March 28, 2019

To whom it may concern :

Company name: Nippon Yusen Kabushiki Kaisha
Representative : Tadaaki Naito, President
Code No. : 9101, First Sections of Tokyo Stock Exchange and Nagoya Stock Exchange
Contact : Ryoichi Oda, General Manager, Legal & Fair Trade Promotion Group (TEL. 03-3284-5151)

Notice regarding Continuation of Performance-Based Stock Remuneration Plan for Directors and Corporate Officers

At the meeting of the Board of Directors held on March 28, 2019, the Company resolved to continue the performance-based stock remuneration plan (hereinafter referred to as the "Plan") for the Company's Directors and Corporate Officers (excluding Outside Directors etc.; hereinafter referred to as the "Directors"), which was introduced in 2016. Details are as follows.

Details of the total amount of shares to be acquired in connection with the extension of the Plan will be announced after a resolution of the Board of Directors to be held at a later date.

Description

1. Continuation of the Plan

（1） We have introduced this system for Directors as a remuneration plan that is highly correlated with the business results set forth in the Medium-Term Management Plan and that is highly transparent and objective, with the aim of raising our willingness to contribute to sustainable growth and sharing interests with shareholders, through the resolution of the annual general meeting of shareholders in June 2016. We intend to extend the period of this Plan for 3 fiscal years ending in March 2019 onwards (until the business year ending in March 2022).

（2） Under the Plan, we have adopted a mechanism referred to as the Remuneration BIP (Board Incentive Plan) Trust (the "BIP Trust"). The BIP Trust is an incentive plan for Directors based on the U.S. performance-based stock remuneration plan (Performance Share) plan and restricted stock remuneration plan (Restricted Stock) . The BIP Trust provides Directors with shares acquired through the BIP trust according to the degree to which they achieve their performance targets.

2. Outline of the Plan after Continuation

In continuing the Plan, the trust period of the BIP Trust will be extended as follows, and additional contributions of money and the associated acquisition of shares will be made. At the same time, necessary changes will be made to the performance conditions of the Medium-Term Management Plan and the timing of the issuance of shares, etc. will be made. However, the details of the Plan will be maintained as resolved at the Ordinary General Meeting of Shareholders in June 2016.

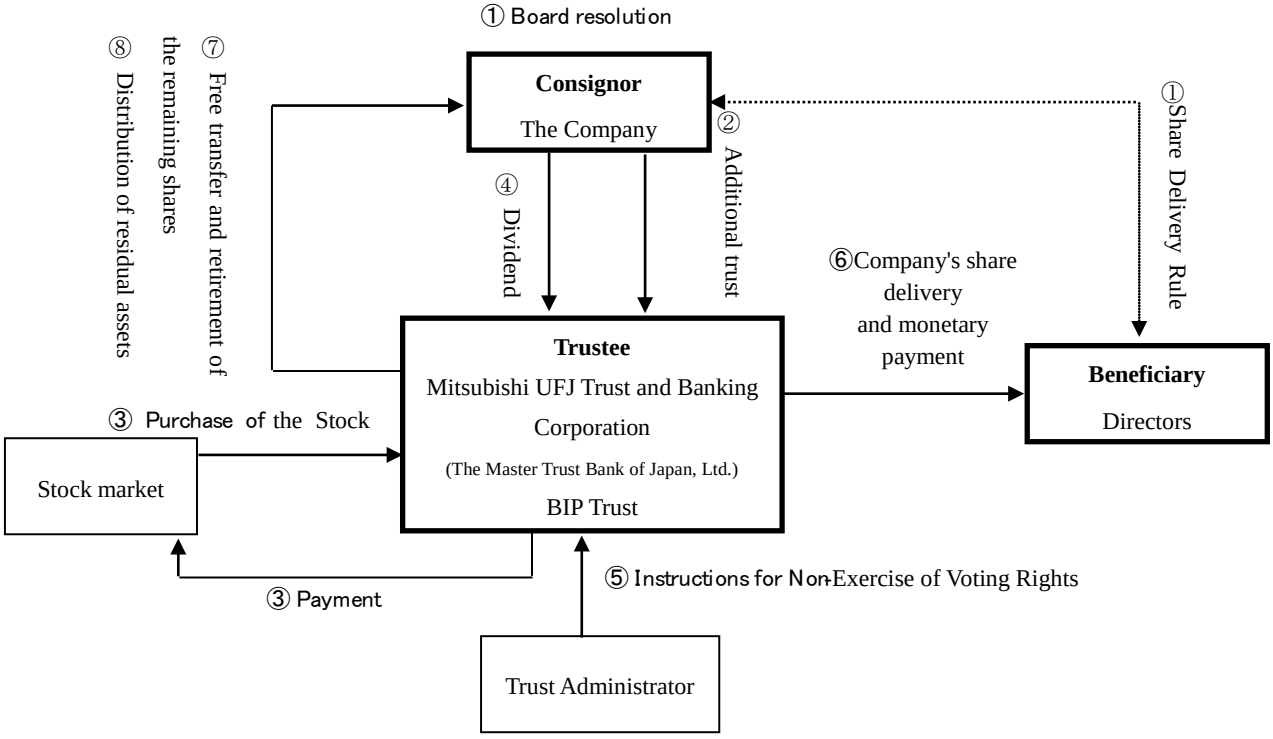
（1） Extension of the Trust Term and Succession of Residual Shares and Monies

The Company will continue to implement this Plan by extending the trust period of existing BIP Trust whose trust period expires on August 3, 2019, until the end of August 2022. In addition, on August 3, 2019, the remaining shares (excluding those for which the delivery has not been completed) and any money will be transferred to the BIP Trust after the extension. The applicable period after continuation of the Plan shall be the 3 fiscal years from the fiscal year ending at the end of March 2020 to the fiscal year ending at the end of March 2022.

（2） Additional contributions to BIP Trust

Additional money contributions to the BIP Trust and the associated total amount of shares to be acquired additionally will be resolved at a meeting of the Board of Directors held at a later date. The shares held in the BIP Trust are acquired through market purchases, so there is no dilution of the shares.

3. Mechanism of BIP Trust



① We have resolved at the Board of Directors meeting regarding the continuation of the Plan. We have established stock delivery regulations related to the Plan.

② Pursuant to the agreement to amend the Trust Agreement, we will extend the term of the BIP Trust in which money is entrusted to the extent approved at the Ordinary General Meeting of Shareholders held in June 2016, and Directors who meet the beneficiary requirements are the beneficiaries.

③ The Trustee (the Trust) will acquire Company's shares from the stock market using the money contributed in (ii) in accordance with the instructions of the Trust Administrator. The number of shares to be acquired by the Trust shall be within the scope approved by the resolution of the Ordinary General Meeting of Shareholders held in June 2016.

④ Dividends are also paid on Company's shares in the Trust, similar to those on our other shares.

⑤ No voting shall be exercised for Company's shares in the Trust through the Trust Period.

⑥ Around June 2022, the beneficial owners will receive Company's shares and the money obtained by realizing a certain percentage of the shares in accordance with Company's stock delivery regulations.

⑦ If residual shares occur at the expiration of the trust period due to the failure to achieve performance targets during the trust period, the Trust will continue to use the Trust as an incentive plan similar to the Plan by extending the Trust Agreement and making additional trusts, or will transfer such residual shares from the Trust to us without charge, and we will retire them without charge.

⑧ At the termination of the Trust, the remaining assets after distribution to the beneficiaries will vest to us within the amount of the Trust Reserve after deducting the money for share acquisition from the Trust Fund. In addition, the portion in excess of the trust reserve will be donated to organizations that do not have an interest in the Company or Directors.

(NOTE) In the event that Company's shares cease to exist in the trust due to the delivery of the shares to Directors who meet the beneficiary requirements, the trust will be terminated prior to the expiration of the trust term.