April 26, 2019

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: Toru Maruyama
General Manager, IR Group
(Tel. +81 3-3284-5151)

Notice of Difference between Financial Year 2018 Consolidated Results and Previous Forecast, and the recording of an extraordinary loss

Nippon Yusen Kabushiki Kaisha (hereafter, “NYK Line”) announces today that its consolidated financial results for the fiscal year ended March 31, 2019, has differed markedly from its forecast for the same period, which was announced on January 31, 2019. And in the consolidated financial report for the fourth quarter of the fiscal year ending March 2019, we have recorded a provision for losses related to contracts as an extraordinary loss, and NYK Line also has recorded the same provision and also an allowance for doubtful accounts against Nippon Cargo Airlines as an extraordinary loss in the non-consolidated financial report as well.

1. Difference between Consolidated Financial Year 2018 Consolidated Results and Previous Forecast

(Millions of yen)

	Revenues	Operating profit (loss)	Recurring profit (loss)	Profit (loss) attributable to owners of parent	Profit (loss) per share (yen)
Previous forecast (A) (Announced January 31, 2019)	1,830,000	8,000	(5,000)	(1,000)	(5.93)
Revised forecast (B)	1,829,300	11,085	(2,052)	(44,501)	(263.80)
Change (B-A)	(700)	3,085	2,948	(43,501)	
Percentage change (%)	(0.04%)	38.6%	-	-	
(ref.) Full year results for the fiscal year ended March 31, 2018	2,183,201	27,824	28,016	20,167	119.57

Reason for the revision:

Due to the favorable shipping traffic of total finished car volumes and steady operation / utilization of LNG vessels, the Operating profit has exceeded the previous forecast and Recurring loss has been ameliorated. On the other hand, Profit and Loss attributable to owners of the parent company has significantly decreased from the previous forecast due to the recording of the extraordinary loss, which

will be described later, as well as losses incurred by the early redelivery of the dry-bulk vessels amounting 10 billions of yen.

2. Year-end dividend

According to the year-end dividend outlook announced on January 31, 2019 (¥10 per share), no change is planned at this time.

3. The extraordinary loss

In the consolidated financial statements for the fourth quarter of the fiscal year ending March 31, 2019 (the "fourth quarter"), we have recorded a provision for losses related to contracts as an extraordinary loss of approximately ¥31.0 billion on the chartering of containerships. With regard to the containerships which are chartered out to Ocean Network Express (an equity-method affiliate which is jointly established by the three major Japanese shipping lines), we have reviewed the charter market conservatively due to the weaker market than expected. As a result, we have recorded the extraordinary loss expected to be incurred in the future.

4. Disclosure of Non-Consolidated Financial Results

In this fourth quarter, the aforementioned provision for the contract loss is expected to be recorded as the extraordinary loss in the non-consolidated financial statements as well. The impact for the consolidated profits and losses is mentioned in the above 3.

We have also recorded an extraordinary loss of about ¥8 billion on loan loss as a result of the deterioration in the financial position of Nippon Cargo Airlines Co., Ltd., which is a consolidated subsidiary. However, this loss is eliminated from the consolidated results of operations, and therefore there was no impact on the consolidated results.