

January 31, 2020

Whom it may concern

Corporate Name: Nippon Yusen Kabushiki Kaisha
Representative: Hitoshi Nagasawa, President
Code No: 9101
Stock Listings: First Sections of the Tokyo Stock
Exchange and Nagoya Stock
Exchange
Contact: Toru Maruyama
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Notice of Recording Extraordinary Loss

Nippon Yusen Kabushiki Kaisha (hereinafter “the Company”) informs that an extraordinary loss was recorded as follows in the consolidated financial statement for the third quarter of the fiscal year ending March 31, 2020. In addition, an extraordinary loss was also recorded in the non-consolidated financial statement.

1. Overview of the extraordinary loss

Regarding the Company’s consolidated subsidiary Nippon Cargo Airlines Co., Ltd. (hereinafter “the Subsidiary”) operating an air cargo transportation business, given that the air cargo market conditions remain difficult much more than expected, we have reviewed the future recoverability of the non-current asset including the airframes, spare engines and parts. As a result, an extraordinary loss of about 15.7 billion yen was recorded as an impairment loss in the consolidated financial statement for the third quarter of the fiscal year ending March 31, 2020.

2. Impact on the financial results

This extraordinary loss has been incorporated into the consolidated financial results through the third quarter of the fiscal year ending March 31, 2020 announced today, as well as the full-year consolidated forecast.

3. Disclosure regarding the non-consolidated financial statement

Due to deterioration in the business results in line with the above extraordinary loss at the Subsidiary, provision of allowance for doubtful accounts of about 19.2 billion yen for the loans made to the Subsidiary was recorded as an extraordinary loss in the third quarter of the fiscal year ending March 31, 2020. Note that this allowance for doubtful accounts will be eliminated in the consolidated financial statement, so there is no impact on the consolidated financial results.