May 16, 2017

To our shareholders

Corporate Name:	Nippon Yusen Kabushiki Kaisha
Representative:	Tadaaki Naito, President
Security Code:	9101
Listings:	First Section of the Tokyo and Nagoya stock exchanges
Contact:	Keiji Kubota, General Manager, Legal & Fair Trade Promotion Group (Tel. +81 3-3284-5151)

Notice of Reduction in Capital Reserve, Earned Surplus Reserve and Appropriation of Surplus

Nippon Yusen Kabushiki Kaisha (Hereafter "NYK") announces that at the meeting of the Board of Directors held today, NYK resolved to propose Reduction in capital reserve and earned surplus reserve, and appropriation of surplus at the 130th Ordinary General Meeting of shareholders scheduled to be held on June 21, 2017. Details are as follows;

1. Purpose of Reduction in capital reserve and earned surplus reserve, and appropriation of surplus

NYK has recorded a deficit of ¥139,691,553,184 loss in retained earnings carried forward for the non-consolidated financial statement to the fiscal year ended March 31, 2017. Therefore, for the purpose of covering the loss in retained earnings carried forward, as well as to ensure flexibility and agility in its finance strategies for the period to come, NYK proposes a reduction of capital reserve and earned surplus reserve, and an appropriation of surplus as follows.

2. Matters concerning the reduction of capital reserve and earned surplus reserve

NYK proposes to reduce part of the amount of capital reserve and the whole of the amount of earned surplus reserve in accordance with the provisions of Article 448, Paragraph 1 of the Companies Act, and transfer such amount to other capital surplus and retained earnings carried forward, respectively.

(1) Item of reserve whose amount is to be reduced and the amounts thereof
Capital reserve ¥121,500,000,000 of ¥151,691,857,047
Earned surplus reserve ¥13,146,867,258

(2) Item of surplus whose amount is to be increased and the amount thereof
Other capital surplus ¥121,500,000,000
Retained earnings carried forward ¥13,146,867,258

3. Matters concerning the appropriation of surplus

In accordance with the provisions of Article 452 of the Companies Act, subject to the effect of reduction of part of the amount of capital reserve and the whole of the amount of earned surplus reserve and increase of the amount of other capital surplus and retained earnings carried forward, NYK proposes to cover the loss in retained earnings carried forward by transferring part of the amount of other capital surplus to retained earnings carried forward after the aforementioned increase.

(1) Item of surplus whose amount is to be reduced and the amount thereof
Other capital surplus ¥122,500,000,000 of ¥124,192,458,433

(2) Item of surplus whose amount is to be increased and the amount thereof
Retained earnings carried forward ¥122,500,000,000

Thus, the total amount to be transferred from earned surplus reserve and other capital surplus to retained earnings carried forward will be ¥135,646,867,258.

4. Scheduled for the reduction of reserve and appropriation of surplus

(1) Date of resolution at the meeting of the Board of Directors	May 16, 2017
(2) Date of resolution at General shareholders' meeting	Scheduled on June 21, 2017
(3) Effective date	Scheduled on June 22, 2017

This case comes under the requirements of Article 449, Paragraph 1, proviso of the Companies Act, therefore no procedures for objections of creditors will be required.

5. Prospect of Financial Results

As it is the transfer in accounts to the NYK's net assets, there will be no change to the amount of the net asset and no effect on the profits and losses of the NYK's financial results.

End