other emerging countries, conditions differed for each country due to the impact of factors including geopolitical risks, the U.S. monetary policy, and low fuel prices. Although the Japanese economy was stagnant following the consumption tax hike, there was a trend of gentle recovery in the second half due to such factors as improvements in exports as a result of low fuel prices and a weaker yen.

Given such an operating environment, the consolidated results in FY2014 were revenues of ¥2,401.8 billion (7.4% increase over the previous year), operating income of ¥66.1 billion (47.1% increase over the previous year), recurring profit of ¥84.0 billion (43.8% increase over the previous year), and a net income of ¥47.5 billion (44.0% increase over the previous year), recording increases in year-on-year revenue and profit.

2) Overview of the Business Segments

I. Global Logistics

(i) Liner Trade

In the container shipping division, although cargo volume was steady due to the economic recovery in Europe and the U.S., the continued increase in the number of newly built large vessels outpacing the growth in cargo volume mainly on European routes caused further heightened pressure on shipping capacity supply. As a result, lowered freight rates did not recover. In terms of service, the G6 Alliance composed of six companies including NYK expanded service to North American West Coast routes and Atlantic Ocean routes and promoted further streamlining of operations and expansion in the service network. For inter-Asia routes which are seen as growth regions for the NYK Group, we continued the trend from previous fiscal year of a dramatic year-on-year increase in cargo by responding to customer needs by conducting changeover for more competitive service. In terms of costs, we worked to reduce ship costs and operating costs by sending back uneconomic ships, making ship modifications, introducing ships with fuel efficiency, and making efficient assignments of ships. In addition, routes covered by the Eagle project aimed at efficient container operations and gross profit maximization were expanded in an aim to further reduce costs and improve gross profit.

Total handling volumes at domestic and overseas container terminals were strong, increasing over the previous fiscal year. In addition, a portion of holding company shares of the North American container terminal business company were sold in February this year for the purpose of restructuring of the business portfolio.

Revenues increased over the previous fiscal year for the liner trade segment as a whole and a profit was posted.

(ii) Air Cargo Transportation

NIPPON CARGO AIRLINES CO., LTD. (NCA) strengthened initiatives for businesses that are not easily affected by changes in market conditions, such as collections of cargo uniquely made possible by cargo aircraft and airline charters by improving transportation quality and promptly responding to the needs of customers. Due in part both to the increased use of air cargo caused by the congestion

in West Coast ports in North America and the decline in fuel oil prices during the second half of the fiscal year, performance of NCA improved significantly year-on-year and a profit was posted.

(iii) Logistics

The handling volume of air cargo (forwarding business) grew due in part to robust cargo volume caused by a recovery in the U.S. economy combined with an increase in demand triggered by the port congestion. The handling volume of seaborne cargo (forwarding business) was not as high as the previous fiscal year due to factors including sluggish outgoing shipments from Asia. In logistics operations (storage in warehouses, collections of cargoes and transportation), we steadily expanded the business through means such as the launching of new warehouses mainly in South Asia, while also making efforts for cost-cutting.

In the domestic logistics division, coastal shipping business and domestic warehouse business showed strong performances. Passenger number recovered for the near seas ferry business during the second half of the year as well, and profit exceeding the previous fiscal year was secured.

As a result, revenue and profit increased compared to the previous fiscal year for the logistics segment as a whole.

II. Bulk Shipping

In the car carrier division, the same level was maintained as the previous fiscal year for the number of finished automobiles sent by marine transportation. The number of finished automobiles exported from Japan fell short of the previous fiscal year due to the advance of local production for local consumption, regardless of weaker yen and a recovery in demand for automobiles in some regions. However, performance was improved as a result of the steady assignment of ships in areas with strong transportation demand including North America and Asia, and the flexible response to growth in shipments overseas. In addition, construction was completed for four new ships with high energy efficiency in order to renew the fleet and advance our environmental measures.

In the auto logistics business, we actively expanded business into growth markets through initiatives such as commencing finished automobile logistics services jointly with local companies in Mexico and Myanmar.

In the dry bulk division, although cargo volume was robust, due to continued oversupply, market conditions deteriorated compared to the previous fiscal year across all regions and types of bulk carriers mainly for capesize bulkers. The NYK Group worked to increase contracts not susceptible to short-term market conditions, while making efforts for cost-cutting through means such as intensified implementation of slow-steaming. In addition, efforts to improve the balance between revenues and expense included ballast voyage reductions through cargo combination and ship allocation optimization.

In the liquid division, because crude oil production increased dramatically in North America and OPEC member countries maintained production volumes, the crude oil price has fallen since July of last year, causing an increase in demand for oil. Market for Very Large Crude oil Carriers (VLCC) improved over the previous fiscal year due to an increase in shipping distance triggered by the diversification of suppliers for China. Market for petroleum products tankers improved over the previous fiscal year due to an increase in arbitrage trading stemming from the west/east difference in price of naphtha triggered by the skyrocketing price of petrochemical raw materials in Asia, which led to an increase in export volumes of new refineries in the Middle East and Asia. Market for LPG vessels improved over the previous fiscal year due to replacement demand for LPG as a result of high naphtha prices, in addition to the support by the increased shipping distance for cargo from the U.S. to Asia. Performance was strong for LNG vessels supported by long-term contracts that generate stable profits. In the offshore business, Floating production storage and offloading (FPSO) and drillship operated steadily. As a result, performance improved for the liquid division.

All of the factors described above resulted in year-on-year increases in revenues and profit for the bulk shipping business as a whole.

III. Others

(i) Cruises

Crystal Cruise in the North American market and Asuka Cruise in the Japanese market posted robust sales. Also, partly owing to the effects of the continuous reform of the revenues and expense structure, including various measures to attract customers and cost-cutting efforts, both revenues and profit increased year-on-year. In March of this year, it was decided to sell the operations management subsidiary of Crystal Cruise in order to focus management resources on Asuka Cruise.

(ii) Real Estate and Other Business Services

For the real estate business, there was a year-on-year decline in revenues and profit as a result of factors including the reconstruction and sale of long-held rental properties.

In other business services, revenues decreased as the sales price of bunker oil, the main product in our trading business declined significantly triggered by the drastic fall in crude oil prices. As for the manufacturing and process business, although favorable sales of products such as components for vessels resulted in profit, other business services overall posted loss as revenue decreased year-on-year.

For details, please refer to the “Business segment results” given on page 16.

3) Safety and Environment

At the core of the NYK Group’s management is the principle of ensuring the safe operation of its vessels and conservation of environment. The NYK Group remains committed to providing safe and secure marine transportation services based on its unique safety management system NAV9000, along with other initiatives such as the Near Miss 3000 campaign to raise awareness of safety issues on site. The NYK Group will continue to contribute to environmental conservation efforts and carry out safe and secure marine transportation activities.

In addition, NYK started appointing Filipinos as captains and chief engineers of LNG vessels ahead of other companies in the industry, for a total of seven captains and chief engineers as of the end of the current fiscal year. The Philippines is a country that provides seafarers all over the world, and NYK focuses on reinforcing seafarer training centers and manning bases, in addition to the operation of a maritime college, in an effort to develop excellent executive class seafarers.

Moreover, the NYK Group is also actively developing innovative environmental technology together with its wholly owned subsidiary MTI to realize environmental-load reducing and energy-conserving vessels. We are continuing conducting tests of vessels equipped with air-lubrication systems onboard during marine transportation, and also focusing our efforts on technology development to realize efficient operations. The container ship operation division provides technical support to the IBIS project which aims at optimal economic ship operation by sharing real-time information, such as data on weather and hydrographic conditions, vessel data, and navigation plans, between land and ships, and to the IBIS TWO project that supports slow-steaming in other types of vessels as well. In addition, we are conducting modifications to container ships fitted for actual voyages.

(2) Financing and Capital Investment Activities

The NYK Group acquired necessary funds for the current fiscal year mainly from its own assets and borrowing from financial institutions. Borrowed funds as of March 31, 2015 (including corporate bonds) totaled ¥1,098.3 billion, a decrease of ¥143.6 billion from the previous fiscal year.

The total capital investment of the NYK Group, which was based principally around the bulk shipping segment, was ¥199.3 billion. In the liner trade and bulk shipping segments, we made investment of ¥21.2 billion and ¥130.0 billion respectively, primarily for ship construction and other facilities. Other than above, we made investment of ¥33.0 billion for aircraft in the air cargo transportation segment, ¥10.6 billion for transportation equipment and logistics facilities and equipment in the logistics segment, ¥1.9 billion in the cruises segment, ¥1.3 billion in the real estate segment, and ¥0.9 billion in other business services.

(3) Management Perspectives

1) Strategies for Stability and Growth

Looking back at the business environment for FY2014, it was a year in which market conditions for marine transportation were sluggish on the whole, despite the boost provided by ongoing yen depreciation and the fall in fuel oil prices. Outstanding orders for new carriers will continue to build up mainly for container ships and dry bulkers, and accordingly the future outlook for supply and demand in shipping capacity cannot be viewed with optimism. With the progress of local production for local consumption, exports from Japan are decreasing, while logistics within each economic area are becoming more active, especially for consumer goods. On the other hand in shale gas-related projects in the U.S., despite a delay seen in some areas, demand for LNG transport and offshore business are expected to expand steadily over the long term, providing a promising field for the NYK Group's business expansion. Also, we view tightening of environmental regulations surrounding the shipping business as an opportunity for the NYK Group to differentiate ourselves from other companies with our outstanding technical response capabilities.

Given this business environment, the NYK Group has commenced our medium-term management plan, "More Than Shipping 2018 –Stage 2 Leveraged by Creative Solutions–" from FY2014. The plan aims to combine the broad range of know-how that has been accumulated within the Group related to marine technology, engineering, logistics technology, and information technology with originality and ingenuity in everyday operations in order to propose new services and improve operations even more actively to achieve further differentiation. In terms of finances, the aim is to realize a business portfolio for which more stable revenues can be expected, while reinforcing the asset-light business model for container ships and dry bulk carriers and controlling increases in total assets. At the same time, we will steadily accumulate investments in the growth fields of LNG transport and offshore business.

The principle initiatives aimed at achieving the medium-term management plan are as follows. In LNG transport, we are making use of the maritime college and other institutes we operate in the Philippines to focus on developing engineers, including seafarers, in order to provide higher-quality navigation, ship management and construction supervision capabilities. Also, we will be involved in all stages of the LNG value chain and pursue synergies with the LNG transport business. In offshore business, we are expanding the shuttle tanker business by utilizing our financing capabilities through access to capital markets in the U.S. In addition, by dispatching engineers to each offshore business front line to accumulate technologies and know-how, we are steadily expanding business opportunities. In the car transport division, we will make collective efforts to reinforce marketing of construction machines and provide clients with integrated logistics services utilizing technologies such as RFID (noncontact type IC chip) with a view to achieving differentiation of the auto logistics business. In the dry bulk carrier division where long-term stable contracts support revenues in face of prolonged market stagnation, we will continue to enhance our resilience toward market conditions by balancing the amount of contracts for cargo and our fleet capacity. In the global logistics business, we will pursue an increase in cargo for the container transport as a whole through the optimal combination of core assets and light assets, while further pursuing projects such as the EAGLE project aimed at efficient container operations and gross profit maximization and the IBIS project aimed at optimal economic ship operation, as we strengthen our differentiation strategy in terms of business operations.

2) Initiatives for environmental conservation

Considering environmental conservation as one of the most vital management issues, the NYK Group is working to develop innovative technologies based on our long-term vision, including "NYK Super Eco-ship 2030". In order to improve fuel consumption efficiency by 15% compared to FY2010 levels by FY2018, we are taking fuel saving measures a step further using navigation big data. Furthermore, in addition to the construction of a LNG bunkering vessel to follow a LNG-fueled tugboat and car carrier with low CO2 emissions, we decided on a plan to enter the LNG-fuel sales business. We are striving to change our business model to a more eco-friendly model, aiming to further reduce CO2 emissions and prevent air pollution.

3) CSR (Corporate Social Responsibility) Management Strengthening

Recognizing that CSR is the foundation that supports growth strategies, the NYK Group will strengthen its CSR management built on the three keys of “Securing safety and environmental conservation”, “Sound and highly transparent management” and “Workplaces that instill pride”.

In order to improve the soundness and transparency of management, we will continue to strengthen a system for internal control and compliance. In addition, we aim to create workplaces that instill pride through the practice of the NYK Group Values of “Integrity, Innovation and Intensity” that support the Group’s corporate philosophy.

The Group was highly recognized for its efforts to establish a system and environment where employees can actively participate regardless of gender, and was designated a “Nadeshiko Brand” for the second consecutive year, an initiative that the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange have jointly conducted for the purpose of selecting listed companies that are superior in terms of empowering their female workforce. The Group will continue to make efforts to create good relationships with all stakeholders and to improve service quality.

4) Thorough Fair Trading

The NYK Group has been treating compliance with antitrust laws as a matter of the utmost importance and has worked to strengthen its compliance systems, but very regrettably, in December 2014, NYK entered into a plea-agreement with the United States Department of Justice that includes payment of fines for a violation of US antitrust laws regarding the ocean shipping services for cars and trucks from previous fiscal years, in order to focus on the long-term stabilization and securitization of the Company’s corporate value after comprehensive consideration of various factors. We gravely and seriously accept the present situation, and are more than ever promoting the development of systems and initiatives for thorough compliance with antitrust laws and other laws and regulations as well as thorough enforcement of fair trading. Since the Japan Fair Trade Commission commenced its investigations in September 2012, we have further strengthened and expanded various measures such as holding of regular meetings of a Committee for ensuring adherence to antitrust law and carrying out risk assessments of antitrust laws in all our businesses. As part of these efforts, we have obtained written pledges on compliance with antitrust laws from not only NYK but all Group companies in both Japan and overseas as a new initiative from the current fiscal year, as well as established a code of conduct and training based on the results of risk assessments. Going forward, we will devote our best efforts to prevent recurrence and to ensure thorough compliance with antitrust laws and other laws and regulations through all means necessary, as we conduct business fairly.

(4) Financial Position and Results of Operation

1) Consolidated Financial Position and Results of Operation

(In millions of yen, unless otherwise stated)

Category	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	1,807,819	1,897,101	2,237,239	2,401,820
Recurring profit (loss)	(33,238)	17,736	58,424	84,010
Net income (loss)	(72,820)	18,896	33,049	47,591
Net income (loss) per share	(42.92) (yen)	11.14 (yen)	19.48 (yen)	28.06 (yen)
Total Assets	2,122,234	2,430,138	2,551,236	2,569,828
Equity	622,490	697,979	773,899	880,923
Equity per share	341.54 (yen)	383.50 (yen)	424.67 (yen)	477.79 (yen)

Note: Net income (loss) per share is calculated on the basis of the average number of shares outstanding in each fiscal year, and equity per share is calculated on the basis of the total number of shares outstanding at each term end. In addition, the total number of issued shares excludes the number of treasury stock.

The 125th fiscal year

Container freight rates have fallen significantly due to the oversupply from the mass completion of construction of container ships, and the Great East Japan Earthquake and Thai floods effected a precipitous drop in the number of finished automobiles shipped. The dry bulk carrier market has also slowed down due to increasing oversupply, causing the shipping business to post dramatic losses. Global economic slowdown caused numbers to worsen for both the air cargo transportation and cruises businesses. As a result, losses were posted for each profit/loss figure.

The 126th fiscal year

Freight rate levels for container ships improved significantly in the first half of the fiscal year, but declined in the second half due to stagnation in cargo volume. Conditions for dry bulk and tanker markets were stagnant throughout the whole year. Transport volume of finished automobiles recovered from the impact of natural disasters and was robust. The air cargo transportation business and the cruises business showed sluggish performances, and growth in the logistics business also slackened. However, as a result of various cost-cutting efforts, profits were posted for each profit/loss figure.

The 127th fiscal year

Although cargo volume increased overall for container ships, supply pressure was strong due to newly completed and launched large vessels, which caused freight rates to decrease. Nonetheless, profitability was improved thanks to cost cutting. Although freight rates in the air cargo transportation business were low, profits increased significantly for each profit/loss figure as a result of improvements in conditions for dry bulk and tanker markets starting from the summer, coupled with strong performance in the logistics business and cruises business.

The 128th fiscal year (current term)

Conditions in the current fiscal year are described in the preceding “Business Progress and Results” (on page 18-20).
Regarding assets and profit and loss of each segment, please refer to the aforementioned “Business segment results” (page 16) and “Assets by business segment” (page 17).

2) Unconsolidated Financial Position and Results of Operation

(In millions of yen, unless otherwise stated)

Category	The 125th term FY2011	The 126th term FY2012	The 127th term FY2013	The 128th term (current term) FY2014
Revenues	915,862	987,688	1,168,438	1,264,761
Recurring profit (loss)	(43,873)	9,003	37,558	73,530
Net income (loss)	(64,855)	16,707	13,380	12,565
Net income (loss) per share	(38.22) (yen)	9.85 (yen)	7.89 (yen)	7.41 (yen)
Total Assets	1,450,772	1,632,499	1,655,372	1,525,359
Equity	456,199	470,426	471,569	478,862
Equity per share	268.93 (yen)	277.33 (yen)	278.03 (yen)	282.35 (yen)

Note: Net income (loss) per share is calculated on the basis of the average number of shares outstanding in each fiscal year, and equity per share is calculated on the basis of the total number of shares outstanding at each term end. In addition, the total number of issued shares excludes the number of treasury stock.

The 125th fiscal year

Performance declined due to sluggish cargo demand for container ships, added to a drop in freight rate levels because of the volume of new large carriers completed. Transport volume of completed automobiles stalled as a result of the impact of the Great East Japan Earthquake and the Thai floods, and continuing supply pressure from newly completed carriers meant no improvement in market conditions for dry bulkers and tankers, which remained stagnant. As a result, losses were posted for each profit/loss figure.

The 126th fiscal year

Revenues increased over the previous fiscal year, buoyed by container vessel freight rates that saw a strong recovery in the first half of the fiscal year, as well as by a firm finished automobile transport operation which experienced comeback from previous year's natural disasters. While the second half of the year saw freight rate levels fall due to slowdown in container cargo volume, and the dry bulk carrier and tanker market conditions remained stagnant throughout the year. However, the results were improved for each profit/loss figure.

The 127th fiscal year

The completion of new large-sized container vessels continued, and container freight rate levels fell because of the widened supply-demand imbalance. However, as a result of diligent cost-cutting efforts, profitability improved. Owing to factors such as an improvement in market conditions for dry bulk carriers since summer and steady transport volume of finished automobiles, profits were posted for each profit/loss figure.

The 128th fiscal year (current term)

Although cargo volume increased for container vessels, market conditions were weak due to the widening supply-demand imbalance as a result of completed large vessels, which was combined with additional costs caused by the congestion in West Coast ports in North America. Despite these factors, profitability was improved as a result of efforts to improve the efficiency and cost cutting. Although the conditions for dry bulker market were stagnant throughout the year, tanker market conditions improved over the previous fiscal year due to factors including an improvement in the supply-demand balance. The steady transport volume of finished automobiles combined with the boost provided by a weaker yen and low fuel oil prices resulted in profits posted for each profit/loss figure.

(5) Principal Business of the Consolidated (as of March 31, 2015)

Global logistics (liner trade, air cargo transportation and logistics businesses)
Bulk shipping
Others (cruises, real estate and other business services)

(6) Principal Business Offices (as of March 31, 2015)

1) NYK

Category	Location
Head Office	Yusen Bldg., 3-2, Marunouchi 2 Chome, Chiyoda-ku, Tokyo
Branch Offices	Yokohama Branch Office (Yokohama City), Nagoya Branch Office (Nagoya City), Kansai Branch Office (Kobe City), Kyushu Branch Office (Fukuoka City) and Taipei Branch Office (Taiwan)
Overseas resident and representative offices	Johannesburg, Dubai, Doha, Jedda, Beijing and Moscow

2) Principal subsidiaries

Name of company	Location of head office or country
NYK BULK & PROJECTS CARRIERS LTD.	Chiyoda-ku, Tokyo
NIPPON CARGO AIRLINES CO., LTD.	Minato-ku, Tokyo
HACHIUMA STEAMSHIP CO., LTD.	Kobe City
NYK CRUISES CO., LTD.	Yokohama City
NYK TRADING CORP.	Minato-ku, Tokyo
YUSEN LOGISTICS CO., LTD.	Minato-ku, Tokyo
UNI-X CORP.	Shinagawa-ku, Tokyo
NYK GROUP AMERICAS INC.	U.S.A.
NYK GROUP EUROPE LTD.	U.K.
NYK GROUP SOUTH ASIA PTE. LTD.	Singapore

(7) State of Vessels of the Consolidated (as of March 31, 2015)

Business Segments	Type of vessel	Segment	Number of vessels	K/T (dwt)
Liner Trade	Container ships	Owned	20	1,219,192
		Chartered	84	4,772,101
		Total	104	5,991,293
Bulk Shipping	Bulk carriers (Capesize)	Owned	36	6,806,754
		Chartered	87	17,054,512
		Total	123	23,861,267
	Bulk carriers (Panamax)	Owned	42	3,696,172
		Chartered	71	5,846,525
		Total	113	9,542,697
	Bulk carriers (Handysize)	Owned	67	3,010,484
		Chartered	105	4,838,258
		Total	172	7,848,742
	Wood Chip carriers	Owned	8	416,658
		Chartered	40	2,141,889
		Total	48	2,558,547
	Car carriers	Owned	28	477,387
		Chartered	95	1,738,529
		Total	123	2,215,916
	Tankers	Owned	47	8,107,505
		Chartered	21	3,206,160
		Total	68	11,313,665
	LNG carriers	Owned	27	2,015,494
		Chartered	3	228,211
		Total	30	2,243,705
	Multi-purpose carriers	Owned	15	302,617
		Chartered	32	455,748
		Total	47	758,365
	Other	Owned	1	7,450
		Chartered	—	—
		Total	1	7,450
Cruises	Cruise ships	Owned	1	7,548
		Chartered	2	14,029
		Total	3	21,577
Total		Owned	292	26,067,261
		Chartered	540	40,295,963
		Total	832	66,363,224

Notes: 1. The number of vessels in possession includes shared vessels; their deadweight tonnages include the weight of other owners' portions.
2. Figures have been rounded to the nearest 1 dwt.
3. The total number of LNG carriers including the vessels owned by unconsolidated joint venture companies is 69.
4. As a result of the sale of the operations management subsidiary of Crystal Cruise as stated in page 20, number of chartered cruise ship is scheduled to become nil.

(8) Employees (as of March 31, 2015)

1) Employees of the Consolidated

Segment		Number of employees (persons)	Year-on-year change (persons)
Global Logistics	Liner Trade	6,560	216
	Air Cargo Transportation	707	9
	Logistics	21,244	1,065
Bulk Shipping		2,570	(98)
Others	Cruises	459	1
	Real Estate	74	7
	Other	1,516	(19)
Company-wide (common)		390	(3)
Total		33,520	1,178

Note: Employees included in "Company-wide (common)" belong to administrative divisions that cannot be classified to a specific segment.

2) Employees of the Unconsolidated

Segment	Number of employees (persons)	Year-on-year change (persons)
Employees on land duty	854	7
[maritime crew on land duty out of above]	[108]	[6]
Maritime crew on sea duty	283	(6)
Total	1,137	1

Notes: 1. The number of employees includes 64 of those loaned to the Company from other companies and excludes those loaned to other companies.
2. Despite the number of seamen on land (Indicated as maritime crew on land duty in the table above) stated at 254 in 2) Employees of the Unconsolidated, (8) Employees, of 1. Overview of Operations for NYK Group, in the Business Report for the 127th term, which actually should read 102. The correct figure is reconfirmed herein with apology. Figures for the year-on-year changes shown above have been calculated based on this correct figure.

(9) Status of Principal Lenders of NYK (as of March 31, 2015)

Lender	Outstanding Balance (Millions of yen)
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	106,262
MEIJI YASUDA LIFE INSURANCE CO.	73,900
NIPPON LIFE INSURANCE CO.	67,969
DEVELOPMENT BANK OF JAPAN INC.	45,656
SUMITOMO MITSUI BANKING CO.	30,296
THE NORINCHUKIN BANK	29,606
CHIBA BANK, LTD.	20,548
SUMITOMO MITSUI TRUST BANK, LIMITED	19,580
MIZUHO BANK, LTD.	19,250
MITSUBISHI UFJ TRUST AND BANKING CORPORATION	18,160

Note: In addition to the above, the Company has a total of ¥20,000 million loans from a syndicate of banks led by The Bank of Tokyo-Mitsubishi UFJ, Ltd., but these loans are not included in the outstanding borrowings from each of the banks.

(10) Status of Major Business Combination (as of March 31, 2015)

1) Changes and results of business combinations

NYK Group operates businesses categorized in seven segments which are Liner Trade, Air Cargo Transportation, Logistics, Bulk Shipping, Cruises, Real Estate and Other Business Services.

NYK Group has 574 consolidated subsidiaries and 145 equity-method companies as of March 31, 2015.

For changes and results of business combinations, see the preceding "Business Progress and Results" (on page 18-20) and "Financial Position and Results of Operation" (on page 23-24).

2) Status of principal subsidiaries

Name of company	Common Stock	NYK's Share of Voting Rights (%)	Main Operations
NYK BULK & PROJECTS CARRIERS LTD.	¥2,100 million	100.00	Marine transportation business
NIPPON CARGO AIRLINES CO., LTD.	¥50,574 million	100.00	Air cargo transportation business
HACHIUMA STEAMSHIP CO., LTD.	¥500 million	74.86	Marine transportation business
NYK CRUISES CO., LTD.	¥2,000 million	100.00	Ownership and operation of cruise ships
NYK TRADING CORP.	¥1,246 million	79.25	Sales of petrochemical products, etc.
YUSEN LOGISTICS CO., LTD.	¥4,301 million	59.76	Freight forwarding business, etc.
UNI-X CORP.	¥934 million	83.50	Harbor transportation business
NYK GROUP AMERICAS INC.	US$4 million	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in North and South American area
NYK GROUP EUROPE LTD.	£81.49 million	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in Europe
NYK GROUP SOUTH ASIA PTE. LTD.	SP$16.65 million	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in South Asian area and Oceanian area
ADAGIO MARITIMA S.A. and 331 other vessel owning companies	US$70.432 million, (total of 119 companies) ¥15,562 million (total of 213 companies)	100.00 (all companies)	Vessel owning and chartering

Notes: 1. Percentage of voting rights includes indirect holdings.
2. ADAGIO MARITIMA S.A. and 331 other vessel owning companies are consolidated subsidiaries that are fully owned by the NYK Group and are incorporated in Panama, Singapore and Liberia, etc. for the purpose of owning and chartering vessels. Vessels time-chartered from the said companies by the NYK Group constitute an important part of the fleet of vessels operated by the NYK Group.

3) Status of principal affiliates

Name of company	Common Stock	NYK's Share of Voting Rights (%)	Main Operations
NS UNITED KAIUN KAISHA, LTD.	¥10,300 million	18.95	Marine transportation business
KYOEI TANKER CO., LTD.	¥2,850 million	30.03	Marine transportation business

Note: Percentage of voting rights includes indirect holdings.

(11) Other significant matters on operations for NYK Group

1) NYK entered into a plea-agreement in December 2014 with the United States Department of Justice for a violation of US antitrust laws regarding the ocean shipping services for cars and trucks. In connection with this case, actions for damages (class action lawsuits) have been filed in the U.S. and other regions against NYK and specific overseas subsidiaries. Meanwhile, NYK is under investigation by the European and other authorities.
2) In November 2010, NIPPON CARGO AIRLINES CO., LTD. (NCA) received a surcharge payment order from the Korean Fair Trade Commission, concerning an infringement of the Korean Fair Trading Law with respect to the two routes of international air freight business, namely "ex-Japan Korea bound routes" and "all ex-Korea routes". Though NCA filed appeals for cancellation of the order, the appeal was rejected in May 2014 for the "ex-Japan Korea bound routes" and the above mentioned order has become final, while the appeal was remanded for the latter. NCA withdrew the appeal for the latter since its claim related to the surcharge calculation method was accepted in September 2014. Meanwhile, action for damages (class action lawsuit) had been filed against NCA in the U.S., in connection with the an infringement of US antitrust laws concerning its international air freight business, for a settlement was primarily reached with the claimant in September 2014.
3) In April 2015, YUSEN LOGISTICS CO., LTD. (YLK) and its consolidated subsidiaries came to reach an out of court settlement with the claimants in an action for damages (several class action lawsuits) filed against them in the U.S., with respect to an infringement of US antitrust laws in connection with their international air freight forwarding business. Meanwhile, YLK and its consolidated subsidiaries received in December 2014, a surcharge payment order from the Competition Commission of Singapore for their infringement of the Singaporean competition laws, also in connection with their international air freight forwarding business.
4) NYK adopted "Measures for Large-scale Purchases of NYK Share Certificates for the Purpose of Securing and Enhancing Corporate Value and the Common Interests of Shareholders (hereinafter "takeover defense measures")", based on the approval of the shareholders at the 121st Ordinary General Meeting of Shareholders of the Company held in June 2008, which were then renewed with partial amendment at the 124th Ordinary General Meeting of Shareholders held in June 2011. In the meantime, however, the business environment surrounding the Company has changed while regulations on the large-scale purchase of shares have been well developed under the Financial Instruments and Exchange Act, which enables us to achieve, to certain extent, the original purpose of the takeover defense measures for ensuring enough information and time for shareholders to make adequate decisions, where the significance of the takeover defense measures is believed to have been relatively diminished. On the basis of such recognition, the meeting of the Board of Directors held in May 2014 decided not to renew the takeover defense measures, to be followed up by the termination at the expiry of its validity at the conclusion of the 127th Ordinary General Meeting of Shareholders held in June 2014.

The Company shall stay prepared to take appropriate measures to the extent allowed under the relevant laws and regulations, including Financial Instruments and Exchange Act and the Companies Act, whereby any party attempting to conduct a large-scale purchase of shares in the Company shall be challenged by a request for necessary and sufficient information for shareholders to make adequate decision whether to accept or reject the attempted large-scale purchase, while the Board of Directors shall disclose its own opinion, ensuring enough time and information for shareholders to consider the case, in a continuous effort to secure and enhance its corporate value and the common interests of shareholders.

2. Status of Shares (as of March 31, 2015)

(1) Total number of shares authorized to be issued 2,983,550,000 shares

(2) Number of shares issued 1,696,001,566 shares

Note: The numbers exclude 4,549,422 shares of treasury stock.

(3) Number of shareholders 125,123 persons
(decreased by 12,427 from the previous year)

(4) Major shareholders (Top 10)

Name	Capital contribution to the Company	
	Number of shares held (in thousands)	Ratio of shareholding (%)
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	98,125	5.79
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account)	92,149	5.43
MITSUBISHI HEAVY INDUSTRIES, LTD.	41,038	2.42
MEIJI YASUDA LIFE INSURANCE CO.	34,473	2.03
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	32,443	1.91
STATE STREET BANK AND TRUST COMPANY 505223	25,202	1.49
MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	24,546	1.45
THE BANK OF NEW YORK MELLON SA/NV 10	21,183	1.25
STATE STREET BANK WEST CLIENT - TREATY 505234	20,108	1.19
STATE STREET BANK AND TRUST COMPANY 505225	19,066	1.12

Note: Ratio of shareholding was computed excluding total treasury stock of 4,549,422 shares.

(5) Treasury Stock

Shares held as of the end of the preceding term		Common Stock	4,430,467 (shares)
Shares purchased in the current term			
	Less-than-One-Unit Share Purchased	Common Stock	123,334 (shares)
		Total price of acquisition	38,215,349 (yen)
Shares disposed in the current term			
	Less-than-One-Unit Share Sold	Common Stock	4,379 (shares)
		Total price of disposition	1,278,380 (yen)
Shares lapsed in the current term			None
Shares held as of the end of the fiscal term		Common Stock	4,549,422 (shares)

3. Status of Stock Acquisition Rights, etc. (as of March 31, 2015)

Following is the status as of the end of this fiscal year of corporate bonds with stock acquisition rights issued under the Companies Act.

Name	Euro Yen Contingent Conversion Zero Coupon Convertible Bonds with Acquisition Rights due 2026
Date of resolution of issuance	August 31, 2006
Date of issuance	September 20, 2006
Number of stock acquisition rights	89 units
Class and number of shares subject to stock acquisition rights	Common stock 572,008 shares
Amount to be paid upon exercise of stock acquisition rights (exercise price)	¥777.96 per share
Amount to be capitalized upon exercise of stock acquisition rights	¥388.98 per share
Exercise period of stock acquisition rights	October 4, 2006 to September 10, 2026

4. Executives of NYK

(1) Directors and Audit & Supervisory Board Members (incumbents from June 25, 2014 to March 31, 2015)

Name	Position, responsibilities and significant concurrent positions	
Koji Miyahara	Chairman, Chairman Corporate Officer	Chairman of Councilors' Meeting of the Headquarters for Ocean Policy, Vice-Chairman of Keidanren (Japan Business Federation), Outside Director of Mitsubishi Logistics Corporation
Yasumi Kudo	President, President Corporate Officer	
Tadaaki Naito	Representative Director, Executive Vice-President Corporate Officer	Chief Executive of Technical Headquarters, Chairman of IT Strategy Committee, Chief Information Officer, In charge of Global Logistics Headquarters
Naoya Tazawa	Representative Director, Senior Managing Corporate Officer	Chief Executive of General Affairs Headquarters, Chief Compliance Officer
Kenji Mizushima	Representative Director, Senior Managing Corporate Officer	Chief Executive of Management Planning Headquarters, Chief Financial Officer, In charge of Cruise Headquarters
Hitoshi Nagasawa	Representative Director, Senior Managing Corporate Officer	Chief Executive of Energy Division
Koichi Chikaraishi	Representative Director, Senior Managing Corporate Officer	Chief Executive of Automotive Transportation Headquarters
Hidetoshi Maruyama	Director, Managing Corporate Officer	Chief Executive of Global Logistics Headquarters
Masahiro Samitsu	Director, Managing Corporate Officer	Chief Executive of Dry Bulk Division, Chief Executive of Cruise Headquarters
Hitoshi Oshika	Director, Corporate Officer	In charge of Corporate Planning Division and Air Cargo Transportation Division
Kazuo Ogasawara	Director, Corporate Officer	In charge of Dry Bulk Division
Yukio Okamoto	Outside Director (part-time, Independent Director)	President of OKAMOTO ASSOCIATES, INC., Outside Director of MITSUBISHI MATERIALS CORP., Outside Director of NTT DATA CORPORATION, Outside Audit & Supervisory Board Member of MITSUBISHI MOTORS CORP. (retired on June 25, 2014)
Yuri Okina	Outside Director (part-time, Independent Director)	Vice Chairman of THE JAPAN RESEARCH INSTITUTE, LTD., Outside Director of SEVEN BANK, LTD., Outside Director of BRIDGESTONE CORPORATION
Mikitoshi Kai	Audit & Supervisory Board Member (full-time)	

Name	Position, responsibilities and significant concurrent positions	
Hiroshi Sugiura	Audit & Supervisory Board Member (full-time)	
Fumio Kawaguchi	Outside Audit & Supervisory Board Member (part-time, Independent Auditor)	Advisor of CHUBU ELECTRIC POWER COMPANY, INCORPORATED, Outside Audit & Supervisory Board Member of NAGOYA RAILROAD CO., LTD., Chairman and Outside Director of CENTRAL NIPPON EXPRESSWAY COMPANY LIMITED (retired on June 25, 2014)
Mitsuoki Kikuchi	Outside Audit & Supervisory Board Member (part-time, Independent Auditor)	

Notes:
1. Of Directors, Mr. Yukio Okamoto and Ms. Yuri Okina are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
2. Of Audit & Supervisory Board Members, Messrs. Fumio Kawaguchi and Mitsuoki Kikuchi are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
3. Of significant concurrent positions as executive officers or outside officers of Outside Directors and Audit & Supervisory Board Members, the Company has business relations with MITSUBISHI MATERIALS CORP. such as coal transport transactions, with MITSUBISHI MOTORS CORP. such as automobile transport transactions, and with BRIDGESTONE CORPORATION such as tire transport transactions. The Company has no particularly notable business relations with the other significant concurrent positions as executive officers or outside officers of Outside Directors and Outside Audit & Supervisory Board Members.
4. Of Audit & Supervisory Board Members, Mr. Hiroshi Sugiura served as a Director in charge of financial affairs of NYK and has considerable expertise in finance and accounting.
5. There was neither retirement nor new appointment of Director or Audit & Supervisory Board Member during the current fiscal year.
6. As of April 1, 2015, Executive Corporate Officers who also serve as Directors are relocated as follows:

<as of March 31, 2015>		<after relocation>
Chairman, Chairman Corporate Officer	Koji Miyahara	Director, Board Counselor
President, President Corporate Officer	Yasumi Kudo	Chairman, Chairman Corporate Officer
Representative Director, Executive Vice-President Corporate Officer	Tadaaki Naito	President, President Corporate Officer
Representative Director, Senior Managing Corporate Officer	Naoya Tazawa	Representative Director, Executive Vice-President Corporate Officer
Director, Managing Corporate Officer	Masahiro Samitsu	Director, Senior Managing Corporate Officer

7. The Company filed Mr. Yukio Okamoto, Ms. Yuri Okina, Mr. Fumio Kawaguchi and Mr. Mitsuoki Kikuchi as its Independent Directors/Auditors with Tokyo and Nagoya stock exchanges. Listed companies are required to secure the Independent Directors/Auditors who play roles in safeguarding general investors.

(2) Corporate Officers (For reference) (as of April 1, 2015)

Position	Name
Chairman, Chairman Corporate Officer	Yasumi Kudo
President, President Corporate Officer	Tadaaki Naito
Representative Director, Executive Vice-President Corporate Officer	Naoya Tazawa
Representative Director, Senior Managing Corporate Officer	Kenji Mizushima
	Hitoshi Nagasawa
	Koichi Chikaraishi
Director, Senior Managing Corporate Officer	Masahiro Samitsu
Senior Managing Corporate Officer	Koichi Akamine
	Yasuo Tanaka
Director, Managing Corporate Officer	Hidetoshi Maruyama
Managing Corporate Officer	Fukashi Sakamoto
	Takashi Abe
	Yoshiyuki Yoshida
Director, Corporate Officer	Hitoshi Oshika
	Kazuo Ogasawara
Corporate Officer	Takuji Nakai
	Yuji Isoda
	Kenichi Miki
	Eiichi Takahashi
	Noriaki Tajima
	Hiroyuki Okamoto
	Svein Steimler
	Jeremy Nixon
	Tomoyuki Koyama
	Keiji Tsuchiya
	Hiroki Harada
	Noriko Miyamoto

Position	Name
	*Toshiyuki Kimura
	*Akira Kono
	*Takaya Soga
	*Kobune Goto

Notes: 1. Corporate Officers retired as of March 31, 2015 are as follows:
Koji Miyahara, Keizo Nagai, Tsutomu Shoji and Hiroyuki Yasukawa
2. The asterisks (*) indicate newly appointed Corporate Officers on April 1, 2015.
3. Mr. Toshiyuki Kimura concurrently serves as Managing Executive Officer of the Company's consolidated subsidiary, YUSEN LOGISTICS CO., LTD.

(3) Remuneration Paid to Directors and Audit & Supervisory Board Members

Category	Number of persons remunerated	Yearly remuneration	Bonus	Total Amount of remuneration paid
Directors [Outside Directors out of above]	13 [2]	¥536 million [¥38 million]	-	¥536 million [¥38 million]
Audit & Supervisory Board Members [Outside Audit & Supervisory Board Members out of above]	4 [2]	¥105 million [¥27 million]	-	¥105 million [¥27 million]
Total [Outside Directors/Audit & Supervisory Board Members out of above]	17 [4]	¥642 million [¥66 million]	-	¥642 million [¥66 million]

Notes: 1. For the four consecutive terms since the 125th up to the current term, there has been no payments of bonus for Directors.

2. Monthly remuneration for Directors shall be paid according to each Director's grade within the aggregate monthly remuneration limit as determined by the resolution of the Shareholders' Meeting. Bonus for Directors shall be paid according to each Director's grade within the aggregate bonus limit as determined by the resolution of the Shareholders' Meeting. However, as the proposal of the bonus for directors shall be made at the Shareholder's Meeting based on the business result and other factors, there may be no payment depending on a fiscal year. Executive Directors shall be obliged to acquire shares of the Company by contributing to the executive shareholding association out of their monthly remuneration an amount not less than the threshold set out according to each Executive Director's grade.

(4) Status of Major Activities of Outside Directors and Outside Audit & Supervisory Board Members

Position and Name	Status of Attendance and Stating of Opinions
Outside Director (Part-time, Independent Director) Yukio Okamoto (Appointed on Jun. 24, 2008)	Attended all the14 meetings of the Board of Directors held during this fiscal year (100% of attendance rate), and when necessary made statements mainly based on his extensive knowledge and insight as an expert of international affairs.
Outside Director (Part-time, Independent Director) Yuri Okina (Appointed on Jun. 24, 2008)	Attended all the 14 meetings of the Board of Directors held during this fiscal year (100% of attendance rate), and when necessary made statements mainly based on her extensive knowledge and insight as an expert of economic and financial issues.
Outside Audit & Supervisory Board Member (Part-time, Independent Auditor) Fumio Kawaguchi (Appointed on Jun. 23, 2011)	Attended all the 14 meetings of the Board of Directors (100% of attendance rate) and all the 17 meetings of the Audit & Supervisory Board (100% of attendance rate) held during this fiscal year, and when necessary made statements mainly from his considerable experience in corporate management, etc.
Outside Audit & Supervisory Board Member (Part-time, Independent Auditor) Mitsuoki Kikuchi (Appointed on Jun. 20, 2012)	Attended 13 out of 14 meetings of the Board of Directors (93% of attendance rate) and16 out of 17 meetings of the Audit & Supervisory Board (94% of attendance rate) held during this fiscal year, and when necessary made statements mainly from his considerable experience in government service.

The Company entered into a plea-agreement in December 2014 with the United States Department of Justice that includes payment of fines for a violation of US antitrust laws regarding the ocean shipping

services for cars and trucks from previous fiscal years. Prior to the Company being investigated for the conduct subject to the plea-agreement, Mr. Yukio Okamoto, Ms. Yuri Okina, Mr. Fumio Kawaguchi and Mr. Mitsuoki Kikuchi were not aware of such conduct. As well as making previous statements on compliance with laws and regulations, they have been expressing their opinions for the purpose of eradicating violations of antitrust laws including overseas competition laws, and preventing the recurrence of such incidents, at the meetings of the Board of Directors (including meetings of the Audit & Supervisory Board for Audit & Supervisory Board Members), a Committee for ensuring adherence to antitrust law and other such meetings.

(5) Liability Limitation Agreement with Outside Directors and Outside Audit & Supervisory Board Members

The Company has signed agreements with each Outside Director and Outside Audit & Supervisory Board Member respectively limiting their liability for damages in terms of Article 423, Paragraph 1 of the Companies Act, according to Articles 33 and 43 of the Articles of Incorporation stipulated in accordance with Article 427, Paragraph 1 of the same Law. Based on these agreements, liability for damages is limited to ¥20 million or the minimum amount prescribed by law, whichever is higher, as long as the Outside Director/Outside Audit & Supervisory Board Member performs his/her duty in good faith and without gross negligence on his/her part.

5. Independent Auditor (Kaikei Kansa Nin)

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation paid to Independent Auditor for the fiscal year under review

Category	Total amount paid
Compensation paid for the fiscal year under review	¥145 million
Total of cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor	¥291 million

Notes:
1. The audit contract between NYK and the Independent Auditor does not separate the compensation for the audit based on the Companies Act from the compensation for the audit based on the Financial Instruments and Exchange Act. Therefore, the aforementioned amount includes the compensation for the audit, etc. based on the Financial Instruments and Exchange Act.
2. The Company pays the Independent Auditor fees for services such as agreed upon procedures, which are services other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law (non-audit service).
3. Among our principal subsidiaries, UNI-X CORP., NYK GROUP AMERICAS INC., NYK GROUP EUROPE LTD., and NYK GROUP SOUTH ASIA PTE. LTD. undergo audits of statutory documents by CPAs or audit corporations other than the Independent Auditor of NYK (including persons who have qualifications equivalent to these qualifications in foreign countries) (limited to audit pursuant to the Companies Act or Financial Instruments and Exchange Act (including foreign laws equivalent to these laws)).

(3) Company Policy regarding dismissal or decision not to reappoint the Independent Auditor

Article 340 of the Companies Act stipulates that the Audit & Supervisory Board shall be entitled to dismiss the Independent Auditor for reasons stipulated therein. In addition, when it is reasonably recognized that the Independent Auditor is no longer able to execute its duties in an appropriate manner, NYK, subject to the resolution of the Audit & Supervisory Board, will offer a resolution to the Shareholders' Meeting to the effect of dismissal of, or a decision not to reappoint, the Independent Auditor.

Note: This statement is based on the Revised Companies Act enforced on May 1, 2015.

6. Matters on Structures to Ensure Proper Execution of Business Operations

The Company adopted a new resolution with respect to structures to ensure proper execution of business operations based on the revision of the Companies Act and the Ordinance for Enforcement of the Companies Act enforced on May 1, 2015, including ongoing measures that have been implemented, at the meeting of Board of Directors on March 26, 2015 as follows.

► Outlines of Resolutions of Board of Directors

(1) 1) The Company has formulated the NYK Group Mission Statement, the NYK Group Value, and the NYK Group Business Credo and NYK Line Code of Conduct, and is continually working to enhance appropriate management systems in conformance with them.

2) In order to ensure compliance with laws and regulations as well as proper execution of business by Directors and employees, in-house rules prescribe the clear allocation of authorities and separation of duties, etc., and important matters are discussed at the meetings of the Committee of Corporate Officers and Board of Directors. We have established the Compliance Committee and the Internal Control Committee and have appointed a Chief Compliance Officer (CCO), and are working not only on complying to laws, the Articles of Incorporation, and in-house rules, but also to enhance company systems and structures for valuing corporate ethics and social norms, etc.

3) In view of the fair trading issues transpired within the NYK Group, we are doing our utmost to deepen our understanding of fair trading and to ensure thorough compliance with laws, whereby we have implemented various measures to prevent recurrence of similar cases, which we will strive to maintain and reinforce from now. Specifically, on top of the measures that have been already in place such as President's pronouncement concerning the thorough compliance with antitrust laws, acceleration of the development of a legal compliance framework, establishment of an organizational unit dedicated to dealing with the questionable issues, investigation and examination activities, establishment and operation of an intra-Group control networks, enlightenment and education within the Group through the preparation of manuals and implementation of training, and regulations on contact with competitors in the industry, the Group newly developed and implemented recurrence prevention measures such as tightening of regulations on contact with competitors in the industry, holding of the Committee for ensuring adherence to antitrust law, implementation of risk assessment of antitrust laws, evaluation of antitrust risks concerning investments, etc., centralized management of the filing of alliances and arrangements, and collection of written pledges on compliance with antitrust laws from all executive officers and employees engaged in the relevant businesses, along with early identification and response measures such as strengthening of the authorities of CCO, introduction of the internal leniency system, and development of systems for responding to incidents.

4) For thorough compliance with laws and the promotion of compliance, we have strengthened our legal division, continued to carry out compliance education and trainings, appropriately operated consultation services, carried out regular monthly full compliance checks, established and thoroughly publicized in-house rules for the prohibition of bribery, worked towards the early identification of problems through the enhancement of cooperation among Group companies, and taken appropriate measures. The internal audit division has carried out practices such as field audits to endeavour to identify violations of laws and regulations.

5) We have taken necessary measures to respond to the Whistleblower Protection Act by establishing in-house rules and internal and external contact points. Currently anonymous whistle blowing is allowed across the Group and this arrangement shall be appropriately operated in the future as well.

(2) The Company's Directors and the Board of Directors properly store and manage documents and other information relating to their execution of duties according to in-house rules.

(3) Under the Company's in-house rules concerning risk management, each Chief Executive, etc. carries out evaluations of risks and the management situation of the business of which they are in charge, and by examination at the meeting regarding the selection of significant risks, risks are clarified across the company and appropriate countermeasures are implemented. In addition to

thorough management of risks concerning the safe operation of vessels and conservation of the environment, we formulate and review as appropriate the plan for ensuring business continuity upon events such as a large-scale disaster.

(4) Through the administrative authority and decision-making rules prescribed in the in-house rules and the speeding up of approval processes by utilization of electronic-decision system, we develop systems for Directors to execute their duties appropriately and effectively.

(5) 1) The Company has formulated its Mission Statement and Business Credo that apply to the NYK Group as a whole, and through trainings and activities including the transmission of compliance information, thoroughly publicizes them to Group companies for purposes of compliance with and respect for laws and regulations, corporate ethics and social norms, etc.

2) With the aim to improve corporate value, and to ensure soundness within the Group as a whole, while enhancing management efficiency as well as capital efficiency across the Group, the Company establishes the Group's Committee for Corporate Officers and regularly holds the meeting. Thus far, the Company has established the Group Standards, the Group Management Guidelines, the under-control company system and the under-enhanced-management company system, and shall, through appropriately operating these frameworks, be promoting adequate Group management by developing a system for reporting to the Company on important management matters at the Group companies, as well as for compliance with laws and regulations at the Group companies and efficient administration along with management of risks of loss.

3) Cash management system between the Company and the Group companies shall be fully utilized to achieve efficient fund management.

4) Through internal audits of the Company and its Group companies, the internal audit division provides various advice and suggestions for improvements.

(6) The Company has established an Audit & Supervisory Board Members' Staff Chamber with dedicated staff to assist the Audit & Supervisory Board Members in their duties, including provision of support for Outside Audit & Supervisory Board Members. As the staff works under the full-time Audit & Supervisory Board Members, the full-time Audit & Supervisory Board Members carry out personnel evaluations of such dedicated staff. Any reassignment involving the staff of Audit & Supervisory Board Members' Staff Chamber shall be decided, fully reflecting the opinion of Audit & Supervisory Board Members.

(7) The Company shall firmly establish a framework in which matters relating to the Group's compliance and whistle blowing are reported to Audit & Supervisory Board Members regularly and depending on their importance as appropriate. Anonymity of a whistle blower as well as prohibition of disadvantageous treatment against the whistle blower are set out under the rules related to whistle blowing. Meanwhile, to ensure that there are systems which enable the execution of duties specified in laws, regulations of the Audit & Supervisory Board, and Audit & Supervisory Board Members auditing standards, the Company's Directors and the Board of Directors are working to create an environment in which the Audit & Supervisory Board Members can conduct effective audits. Also, through ensuring that there are structures for Audit & Supervisory Board Members to collect information, they are arranging systems to enable understanding of management issues and the actual conditions of operations.

(8) The Company shall bear the cost necessary for Audit & Supervisory Board Members to execute their duties.

(9) The Company has established an internal control system designed to ensure the properness of financial statements, etc. under the Financial Instruments and Exchange Act, and conducts effectiveness assessment on its design and implementation.

(10) To thoroughly eliminate ties with antisocial forces, the Company has established an in-house post dedicated to provide consultation services on the handling of antisocial forces, and through closer coordination with external specialized institutions, we are working to collect information and communicate it appropriately. We view the elimination of antisocial forces as an important compliance matter, and are developing a manual and taking appropriate countermeasures.

Consolidated Financial Statements

1. Consolidated Balance Sheet (As of March 31, 2015)

(In millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	842,496	Current liabilities	536,858
Cash and deposits	260,900	Notes and operating accounts payable-trade	217,470
Notes and operating accounts receivable-trade	287,518	Short-term loans payable	99,566
		Income taxes payable	20,628
Short-term investment securities	73,400	Deferred tax liabilities	3,017
Inventories	48,717	Advances received	78,102
Deferred and prepaid expenses	70,510	Provision for bonuses	9,983
Deferred tax assets	7,083	Provision for directors' bonuses	369
Other	96,589	Provision for losses related to antitrust law	7,175
Allowance for doubtful accounts	(2,222)	Provision for losses related to contracts	2,649
Noncurrent assets	1,726,837	Other	97,894
Vessels, property, plant and equipment	1,190,460	Noncurrent liabilities	1,152,047
Vessels, net	937,245	Bonds payable	195,445
Buildings and structures, net	79,650	Long-term loans payable	788,832
Aircraft, net	21,621	Deferred tax liabilities	46,749
Machinery, equipment and vehicles, net	37,337	Net defined benefit liability	19,480
		Provision for directors' retirement benefits	1,786
Equipment, net	6,446	Provision for periodic dry docking of vessels	20,959
Land	67,162	Provision for losses related to contracts	8,678
Construction in progress	34,113	Other	70,115
Other, net	6,883	**Total Liabilities**	**1,688,905**
Intangible assets	48,787	**Equity**	
Leasehold right	4,625	Shareholders' capital	764,957
Software	15,585	Common stock	144,319
Goodwill	23,955	Capital surplus	155,616
Other	4,621	Retained earnings	467,092
Investments and other assets	487,589	Treasury stock	(2,070)
Investment securities	348,665	Accumulated other comprehensive income (loss)	45,353
Long-term loans receivable	30,196	Unrealized gain (loss) on available-for-sale securities	54,665
Net defined benefit asset	50,238	Deferred gain (loss) on hedges	(41,857)
Deferred tax assets	6,104	Foreign currency translation adjustments	27,196
Other	54,848	Remeasurements of defined benefit plans	5,348
Allowance for doubtful accounts	(2,462)	Minority interests	70,611
Deferred assets	493	**Total Equity**	**880,923**
Total Assets	**2,569,828**	**Total Liabilities and Equity**	**2,569,828**

2. Consolidated Statement of Income (From April 1, 2014 to March 31, 2015)

(In millions of yen)

Item	Amount	
Revenues		2,401,820
Cost and expenses		2,127,207
Gross profit		274,612
Selling, general and administrative expenses		208,419
Operating income		66,192
Non-operating income		
Interest income	3,249	
Dividend income	5,099	
Equity in earning of unconsolidated subsidiaries and affiliates	12,657	
Foreign exchange gains	11,955	
Other	7,366	40,328
Non-operating expenses		
Interest expenses	17,755	
Other	4,755	22,510
Recurring profit		84,010
Extraordinary income		
Gain on sales of noncurrent assets	12,165	
Gain on sales of shares of subsidiaries and affiliates	36,647	
Other	2,762	51,575
Extraordinary loss		
Loss on sales of noncurrent assets	503	
Losses related to antitrust law	13,734	
Provision for losses related to contracts	11,328	
Loss on valuation of investment securities	7,082	
Impairment loss	6,262	
Other	10,518	49,429
Income before income taxes and minority interests		86,156
Income taxes-current	35,538	
Income taxes-deferred	(1,661)	33,876
Income before minority interests		52,280
Minority interests in net income		4,689
Net income		47,591

(For reference)

3. Summary of Consolidated Statement of Cash Flows (From April 1, 2014 to March 31, 2015)

(In millions of yen)

Item	Amount
Net cash provided by (used in) operating activities	136,448
Net cash provided by (used in) investing activities	26,755
Net cash provided by (used in) financing activities	(199,007)
Effect of exchange rate change on cash and cash equivalents	12,869
Net increase (decrease) in cash and cash equivalents	(22,933)
Cash and cash equivalents at beginning of period	349,723
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	338
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	114
Cash and cash equivalents at end of period	327,243

Note: This statement is not covered by the audit reports.

4. Consolidated Statement of Changes in Consolidated Equity (From April 1, 2014 to March 31, 2015)

(In millions of yen)

Item	Shareholders' capital					Accumulated other comprehensive income					Minority interests	Total Equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	**Total share-holders' capital**	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Remeasu-rements of defined benefit plans	**Total Accumula-ted other comprehe-nsive income**		
Balance at the beginning of current period	144,319	155,617	428,173	(2,034)	**726,076**	29,169	(22,638)	(8,289)	(4,046)	**(5,805)**	**53,628**	**773,899**
Cumulative effects of changes in accounting policies			(70)		**(70)**						**293**	**223**
Restated balance	144,319	155,617	428,102	(2,034)	**726,005**	29,169	(22,638)	(8,289)	(4,046)	**(5,805)**	**53,922**	**774,122**
Changes of items during the period												
Dividends from surplus			(8,480)		**(8,480)**							**(8,480)**
Net income			47,591		**47,591**							**47,591**
Purchase of treasury stock				(38)	**(38)**							**(38)**
Disposal of treasury stock		(0)		1	**1**							**1**
Change of scope of consolidation			(110)		**(110)**							**(110)**
Increase by merger			15		**15**							**15**
Other			(25)		**(25)**							**(25)**
Net change of items other than shareholders' capital						25,495	(19,218)	35,486	9,395	**51,158**	**16,689**	**67,848**
Total changes of items during the period	–	(0)	38,989	(36)	**38,952**	25,495	(19,218)	35,486	9,395	**51,158**	**16,689**	**106,800**
Balance at the end of current period	144,319	155,616	467,092	(2,070)	**764,957**	54,665	(41,857)	27,196	5,348	**45,353**	**70,611**	**880,923**

5. Notes to Consolidated Financial Statements

(1) Basis of presenting consolidated financial statements

1) Scope of Consolidation

(i) Number of Consolidated subsidiaries: 574
Name of principal consolidated subsidiaries
Principal consolidated subsidiaries are stated in the Business Report “1. Overview of Operations for NYK Group, (10) Status of Major Business Combination, 2) Status of principal subsidiaries”.
Changes in the current fiscal year are as follows:
NYK PORTS LLC and 5 other companies were included within the scope of consolidation as they were newly established.
YUSEN LOGISTICS TURKEY LOJISTIK HIZMETLERI LTD. SIRKETI and 6 other companies were included within the scope of consolidation as their total assets, revenues, net income and retained earnings, etc. increased in importance.
SKS FORWARDING LLP and 1 other company were included within the scope of consolidation due to the acquisition of shares.
NYK LOGISTICS (AUSTRALIA) PTY. LTD. and 41 other companies were excluded from the scope of consolidation, as they were liquidated.
YUSEN LOGISTICS TRANSPORTE S.A. DE C.V. (company with the account closing date on December 31) was excluded from the scope of consolidation, as it merged with YUSEN LOGISTICS (MEXICO), S.A. DE C.V. as of March 31, 2014.
CRYSTAL SPORTS CLUB CO. LTD. and 7 other companies were excluded from the scope of consolidation due to the disposal of shares.

(ii) Name of principal unconsolidated subsidiaries
There is no principal unconsolidated subsidiary to be noted.

(iii) Reason for exclusion from the scope of consolidation
Total assets, total sum of revenues and total equity amount out of net income and total equity amount of retained earnings, etc. of unconsolidated subsidiary are all small compared to total assets, total sum of revenues, total equity amount out of net income and total equity amount of retained earnings of consolidated companies, and do not have a material effect on the consolidated statutory report as a whole, and this is why they are excluded from the scope of consolidation.

2) Application of equity method

(i) Number of affiliates accounted for by the equity method
unconsolidated subsidiaries: 7
affiliates: 138
Name of principal affiliates accounted for by the equity method:
Principal affiliates are stated in the Business Report “1. Overview of Operations for NYK Group, (10) Status of Major Business Combination, 3) Status of principal affiliates”.
Changes during this fiscal year are as follows:
KNOT SHUTTLE TANKERS 24 AS and 6 other companies were included within the scope of application of the equity method, as they were newly established.
KNOT MANAGEMENT DENMARK A/S and 8 other companies were included within the scope of application of the equity method, as their net income and retained earnings, etc. increased in importance.
LUKY KS was included within the scope of application of the equity method due to the acquisition of shares.
KNUTSEN BOYELASTER II KS and 5 other companies were excluded from the scope of application of the equity method, as they were liquidated.
KNUTSEN PRODUKT TANKER IV AS was excluded from the scope of application of the equity method, as it merged with KNUTSEN SHUTTLE TANKERS 2 AS on July 1, 2014.
YAMATO GLOBAL LOGISTICS JAPAN CO., LTD. and 6 other companies were excluded from the scope of application of the equity method due to the exchange or disposal of shares.

MOSCOW INTERNATIONAL CONTAINER CENTER was excluded from the scope of application of the equity method, as their net income and retained earnings, etc. decreased in importance.

(ii) Name of principal unconsolidated subsidiaries and affiliates that are not accounted for by the equity method

There is no principal unconsolidated subsidiary or affiliate to be noted.

(iii) Reason for exclusion of the scope of application of the equity method

Net income and total equity amount of retained earnings, etc. of unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are small compared to net income and total equity amount of retained earnings of consolidated companies and companies that are accounted for by the equity method, and impact on retained earnings, etc., is minor, and as a whole do not have a material effect on the consolidated statutory report, and this is why they are excluded from the scope of application of the equity method.

(iv) Noteworthy matters concerning procedures in the application of the equity method

For 4 affiliates accounted for by the equity method whose closing dates of account fell on December 31, pro forma financial statements as of the closing date of the consolidated statements were used.

For affiliates other than those mentioned above whose closing dates were different from that of the consolidated statements, financial statements as of the closing date of account of the respective companies were used.

3) Fiscal year for consolidated subsidiaries

For 39 consolidated subsidiaries whose closing dates of account fell on December 31, financial statements as of the closing date of account of respective companies were used for the purpose of consolidation. Necessary consolidation adjustments have been made to account for significant events, if any, that took place between December 31 and March 31.

For 2 consolidated subsidiaries whose closing dates of account fell on December 31, pro forma financial reports as of the closing date of the consolidated statements were used for the purpose of consolidation.

The name of a major company which closes the books on December 31 is as follows:
YUSEN LOGISTICS (CHINA) CO., LTD.

4) Accounting policies

(i) Standards and methods of valuation of significant assets

Securities

Bonds held to maturity	Amortized cost method (primarily straight-line method)
Available-for-sale securities	
Securities with market value	Primarily, market value method based on the average market price during the month before the closing date, etc. (Differences in valuation are included directly in equity and costs of securities sold are calculated primarily using the moving-average method)
Securities without market value	Primarily, stated at cost using the moving-average method
Derivatives	Market value method
Inventories	Valued at cost, determined primarily by the first-in, first-out method. (reducing book value in accordance with declines in profitability)

(ii) Depreciation methods for significant depreciable assets

Vessels, property, plant and equipment (except for lease assets)

Primarily the straight-line method

Assets for which the purchase price is more than 100,000 yen but less than 200,000 yen are generally depreciated in equal allotments over 3 years based on the Japanese Corporation Tax Law.

Intangible assets (except for lease assets)

Software	Primarily, straight-line method based on useful life in-house (5 years)
Other intangible assets	Primarily the straight-line method

Lease assets

Lease assets arising from ownership-transfer finance leases	Identical to depreciation method applied to self-owned noncurrent assets
Lease assets arising from non-ownership-transfer finance leases	Straight-line method that assumes a useful life is equal to the lease period and an estimated residual value is zero

The conventional accounting treatment will still apply to non-ownership-transfer finance leases that commenced before March 31, 2008 to apply revised accounting standard for lease transactions.

(iii) Disposition method of significant deferred assets

Bond issuance cost	Amortized equally each month over the period of redemption of the bond

(iv) Standards of accounting for significant allowances and provisions

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables.
Provision for bonuses	Provided for bonus payments to employees based on estimated amounts of future payments attributed to the fiscal year
Provision for director's bonuses	Provided for bonus payments to directors based on estimated amounts of future payments attributed to the fiscal year
Provision for directors' retirement benefits	Provision for directors' retirement benefits at the end of fiscal term is calculated based on internal rules as for certain consolidated subsidiaries.
Provision for periodic dry docking of vessels	Provision for periodic dry docking of vessels is calculated based on future estimated amount for periodic dry docking of vessels.
Provision for losses related to antitrust law	Provided for possible losses associated with surcharge and other payment as well as action for damages (class action lawsuit), arising from suspected violation of competition laws (including antitrust laws) concerning air cargo freight, international air freight forwarding service, marine transportation of automobiles, etc., based on estimated amounts of losses
Provision for losses related to contracts	Provided for possible losses associated with purchase of noncurrent assets as well as performance of lease contracts based on estimated amounts of losses

(v) Accounting method for retirement benefits

(1) Method of attributing estimated amounts of retirement benefits to periods

In calculating defined benefit obligations, the estimated amount of retirement benefits attributed to a period up to the end of the current fiscal year is primarily determined based on benefit formula.

(2) Amortization of unrecognized actuarial gain (loss) and prior service cost

Prior service cost is amortized by the straight-line method over a certain period (primarily 8 years) which is not more than the average remaining service period of employees.

Unrecognized actuarial gain (loss) is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over a certain period (primarily 8 years) which is not more than the average remaining service period of employees.

(vi) Standards of accounting for important income and expenses

Standards of accounting for revenue and expenses of the shipping operation

Container ships

For freight rate and transportation costs, the Company has mainly adopted the intermodal transportation percentage of completion basis, which is posted in accordance with the elapse of the transportation period of the individual cargo.

Other than container ships

For freight rates, transportation costs, and vessel cost relating to vessels in operation and vessel lease fees, along with lending vessel fees corresponding to these, the Company has mainly adopted the voyage completion method, which considers from the place of departure to the place of return as one unit.

(vii) Significant hedge accounting

For the derivative financial instruments used to offset the risks of assets and liabilities due to fluctuations in interest rates, foreign currency exchange rates and cash flow, the Company applies hedge accounting. In addition, hedge accounting is also applied to derivative financial instruments used to mitigate the risks of price fluctuations in fuel procurement, etc. For hedge accounting, the Company adopts the Deferred Hedge Method. *Furiate-shori* (designated hedge accounting treatment) is applied to forward foreign exchange contracts, etc. that meet the required conditions of such treatment, while *Tokurei-shori* (special accounting treatment) is applied to interest rate swaps, etc., that meet the required conditions of such treatment.

Interest rate swaps, etc., are used to hedge the loans payable and bonds payable against possible changes in interest rates, while currency swap, forward exchange contracts and foreign currency denominated assets/liabilities are used to hedge monetary assets and liabilities, investments in overseas subsidiaries and other foreign currency denominated transactions including scheduled transactions against possible changes in exchange rates. Swap transactions are used to hedge fuel oil against possible fluctuations in price. The Company evaluates effectiveness of hedging transactions by comparing accumulated changes in market price and cash flows of hedging transactions with those of the hedged transactions at the end of each financial quarter. However, interest rate swaps, etc., that are subject to special accounting treatment are excluded from the evaluation.

(viii) Method of amortization of goodwill and period of amortization

Goodwill is amortized equally each year over 5 to 20 years.

(ix) Other significant matters in the preparation of the consolidated financial statements

i. Accounting for interest expenses

Interest expenses are generally charged to income as incurred. However, interest expenses incurred in the construction of certain assets are capitalized and included in the costs of assets when a construction period is substantially long; the amount of interest incurred in such a period is significantly material; and certain conditions apply.

ii. Accounting for consumption taxes

Consumption taxes are accounted for by the tax exclusion method.

(2) Notes on changes in accounting policies

Following the adoption from the current fiscal year of Accounting Standards Board of Japan (“ASBJ”) Statement No.26 “Accounting Standard for Retirement Benefits” (May 17, 2012) and ASBJ Guidance No.25 “Guidance on Accounting Standard for Retirement Benefits” (March 26, 2015; hereinafter “Guidance on Retirement Benefits”) with respect to the main clause of Article 35 of the Accounting Standard for Retirement Benefits and the main clause of Article 67 of the Guidance on Retirement Benefits, method for calculating defined benefit obligations and service cost has been reviewed, and the method for attributing estimated amounts of retirement benefits to periods has been changed from straight-line method to benefit formula.

The Accounting Standard for Retirement Benefits, etc., are applied in accordance with the transitional handling set forth in Article 37 of the Accounting Standard for Retirement Benefits, and the effect of the

change in method for calculating defined benefit obligations and service cost has been added to, or subtracted from retained earnings at the beginning of the current fiscal year. Impacts of this change in accounting policies in the current fiscal year are minor.

(3) Notes on changes in accounting estimates

Among all types of vessels classified under vessels, property, plant and equipment, useful life of dry bulk carriers was previously set at 15 years, which, however, has been changed to 20 years from the current fiscal year, based on the assessment that main type of dry bulk carriers are usable for longer periods than originally expected, following a review for each type of vessel over the policies for management and use of vessels. As a result of this change, operating income, recurring profit and income before income taxes and minority interests for the current fiscal year increased 5,808 million yen, respectively.

(4) Notes to Consolidated Balance Sheet

1) Breakdown of inventories

Merchandise and finished goods	2,880 million yen
Work in process	548 million yen
Raw materials and supplies	45,287 million yen

2) Assets pledged as collateral and obligations relating to collateral

(i) Assets pledged as collateral

Cash and deposits	877 million yen
Vessels	229,812 million yen
Buildings and structures	1,324 million yen
Machinery, equipment and vehicles	0 million yen
Land	4,293 million yen
Investment securities	44,826 million yen
Total	281,134 million yen

(ii) Obligations relating to collateral

Short-term loans payable	17,747 million yen
Long-term loans payable	177,893 million yen
Total	195,641 million yen

Notes: Vessels of 359 million yen and investment securities of 44,772 million yen have been pledged as collateral for debts of affiliates, etc.

3) Accumulated depreciation of vessels, property, plant and equipment 975,961 million yen

4) Contingent liability

(i)	Notes receivable discounted and endorsed	7 million yen
(ii)	Guarantee obligations	138,827 million yen
(iii)	Debt assumption	40,000 million yen

(iv) Certain operating lease agreements that the NYK Group concluded on its respective vessels incorporate a residual value guarantee clause. The maximum amount of potential future payment under the guarantee obligation is 57,026 million yen. These guarantees may be paid if the subsidiaries choose to return the leased property rather than exercise an option to buy it. The operating lease agreement will expire by June 2021.

(v) Some operating lease agreements that the NYK Group concluded on its aircraft incorporate a residual value guarantee clause. The maximum amount of potential future payment under the guarantee obligation is 71,241 million yen. The companies may pay the guarantee if they choose to return the leased properties at the end of the lease term. The operating lease agreement will expire by December 2026.

(vi) The NYK Group has been under investigation by the European and other authorities overseas, on account of suspected violations of the antitrust laws concerning the shipping of cargo including automobiles handled in or after September 2012. Also, the Group has been sued in class action lawsuits in the U.S. and other regions for damages and suspension of shipments, etc. without specific amount of damage, for its conspiracy to fix prices of shipping with major automobile shipping companies concerning marine transportation of assembled automobiles, etc. It is difficult to reasonably predict the results of the investigations by overseas authorities and class action lawsuits at present.

(5) Notes to Consolidated Statement of Income

Losses related to antitrust law

The NYK Group has recorded payment associated with the plea-agreement, along with currently estimated possible future loss, in connection with the investigations by the US and other authorities overseas concerning competition laws relating to marine transportation of automobiles, as well as the actions for damages (class action lawsuits) filed in the U.S. concerning air cargo freight and international air freight forwarding services.

(6) Notes to Consolidated Statement of Changes in Equity

1) Class and number of issued and outstanding shares at term-end

Common stock 1,700,550,988 shares

2) Matters concerning dividends

(i) Amount of dividend payment

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Base date	Effective date
Ordinary General Meeting of Shareholders June 24, 2014	Common stock	5,088	3	March 31, 2014	June 25, 2014
Board of Directors' Meeting October 31, 2014	Common stock	3,392	2	September 30, 2014	November 25, 2014
Total		8,480			

(ii) Dividend for which base date is in the current consolidated fiscal year but effective date for dividend is in the following fiscal term

As a proposal at the Ordinary General Meeting of Shareholders to be held on June 23, 2015, matters regarding dividends of common stock are submitted as follows:

1) Total dividend 8,480 million yen
2) Dividend per share 5 yen
3) Base date March 31, 2015
4) Effective date June 24, 2015

Resource for dividends are planned to be retained earnings.

(7) Notes to financial instruments

1) Matters concerning financial instruments

The NYK Group primarily uses short-term deposits for the management of its funds, and raises funds through borrowings from financial institutions including banks or corporate bonds. It aims to mitigate the credit risk of customers associated with notes and operating accounts receivable-trade, in accordance with its credit control procedures and other rules. Investment securities consist primarily of shares and those shares with market quotations are basically stated by using the market value method, based on the average market value during 1 month before the closing date. As a result, the fluctuations in the stock market and other related factors may have an impact on the NYK Group's

business performance and financial standings. Proceeds from the loans payable and corporate bonds are used to finance capital investment requirements for the acquisition of vessels, aircraft, transportation-related facilities, etc. and working capital requirements for business activities. The Company enters into interest rate swap agreements and similar instruments to hedge against the risk of interest rate fluctuations. Meanwhile, the NYK Group makes it a principle to implement derivatives transactions within the scope of commercial needs, in accordance with its internal rules and regulations.

2) Matters concerning the market value of financial instruments

The stated values of financial instruments on the consolidated balance sheet, their market values and differences between balance sheet amount and market values as of March 31, 2015 are described below. Financial instruments whose market values appear to be extremely difficult to determine are not included in the table.

(In millions of yen)

	Consolidated balance sheet amount	Market Values	Balance
(i) Cash and deposits	260,900	260,900	—
(ii) Notes and operating accounts receivable-trade	287,518		
Allowance for doubtful accounts (*1)	(1,116)		
	286,402	286,402	—
(iii) Short-term investment securities and investment securities			
Bonds held to maturity	73,644	73,651	6
Available-for-sale securities	144,931	144,931	—
Stocks of subsidiaries and affiliates	13,319	16,310	2,990
(iv) Long-term loans receivable	30,196		
Allowance for doubtful accounts (*1)	(0)		
	30,196	32,229	2,033
(v) Notes and operating accounts payable-trade	217,470	217,470	—
(vi) Short-term loans payable	99,566	99,566	—
(vii) Bonds payable	195,445	205,429	9,984
(viii) Long-term loans payable	788,832	804,892	16,059
(ix) Derivatives transactions (*2)	(16,256)	(16,256)	—

(*1) The separately recorded provisions for allowance for doubtful accounts on notes and operating accounts receivable-trade and long-term loans receivable are subtracted from the above amounts.

(*2) Derivatives transactions are stated at their total value subtracted for debts and credits.

Notes: 1 Calculation method for the market value of financial instruments and matters concerning marketable securities and derivatives transactions

(i) Cash and deposits
These assets are stated at book value, as they are settled in the short term and their market values approximate book values.

(ii) Notes and operating accounts receivable-trade
These assets are stated at book value, as they are settled in the short term and their market values approximate book values. Doubtful receivables are stated at adjusted book value. The expected amount of loan losses on these assets are calculated based on either the present value of expected future cash flows or expected recoverable amount of their collateral securities or guarantees; hence their market values approximate their balance sheet values at the consolidated accounting date less the current expected amount of loan losses.

(iii) Short-term investment securities and investment securities

Shares are stated at the stock exchange quoted price and bonds are stated at either the stock exchange quoted price or the price presented by transacting financial institutions.

(iv) Long-term loans receivable

Long-term loans receivable with variable interest rates are stated at book value. The interest rate on these assets reflects the market rate in the short term, therefore their market values approximate book values. Those with fixed-interest rates are stated at market value, which is calculated by discounting the principal and interest using the assumed rate applied to a similar type of new loan. Meanwhile, doubtful receivables are stated at adjusted book value. The expected amount of loan losses on these assets are calculated based on either the present value of expected future cash flows or expected recoverable amount of their collateral securities or guarantees; hence their market values approximate their balance sheet values at the consolidated accounting date less the current expected amount of loan losses.

(v) Notes and operating accounts payable and (vi) short-term loans payable

These assets are stated at book value, as they are settled in the short term and their market values approximate book values.

(vii) Bonds payable

The market value of the corporate bonds issued by NYK is calculated based on the market price.

(viii) Long-term loans payable

Long-term loans payable with variable interest rates are stated at book value, as the interest rate on these loans reflects the market rate in the short term and their market values approximate book values. Meanwhile, long-term loans payable with fixed-interest rates are stated at present value. The present value is calculated by discounting a periodically divided portion of the principal and interest of these loans (*), using the assumed rate applied to a similar loan.

(*) As to the long-term loans payable involved in the interest rate swap agreement that meet the requirements for exceptional treatment, the total amount of its principal and interest income at the post-swap rate is applied.

(ix) Derivatives transactions

NYK and its subsidiaries enter into interest-rate swap agreements to hedge against the risk of fluctuations in interest rates relating to their loans payable, corporate bonds, etc.; close currency futures, currency swap and similar instrument deals to hedge against the risk of fluctuations in exchange rates associated with their foreign currency-denominated debts and credits; and deal in fuel oil swap, freight (charterage) futures and similar instrument contracts to hedge against the fluctuations in fuel oil and charterage. The market value of these derivatives transactions at the consolidated accounting date is calculated based on the price presented by transacting financial institutions, etc.

2 Stocks of subsidiaries and affiliates (recorded amount on the consolidated balance sheet is 164,493 million yen) and unlisted shares (recorded amount on the consolidated balance sheet is 25,676 million yen) are not included in “(iii) Short-term investment securities and investment securities”, as their market values appear to be extremely difficult to determine.

(8) Notes to investment and rental properties

1) Matters concerning investment and rental properties

NYK and some of its consolidated subsidiaries own office buildings and other properties for lease (including land) in the metropolis of Tokyo and other areas.

2) Matters concerning the market value of rental properties

Income and expenses from the relevant investment and rental properties as of March 31, 2015 was 4,180 million yen (major income and expenses associated with these investment and rental properties were recorded as revenues and cost and expenses, respectively).

The recorded amount on the consolidated balance sheet, amount of increase (decrease), and market value of the relevant investment and rental properties on the consolidated accounting date are shown below.

(In millions of yen)

Consolidated balance sheet amount			Market value as of the consolidated accounting date
Balance at the beginning of current fiscal year	Increase (decrease) in current fiscal year	Balance at the end of current fiscal year	
40,632	(708)	39,923	100,162

Notes: 1 Consolidated balance sheet amount represents the original acquisition cost less accumulated depreciation and impairment losses.
2 The amount of increase (decrease) in the current fiscal year primarily includes an increase of 1,259 million yen due to the acquisition of real estate, and decreases of 1,139 million yen due to depreciation and 394 million yen due to the sales of real estate.
3 The market values as of the closing date of the consolidated statements are based on amounts (including amounts adjusted on the basis of indexes, etc.) calculated principally with reference to the Real Estate Appraisal Standard.

(9) Notes on per-share information

1) Equity per share	477.79 yen
2) Net income per share	28.06 yen

(10) Other notes

The fraction of amounts less than the indicated unit is rounded down.

(11) Additional information

With a purpose of the cruises business restructuring, NYK concluded a contract on March 3, 2015 between its consolidated subsidiary NYK GROUP AMERICAS INC. and GENTING HONG KONG LIMITED, whereby equity interest in CRYSTAL CRUISES, INC., a subsidiary operating two cruise ships, shall be wholly sold to the latter. Based on the contract, actual transfer is scheduled to take place within May 2015, which is expected to result in a capital gain in the following fiscal year.

(12) Notes on significant subsequent events

Not applicable

Unconsolidated Financial Statements

1. Unconsolidated Balance Sheet (As of March 31, 2015)

(In millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	512,553	Current liabilities	294,162
Cash and deposits	83,505	Operating accounts payable-trade	97,640
Operating accounts receivable-trade	116,802	Short-term loans payable	68,054
Short-term loans receivable	78,330	Lease obligations	8
Short-term investment securities	73,000	Account payable	3,032
Inventories	30,840	Income taxes payable	227
Deferred and prepaid expenses	49,483	Advance received	32,627
Receivable from agencies	11,357	Deposits received	69,957
Deferred tax assets	1,015	Payable to agencies	1,093
Accrued dividend receivable	37,590	Provision for bonuses	1,928
Other current assets	31,292	Provision for losses related to antitrust law	1,030
Allowance for doubtful accounts	(665)		
Noncurrent assets	1,012,312	Other current liabilities	18,561
Vessels, property, plant and equipment	162,962	Noncurrent liabilities	752,334
Vessels, net	104,780	Bonds payable	195,445
Buildings, net	18,252	Long-term loans payable	497,810
Structures, net	478	Lease obligations	34
Machinery and equipment, net	212	Deferred tax liabilities	33,463
Vehicles, net	256	Other noncurrent liabilities	25,581
Equipment and fixtures, net	1,670	**Total liabilities**	1,046,497
Land	28,750	**Equity**	
Construction in progress	8,559	Shareholders' capital	456,704
Intangible assets	8,899	Common stock	144,319
Goodwill	5,605	Capital surplus	154,387
Leasehold right	511	Capital reserve	151,691
Software	2,741	Other capital surplus	2,695
Other intangible assets	41	Retained earnings	160,061
Investments and other assets	840,450	Earned surplus reserve	13,146
Investment securities	139,660	Other retained earnings	146,914
Stocks and equity in subsidiaries and affiliates	291,422	Reserve for dividends	50
Long-term loans receivable	331,560	Reserve for special depreciation	4
Lease receivables	99,392	Reserve for advanced depreciation	4,526
Other investments, etc.	50,671	Other reserves	118,324
Allowance for doubtful accounts	(72,256)	Retained earnings carried forward	24,009
Deferred assets	493	Treasury stock	(2,064)
Bond issuance cost	493	Valuation and translation adjustments	22,157
		Unrealized gain (loss) on available-for-sale securities	50,577
		Deferred gain (loss) on hedges	(28,420)
		Total Equity	478,862
Total Assets	**1,525,359**	**Total Liabilities and Equity**	**1,525,359**

2. Unconsolidated Statement of Income (From April 1, 2014 to March 31, 2015)

(In millions of yen)

Item	Amount	
Revenue from shipping operation	1,258,810	
Shipping operation expenses	1,201,110	
Shipping operation income		57,699
Revenue from other business	5,951	
Other business expenses	3,465	
Other business income		2,485
Gross operating income		60,185
General administrative expenses		42,970
Operating income		17,215
Non-operating income		
Interest and dividend income	59,769	
Other non-operating income	8,539	68,309
Non-operating expenses		
Interest expenses	10,260	
Other non-operating expenses	1,733	11,994
Recurring profit		73,530
Extraordinary income		
Gain on sales of noncurrent assets	1,381	
Gain on liquidation of subsidiaries and affiliates	5,735	
Gain on transfer of charter contract	1,141	
Other extraordinary income	726	8,985
Extraordinary loss		
Loss on disposal of noncurrent assets	77	
Provision for allowance for doubtful accounts	38,403	
Loss on valuation of shares of subsidiaries and affiliates	13,337	
Losses related to antitrust law	8,115	
Other extraordinary loss	5,162	65,095
Income before income taxes		17,420
Income taxes-current	3,133	
Income taxes-deferred	1,721	4,855
Net income		12,565

3. Unconsolidated Statement of Changes in Equity (From April 1, 2014 to March 31, 2015)

(In millions of yen)

Item	Shareholders' capital						
	Common stock	Capital surplus		Retained earnings			
		Capital reserve	Other capital surplus	Earned surplus reserve	Other retained earnings		
					Reserve for dividends	Reserve for special depreciation	Reserve for advanced depreciation
Balance at the beginning of current period	144,319	151,691	2,696	13,146	50	48	4,739
Cumulative effects of changes in accounting policies							
Restated balance	144,319	151,691	2,696	13,146	50	48	4,739
Changes of items during the period							
Dividends from surplus							
Reversal of special depreciation reserve						(44)	
Reversal of reserve for advanced depreciation							(287)
Provision of reserve for advanced depreciation							74
Net income							
Purchase of treasury stock							
Disposal of treasury stock			(0)				
Net change of items other than shareholders' capital							
Total changes of items during the period	–	–	(0)	–	–	(44)	(213)
Balance at the end of current period	144,319	151,691	2,695	13,146	50	4	4,526

Item	Shareholders' capital				Valuation and translation adjustments		Total equity
	Retained earnings		Treasury stock	Total shareholders' capital	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on hedges	
	Other retained earnings						
	Other reserves	Retained earnings carried forward					
Balance at the beginning of current period	118,324	19,852	(2,028)	**452,841**	28,177	(9,449)	**471,569**
Cumulative effects of changes in accounting policies		(184)		**(184)**			**(184)**
Restated balance	118,324	19,667	(2,028)	**452,656**	28,177	(9,449)	**471,384**
Changes of items during the period							
Dividends from surplus		(8,480)		**(8,480)**			**(8,480)**
Reversal of special depreciation reserve		44		**–**			**–**
Reversal of reserve for advanced depreciation		287		**–**			**–**
Provision of reserve for advanced depreciation		(74)		**–**			**–**
Net income		12,565		**12,565**			**12,565**
Purchase of treasury stock			(38)	**(38)**			**(38)**
Disposal of treasury stock			1	**1**			**1**
Net change of items other than shareholders' capital					22,400	(18,970)	**3,430**
Total changes of items during the period	–	4,342	(36)	**4,047**	22,400	(18,970)	**7,477**
Balance at the end of current period	118,324	24,009	(2,064)	**456,704**	50,577	(28,420)	**478,862**

4. Notes to Unconsolidated Financial Statements

(1) Notes on matters relating to significant accounting policies

1) Standards and methods of valuation of securities

Bonds held to maturity	Amortized cost method (straight-line method)
Stock of subsidiaries and affiliates	Stated at cost using the moving-average method
Available-for-sale securities	
Securities with market value	Market value method based on the average market price during the month before the closing date, etc. (Differences in valuation are included directly in equity and costs of securities sold are calculated using the moving-average method)
Securities without market value	Stated at cost using the moving-average method

2) Standards and method of valuation of derivative transaction

Market value method

3) Standards and methods of valuation of inventories

Stated at cost using the first-in, first-out method (method of reducing book value in accordance with declines in profitability)

4) Depreciation methods of noncurrent assets

Vessels, property, plant and equipment (except for lease assets)	
Vessels and building	Straight-line method
Others	Declining-balance method
Intangible assets (except for lease assets)	
Goodwill	Amortized equally within 20 years
Software	Straight-line method based on useful life in-house (5 years)
Other intangible assets	Straight-line method
Lease assets	
Lease assets arising from ownership-transfer finance leases	Identical to depreciation method applied to self-owned noncurrent assets
Lease assets arising from non-ownership-transfer finance leases	Straight-line method that assumes a useful life is equal to the lease period and an estimated residual value is zero

The conventional accounting treatment will still apply to non-ownership-transfer finance leases that commenced before March 31, 2008 to apply revised accounting standard for lease transactions.

5) Disposition method of deferred assets

Bond issuance cost	Amortized equally each month over the period of redemption of bond

6) Standards of accounting for allowances and reserves

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables
Provision for bonuses	Provided for bonus payments to employees based on the estimated amounts of future payments attributed to the fiscal year

Provision for director's bonuses	Provided for bonus payments to directors based on the estimated amounts of future payments attributed to the fiscal year
Provision for retirement benefits	Reserve for employees' retirement benefits is calculated based on estimates of defined benefit obligations and pension assets as of the end of the fiscal term (i) Method of attributing estimated amounts of retirement benefits to periods In calculating defined benefit obligations, the estimated amount of retirement benefits attributed to a period up to the current fiscal year is determined based on benefit formula. (ii) Amortization of unrecognized actuarial differences and prior service cost Prior service cost is amortized primarily by the straight-line method over a certain period (8 years) which is not more than the average remaining service period of employees. Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a certain period (8 years) which is not more than the average remaining service period of employees.
Provision for losses related to antitrust law	Provided for possible surcharge and other payments arising from suspected violation of competition laws (including antitrust laws) concerning marine transportation of automobiles, etc., based on estimated amounts of payment

7) Standards of accounting for income and expenses

Container ships	For freight rate and transportation costs, the Company has adopted the intermodal transportation percentage of completion basis, which is posted in accordance with the elapse of the transportation period of the individual cargo.
Other than container ships	For freight rates, transportation costs and vessel cost relating to vessels in operation and vessel lease fees, along with lending vessel fees corresponding to these, the Company has adopted the voyage completion method, which considers from place of departure to the place of return as one unit.

8) Hedge accounting

For the derivative financial instruments used to offset the risks of assets and liabilities due to fluctuations in interest rates, foreign currency exchange rates and cash flow, the Company applies hedge accounting. In addition, hedge accounting is also applied to derivative financial instruments used to mitigate the risks of price fluctuations in fuel procurement, etc. For hedge accounting, the Company adopts the Deferred Hedge Method. *Furiate-shori* (designated hedge accounting treatment) is applied to forward foreign exchange contracts, etc. that meet the required conditions of such treatment, while *Tokurei-shori* (special accounting treatment) is applied to interest rate swaps, etc., that meet the required conditions of such treatment.

Interest rate swaps, etc., are used to hedge the loans payable and bonds payable against possible changes in interest rates, while currency swap, forward exchange contracts and foreign currency denominated assets/liabilities are used to hedge monetary assets and liabilities, investments in overseas subsidiaries and other foreign currency denominated transactions including scheduled transactions against possible changes in exchange rates. Swap transactions are used to hedge fuel oil against possible fluctuations in price. The Company evaluates effectiveness of hedging transactions by comparing accumulated changes in market price and cash flows of hedging

transactions with those of the hedged transactions at the end of each financial quarter. However, interest rate swaps, etc., that are subject to special accounting treatment are excluded from the evaluation.

9) Other basis of presenting unconsolidated financial statements

Accounting method for retirement benefits	Accounting treatments of unrecognized actuarial differences and unrecognized prior service cost in the unconsolidated balance sheet are different from those in the consolidated financial statements.
Accounting for consumption taxes	Consumption taxes are accounted for by the tax exclusion method.

(2) Notes on changes in accounting policies

Following the adoption from the current fiscal year of Accounting Standards Board of Japan ("ASBJ") Statement No.26 "Accounting Standard for Retirement Benefits" (May 17, 2012) and ASBJ Guidance No.25 "Guidance on Accounting Standard for Retirement Benefits" (March 26, 2015), method for calculating defined benefits obligations and service cost has been reviewed, and the method for attributing estimated amounts of retirement benefits to periods has been changed from straight-line method to benefit formula.

The Accounting Standard for Retirement Benefits, etc., are applied in accordance with the transitional handling set forth in Article 37 of the Accounting Standard for Retirement Benefits, and the effect of the change in method for calculating defined benefits obligations and service cost has been added to, or subtracted from retained earnings carried forward at the beginning of the current fiscal year. Impacts of this change in accounting policies in the current fiscal year are minor.

(3) Notes on changes in accounting estimates

Among all types of vessels classified under vessels, property, plant and equipment, useful life of dry bulk carriers was previously set at 15 years, which, however, has been changed to 20 years from the current fiscal year, based on the assessment that main type of dry bulk carriers are usable for longer periods than originally expected, following a review for each type of vessel over the policies for management and use of vessels. As a result of this change, operating income, recurring profit and income before income taxes for the current fiscal year increased ¥ 1,882 million, respectively.

(4) Notes to Unconsolidated Balance Sheet

1) Assets pledged as collateral and obligations relating to collateral

(i)	Assets pledged as collateral	
	Cash and deposits	38 million yen
	Vessels	22,762 million yen
	Investment securities	1,097 million yen
	Stocks and equity in subsidiaries and affiliates	19,160 million yen
	Total	43,059 million yen
(ii)	Obligations relating to collateral	
	Short-term loans payable	1,523 million yen
	Long-term loans payable	13,699 million yen
	Total	15,223 million yen

Notes: Investment securities of 1,097 million yen and stocks and equity in subsidiaries and affiliates of 19,160 million yen have been pledged as collateral for debts of subsidiaries and affiliates etc.

2) Accumulated depreciation of vessels, property, plant and equipment 277,038 million yen

3) Contingent liability

(i) Guarantee obligations 995,229 million yen
Amount of joint obligations borne by the other joint obligors was included in the guarantee obligations as the amount was small.

(ii) Debt assumption 40,000 million yen

(iii) The Company has been under investigation by the European and other authorities overseas, on account of suspected violations of the antitrust laws concerning the shipping of cargo including automobiles handled in or after September 2012. Also, the Company has been named in class action lawsuits in the U.S. and other regions for damages and suspension of shipments, etc. without specific amount of damage, for its conspiracy to fix prices of shipping with major automobile shipping companies concerning marine transportation of assembled automobiles, etc. It is difficult to reasonably predict the results of the investigations by overseas authorities and class action lawsuits at present.

4) Claims and liabilities toward subsidiaries and affiliates (except for as presented in item categories)

Short-term monetary claims	142,294 million yen
Long-term monetary claims	430,344 million yen
Short-term monetary liabilities	96,327 million yen
Long-term monetary liabilities	3,010 million yen

(5) Notes to Unconsolidated Statement of Income

1) Transactions with subsidiaries and affiliates

Operating transactions	
Revenues (revenue from shipping operation, revenue from other business)	30,418 million yen
Expenses (shipping operation expenses, other business expenses, general administrative expenses)	277,055 million yen
Transactions other than operating transactions	67,000 million yen

2) Losses related to antitrust law

The Company has recorded payment associated with the plea-agreement, along with currently estimated possible future loss, in connection with the investigations by the U.S. and other authorities overseas concerning competition laws relating to marine transportation of automobiles.

(6) Notes to Unconsolidated Statement of Changes in Equity

Class and number of treasury stock at term-end

Common stock	4,549,422 shares

(7) Notes on tax effect accounting

The major cause of deferred tax assets is allowance for doubtful accounts etc., and the major cause for deferred tax liabilities is unrealized gain on available-for-sale securities.

(8) Notes on fixed asset leasing

Other than the fixed assets posted in the unconsolidated balance sheet, the Company owns 35 thousand units of containers as major fixed assets used under finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of the lease.

(9) Notes concerning transactions with related parties

Subsidiaries and affiliates, etc.

Category	Company	Ratio of holding of voting rights, etc. (or ratio of voting rights held) (%)	Detail of relationship	Contents of transaction	Transaction amount (millions of yen)	Account item	Term-end balance (millions of yen)
Subsidiary	NIPPON CARGO AIRLINES CO., LTD.	Holding Directly 100.0	Capital support Debt guarantee, etc. Concurrent service as executives			Short-term loans receivable	1,226
						Long-term loans receivable	90,544
				Acceptance of interest	705	Other current assets	33
				Debt guarantee, etc. (Note 1)	137,201	—	—
				Receipt of lease payments (Note 2)	6,060	—	—
Subsidiary	NYK GROUP AMERICAS INC.	Holding Directly 100.0	Acceptance of dividend	Acceptance of dividend	35,781	Accrued dividends receivables	36,051
Subsidiary	NYK BULK & PROJECTS CARRIERS LTD.	Holding Directly 100.0	Capital support Concurrent service as executives	Acceptance of funds (Note 3)	7,117	Deposits received	29,547
				Interest payment	30	—	—
Subsidiary	NYK FTC (SINGAPORE) PTE. LTD.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 1)	46,495	—	—
Subsidiary	NYK LNG FINANCE CO., LTD.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 1)	19,259	—	—
Subsidiary	NYK BULKSHIP (ASIA) PTE. LTD.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 1)	16,010	—	—
Subsidiary	NYK BULKSHIP (ATLANTIC) N.V.	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 1)	65,563	—	—
Subsidiary	SAGA SHIPHOLDING (NORWAY) AS	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 1)	58,840	—	—
Subsidiary	CRYSTAL CRUISES, INC.	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 1)	47,681	—	—
Affiliate	JAPAN BETA LULA CENTRAL S.A R.L.	Holding Directly 48.72	Capital support	Loan of funds (Note 4)	9,889	Short-term loans receivable	17,182
				Acceptance of interest	138	Other current assets	6
Subsidiary	Vessels owning, chartering related companies ENCANTADA MARITIMA S.A. and other 266 companies	Holding Directly 100.0 (249 companies)	Capital support Debt guarantee, etc.			Short-term loans receivable	50,626
						Long-term loans receivable	189,813
			Contract of chartering ships	Lease of vessels (Note 2)	32,211	Other current assets	10,807
						Lease receivables	99,392
		Indirectly 100.0 (18 companies)		Debt guarantee, etc. (Note 1)	370,547	—	—
				Payment of charterage (Note 5)	143,198	—	—

Transaction conditions and policies on determination of transaction conditions

Notes:
1. Guarantee fee for debt guarantee, etc. is determined by taking into consideration the form of guarantee.
2. Lease payments are determined by taking into consideration the amount equivalent to the cost of the assets concerned.
3. Conditions of acceptance of funds are determined by taking into consideration the market rate. The Company has not pledged security.
4. Conditions of loan of funds are determined by taking into consideration the market rate. The Company has not pledged security.

5. Cost equivalent amounts accrued by subsidiaries are paid as vessel lease fees.

(10) Note on per-share information

1)	Equity per share	282.35 yen
2)	Net income per share	7.41 yen

(11) Notes on a company subject to consolidated dividend restrictions

The Company is a company subject to consolidated dividend restrictions.

(12) Other notes

The fraction of amounts less than the indicated unit is rounded down.

(13) Notes on significant subsequent events

Not applicable

Guidance on the Exercise of Votes via electromagnetic method (such as the Internet, etc.)

<Concerning procedures for exercise of votes via the Internet, etc.>

If you exercise your vote via the Internet, please confirm the following before exercising your vote. If you are attending the meeting, exercising your vote either by the Voting Form or via the Internet is not necessary.

1. Website to use for exercising votes
   (1) Exercise of votes via the Internet may be done by accessing the website for exercising votes (http://www.evote.jp/) designated by the Company using a PC, smartphone or mobile phone (i-mode, EZweb or Yahoo! Keitai)* with Internet connection (access is unavailable between 2:00 a.m. and 5:00 a.m. Japan Time every day).
   (2) Please note that you may not be able to exercise votes via the Internet using PC or smartphone depending on your Internet environment such as use of firewall, anti-virus software or proxy servers.
   (3) Please use i-mode, EZweb or Yahoo! Keitai service for exercise of votes via the Internet using mobile phone. For security reasons, mobile phones that cannot accommodate encrypted data transmission (SSL transmission) and transmission of mobile phone information may not be used.
   (4) Shareholders using the Internet voting option are requested to complete the required voting procedures by 5:00 p.m. Japan Time on Monday, June 22, 2015, and exercising your votes as early as possible will be appreciated. Please contact the help desk described on the next page for inquiries.
   *Note: “i-mode” is a trademark or registered trademark of NTT DOCOMO, INC., “EZweb” is a trademark or registered trademark of KDDI CORPORATION, and “Yahoo!” is a trademark or registered trademark of YAHOO! INC. of the U.S.

   The Internet connection for exercise of votes using mobile phone may be established by having a mobile phone with a bar-code reader read the “QR code” shown on the right. For details of operation, please refer to the users’ manual for your mobile phone.

2. Method for exercising votes via the Internet
   (1) Please access the website for exercising votes (http://www.evote.jp/), enter the login ID and temporary password recorded on the Voting Form and then enter your vote for each proposal according to the instructions on the screen.
   (2) We request that you change the temporary password on the website for exercising votes in order to prevent improper access by persons other than the shareholder (so-called “spoofing”) or alteration of the content of your voting selections.

3. Disposition of votes in the event that votes are exercised two or more times
   (1) In the event that the exercise of votes is duplicated by both the method of mailing the Voting Form and via the Internet, the exercise of votes via the Internet shall be deemed valid.
   (2) If votes are exercised multiple times via the Internet (including cases where the votes are exercised two times or more by using more than one PC, smartphone or mobile phone), only the last recorded entry shall be counted.

4. Expenses incurred when accessing the website for the Exercise of Votes
   Please note that expenses incurred when accessing the website for the Exercise of Votes (Internet connection charges, etc.) shall be the responsibility of the shareholder. In addition, expenses such as packet communication fees and other fees which are associated with the use of a mobile phone, etc. shall be the responsibility of the shareholder.

For inquiries concerning systems, etc.
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division (help desk)
Phone: 0120-173-027 (toll-free within Japan)
Hours: 9:00-21:00 Japan Time (operators are available)

For all other inquiries
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division
Phone: 0120-232-711 (toll-free within Japan)
Hours: 9:00-17:00 Japan Time, excluding Saturdays, Sundays and public holidays (operators are available)

To the Institutional Investors:

Institutional investors may use the Electronic Proxy Voting Platform for Institutional Investors managed by ICJ, Inc. as an electronic method for the exercise of votes at the General Meeting of Shareholders of the Company.