



**June 26, 2014**



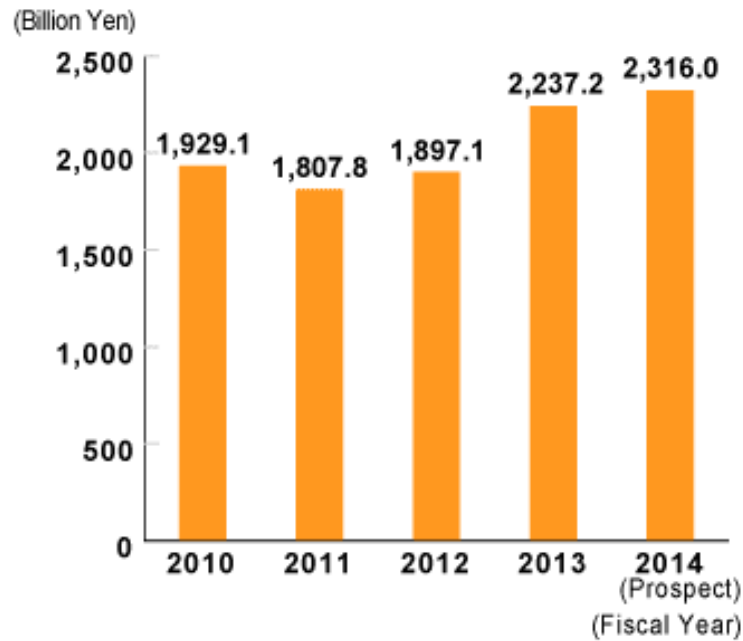
1. NYK Group Update (**Bill Payne**)
2. NYK Vessel Stowage demonstration (**George Cate**,  
*National Marine Manager, Boise, Idaho*)
3. NYK Documentation Metrics (**Jeanine Gabiola**, Export  
Documentation Manager, Boise , Idaho)
4. NYK Customer Service Metrics (**Bill Payne**)



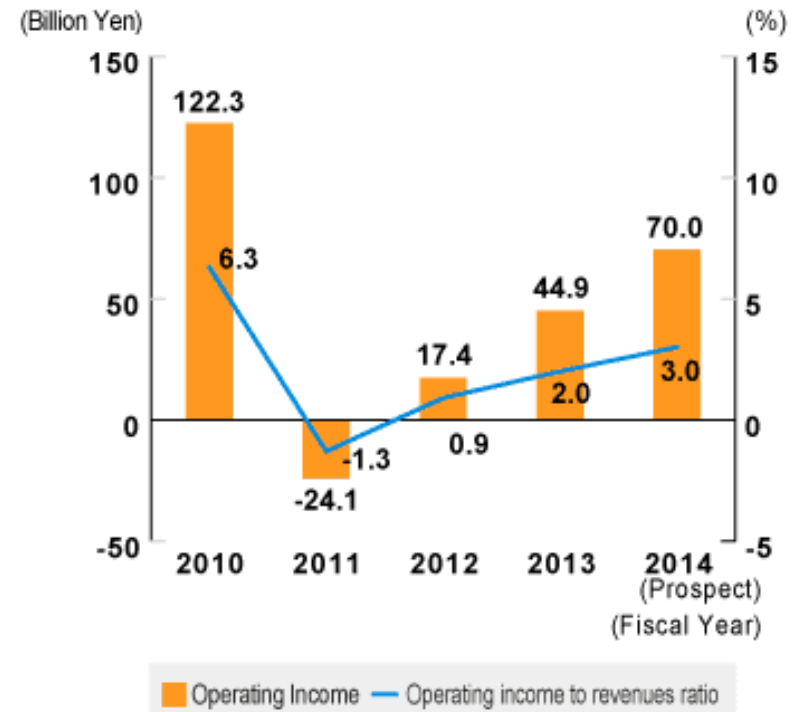
# NYK Group Update

# Business Performance (Annual Data)

## Revenues



## Operating Income, Operating income to revenues ratio



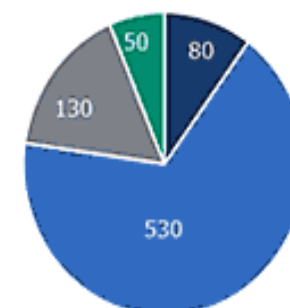
		(vessels)				
		March 31, 2014	March 31, 2015	March 31, 2017	March 31, 2019	Variance (FY2013 vs FY2018)
		Estimate	Plan	Plan	Plan	
Container ships		99	95	85	85	-14
Owned and long-term chartered vessels		(74)	(70)	(65)	(65)	-9
Car carriers		119	120	125	125	+6
Dry bulk carriers	Cape-size	126	120	110	100	-26
	Post-Panamax, Panamax bulkers	97	95	90	85	-12
	Handysize bulkers (includes box shape)	164	165	165	165	+1
	Wood chip carriers	48	45	45	45	-3
Liquid	Tankers	77	75	70	70	-7
	LNG carriers (includes co-owned)	67	70	70	100+	+33 or over
Others		79	70	65	60	-19
Total		876	855	825	835+	-41 or over

## <Asset Strategy> Reconfigure business portfolio

Lighten assets held in containerships and dry bulk carriers

Shift investment emphasis toward LNG business and offshore business

FY2014-FY2018  
Total investment: ¥790 billion

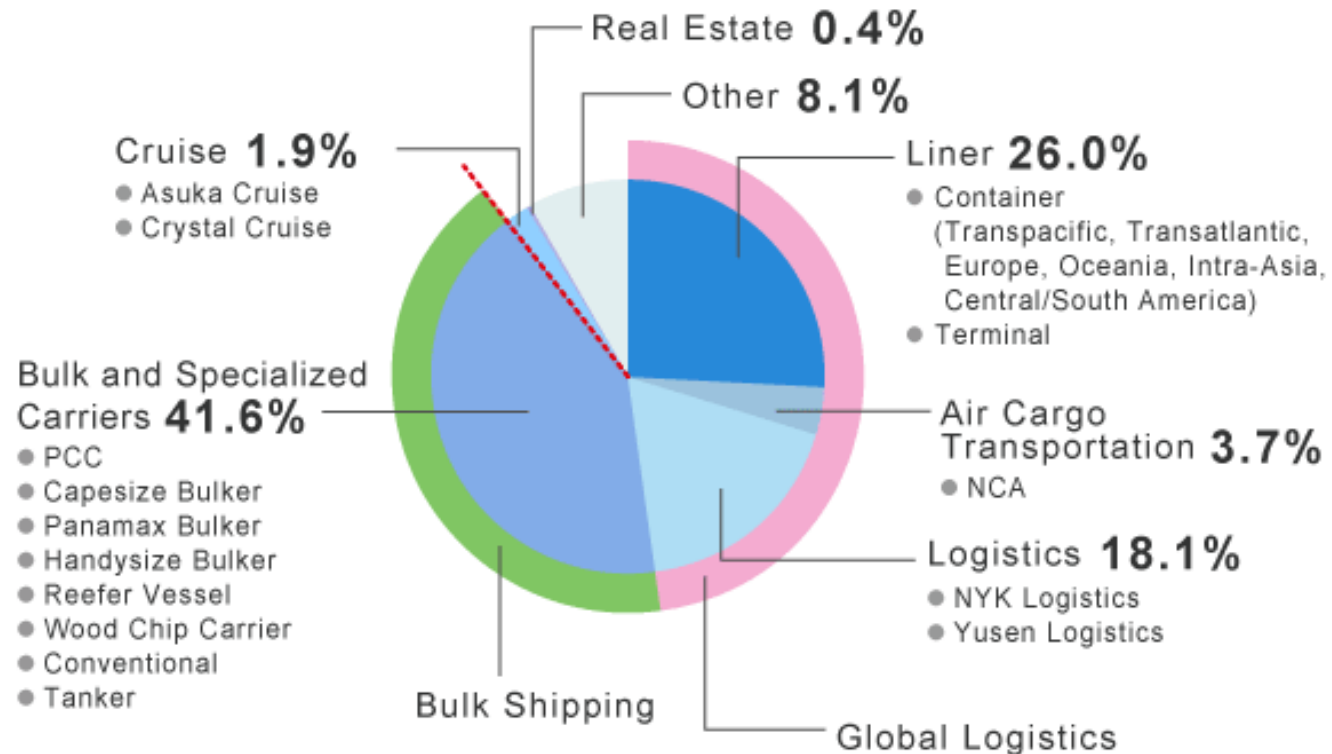


- Liner trade and Logistics
- LNG and Offshore business
- Other Bulk Shipping
- Environment and other activities

### Vessels operated by KNOT\*

Shuttle tankers	27	28	30	34	+7
Containership capacity					
Space Provision	368万TEU	385万TEU	400万TEU	425万TEU	+57万TEU

# NYK Group Revenue



# Operational overview

The NYK Group is an international marine transportation company with strengths in global logistics services and passenger cruises. Our worldwide network of ocean, land, and air transportation services enriches people's lives. We treat each piece of cargo with care, understanding its importance to the sender and receiver and the role that it plays in building better, more prosperous societies.



**Cargo transported**

- Auto parts
- Electronic components, electrical equipment, etc.

■ B747-400F: 6 planes

## 1 Container Transport

Cargo transported

- Food products
- Household goods
- Electrical/electronic products, etc.

■ Containerships (including semi-containerships, etc.)  
148 vessels / 5,940,000 kt (DWT)



## 5 Dry Bulk Transport

Cargo transported

- Iron ore
- Coal
- Woodchips
- Grain, etc.

■ Bulk carriers (Capesize)  
112 vessels / 21,040,000 kt (DWT)

■ Bulk carriers (Panamax and handysize)  
242 vessels / 14,320,000 kt (DWT)

■ Woodchip carriers  
56 vessels / 2,840,000 kt (DWT)

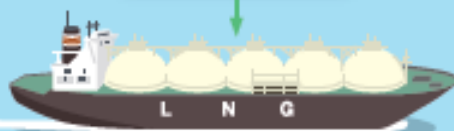


## 7 LNG Transport

Cargo transported

- LNG (liquefied natural gas)

■ LNG carriers  
29 vessels / 2,050,000 kt (DWT)



## 6 Petroleum, Chemical, and LPG Transport

Cargo transported

- Petroleum
- Chemical
- Petroleum products
- LPG (liquefied petroleum gas)
- Ammonia
- Naphtha, diesel, etc.

■ Tankers  
85 vessels / 12,060,000 kt (DWT)



## 2 Car Transport

Cargo transported

- Passenger cars
- Trucks
- Industrial vehicles, etc.

■ Car carriers  
121 vessels / 2,170,000 kt (DWT)



## 10 Offshore Business

- Drillships
- Shuttle tankers
- FPSO (Floating Production Storage and Offloading system)



## 4 Terminal and Harbor Transport Business

Description of services

- Terminal handling
- Tagboats
- Maintenance and repair of equipment and containers, etc.

■ Container terminals: 23 locations  
■ RRRO (Roll-on, Roll-off) terminals: 14 locations  
■ Other terminals: 6 locations

As of March 2012



## 3 Logistics Business

Description of services

- Ocean forwarding
- Air forwarding
- Storage and delivery services
- Tracked and intermodal transportation
- Customs clearance

■ Logistics centers  
454 locations in 37 countries  
■ Warehouse space  
2.04 million m<sup>2</sup>

As of September 2011

## 8 Cruise Business

■ Cruise ships  
3 vessels / 20,000 kt (DWT)  
Total passenger capacity  
(3-vessel total): 2,864



## 11 Other Businesses

Description of services

- Real estate
- Trading
- Manufacturing and processing
- Restaurants
- Ship-management agency services
- Services as auxiliary to transportation
- Temporary personnel service, etc.



## SRI Evaluation



### NYK Again Included in the DJSI

The Dow Jones Sustainability Index (DJSI)\* is one of the major global stock indexes for socially responsible investment (SRI) and chooses companies through a selection process that is based on independent international standards of corporate environment sustainability and social responsibility.

\* DJSI: Developed jointly by S&P Dow Jones Indicos, a U.S.-based publisher of business and financial news and information, and RobecoSAM AG, a Swiss-based company that conducts CSR research and ratings.



FTSE4Good

### NYK Continues to Be Included in the FTSE4Good

The FTSE4Good Index\* is one of the two leading indexes for investors who are concerned about corporate social responsibility. The other major index is the DJSI.

\* FTSE4Good Index: Launched by the UK-based FTSE Group, which is jointly owned by the Financial Times and the London Stock Exchange.



### NYK Selected for Inclusion in RobecoSAM's Bronze Class

RobecoSAM AG\* (RobecoSAM) in Switzerland rates companies that conduct superior corporate social responsibility (CSR) activities and places the top companies in one of three classes: gold, silver or bronze. NYK was included in the SAM Bronze Class in 2013 and the only Japanese company in the industrial transportation sector to be recognized as a "sustainability leader".



### NYK Continues to Be Considered One of the World's Most Ethical Companies

The World's Most Ethical Companies has been compiled annually since 2007 by the research-based Ethisphere Institute, a leading international think tank. This designation recognizes leading companies that truly go beyond making statements about doing business "ethically" and translate those words into action.



### NYK Again Included in the MS-SRI

The Morningstar Socially Responsible Investment Index (MS-SRI) is the first socially responsible investment index in Japan. Morningstar Japan K.K. selects 150 companies from among approximately 3,600 listed companies in Japan, and NYK has been a part of this index every year since 2004.





# NYK Market Updates

## How is the G6 Alliance Structured?



Each member line to maintain its own commercial identity and market its services independently. Each line will continue to contract independently with customers.



Lines jointly operate loops covering the trade lanes, with most loops being single-operator loops.



Alliance cooperation will allow substantially greater efficiency and lower costs for its member lines.



# Transpacific Trade



- Continue to grow in Y2014
- Focus on coastal business to PSW/PNW
- Focus on IPI business via PNW gateway
- Active review on IPI business by RV equipment match back concept
- Focus on AWEC business to S. Atlantic area

# Vessel Stowage Demonstration (George Cate)



# Vessel Operations and Planning in a VSA Environment



Vessel Allocation Table (GA, G6, IEX,ANS) - TPWC, SUEZ, TPEC, TA, ECSA

TRADE	Service	Vessels	NYK Vessel	Service Allocation	Average Vessel Allocation	NYK Allocation	NYK AVG Vessel Allocation
TPWC	JPX	5	3	15,109	3,022	7280	1,456
TPWC	SE1	8		44,400	5,550	1552	194
TPWC	SE2	7		47,300	6,757	4383	626
TPWC	SE3	12	8	13,692	1,141	1565	130
TPWC	SC1	6		58,200	9,700	7434	1,239
TPWC	SC2	6		46,600	7,767	2407	401
TPWC	CC1	6		35,200	5,867	4157	693
TPWC	CC2	5		26,400	5,280	3291	658
TPWC	CC3	6		28,200	4,700	1500	250
TPWC	CC4	5	3	27,200	5,440	3391	678
TPWC	NP1	7		51,800	7,400	5502	786
TPWC	NP2	6		47,100	7,850	4277	713
TPWC	NP3	6		46,200	7,700	5490	915
PENDULUM	PA1	14	6	53,200	3,800	11774	841
TA	PA2	13		44,700	3,438	2812	216
TA	AX1	4		30,000	7,500	2920	730
TA	AX2	6		22,800	3,800	1104	184
TA	AX3	5		12,500	2,500	0	0
SUEZ	IEX	8	1	29,894	3,737	3038	380
SUEZ	CEC	11	1	82,500	7,500	17017	1,547
SUEZ	AZX	9		46,400	5,156	5566	618
SUEZ	SVS	10		59,600	5,960	3654	365
TPEC	NYE	10		38,000	3,800	6380	638
TPEC	SCE	9	1	34,200	3,800	4500	500
TPEC	NCE	9	9	34,200	3,800	9603	1,067
ECSA	ANS	6	4	12,600	2,100	8400	1,400
<b>TOTAL</b>	<b>26</b>	<b>199</b>	<b>36</b>	<b>987,995</b>	<b>4,965</b>	<b>128,997</b>	<b>648</b>

ANS	HJSU, HLCU, HMM, NYKS, YMLU			
AZX	APLU, HDMU, HLCU, MOLU, NYKS, OOLU, ZIMU			
CEC	APLU, HDMU, HLCU, MOLU, NYKS, OOLU, ZIMU			
IEX	APLU, CMDU, HLCU, NYKU, OOLU			
JPX	HJSU, HLCU, NYKU, OOLU			
SVS	APLU, EGLV, HDMU, HLCU, MOLU, NYKS			
NCE	HDMU, HLCU, MOLU, NYKS, OOLU			
NYE	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
SCE	APLU, HDMU, HLCU, MOLU, NYKS, OOLU, ZIMU			
SE1	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
SE2	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
SE3	HDMU, HJSC, HLCU, NYKS, OOLU			
SC1	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
SC2	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
CC1	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
CC2	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
CC3	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
CC4	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
NP1	APLU, HDMU, HLCU, MOLU, NYKS, OOLU, ZIMU			
NP2	APLU, HDMU, HLCU, MOLU, NYKS, OOLU, ZIMU			
NP3	APLU, HDMU, HLCU, MOLU, NYKS, OOLU, ZIMU			
AX1	APLU, HDMU, HLCU, MOLU, NYKS, OOLU, SUDU			
AX2	APLU, HDMU, HLCU, NYKS, OOLU			
AX3	HLCU, SUDU			
PA1	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			
PA2	APLU, HDMU, HLCU, MOLU, NYKS, OOLU			

# G6 Joint Working Procedures

G6 JWP Sec 1 - Introduction - Version 6.docx

G6 JWP Sec 2 - Abbreviations and Definitions and Responsibilities

G6 JWP Sec 3 - Schedule - Version 6.docx

G6 JWP Sec 4 - Slot Count - Version 6.docx

G6 JWP Sec 5 - Special Cargo - Version 6.docx

G6 JWP Sec 6 - Reefer - Version 6.docx

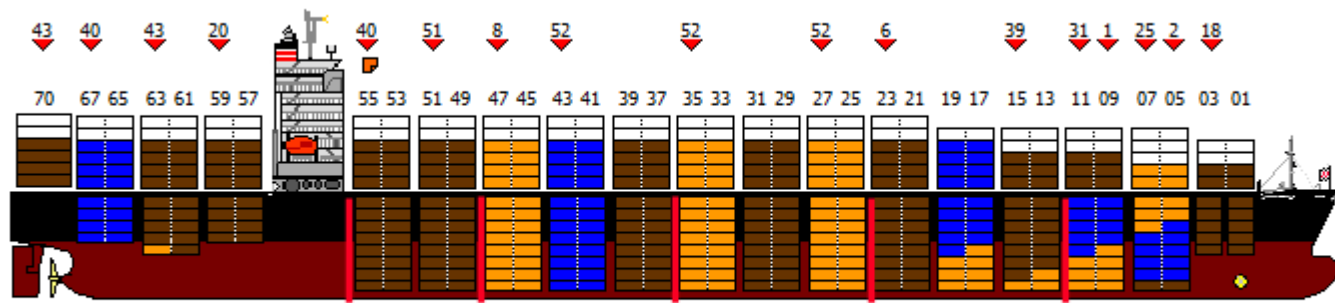
G6 JWP Sec 7 - Dangerous Goods - Version 6.docx

G6 JWP Sec 8 - Documentation - Version 6.docx

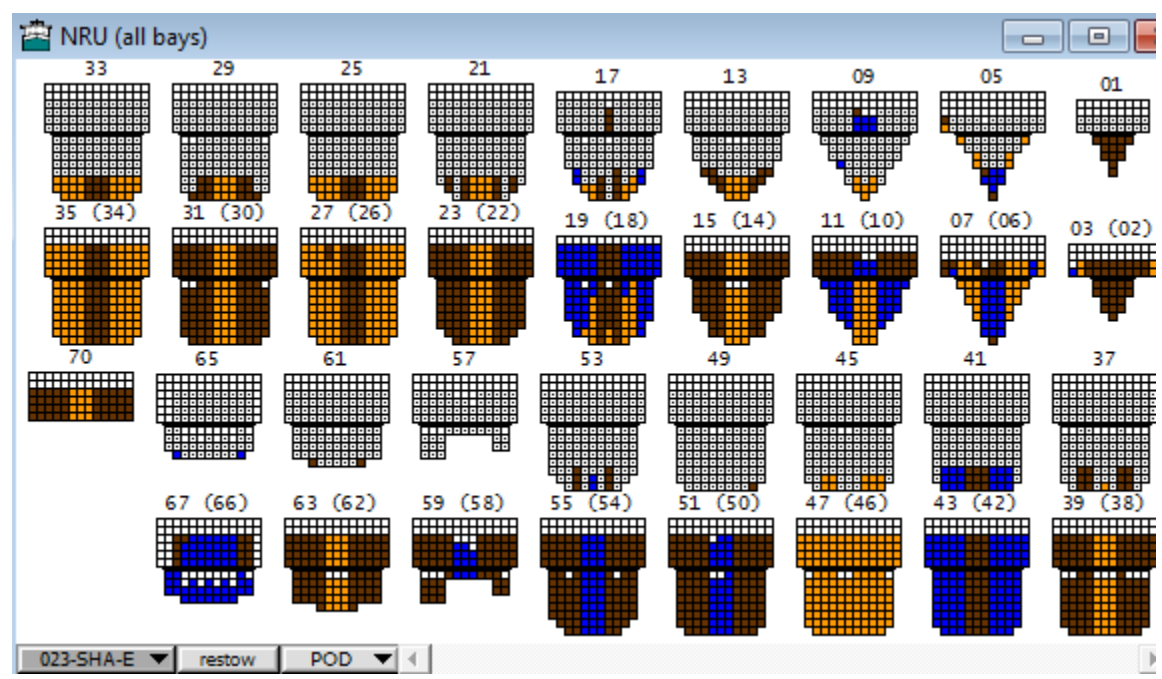
G6 JWP Sec 9 - Terminal Procedures - Version 6.docx



# LET'S WORK A SHIP!



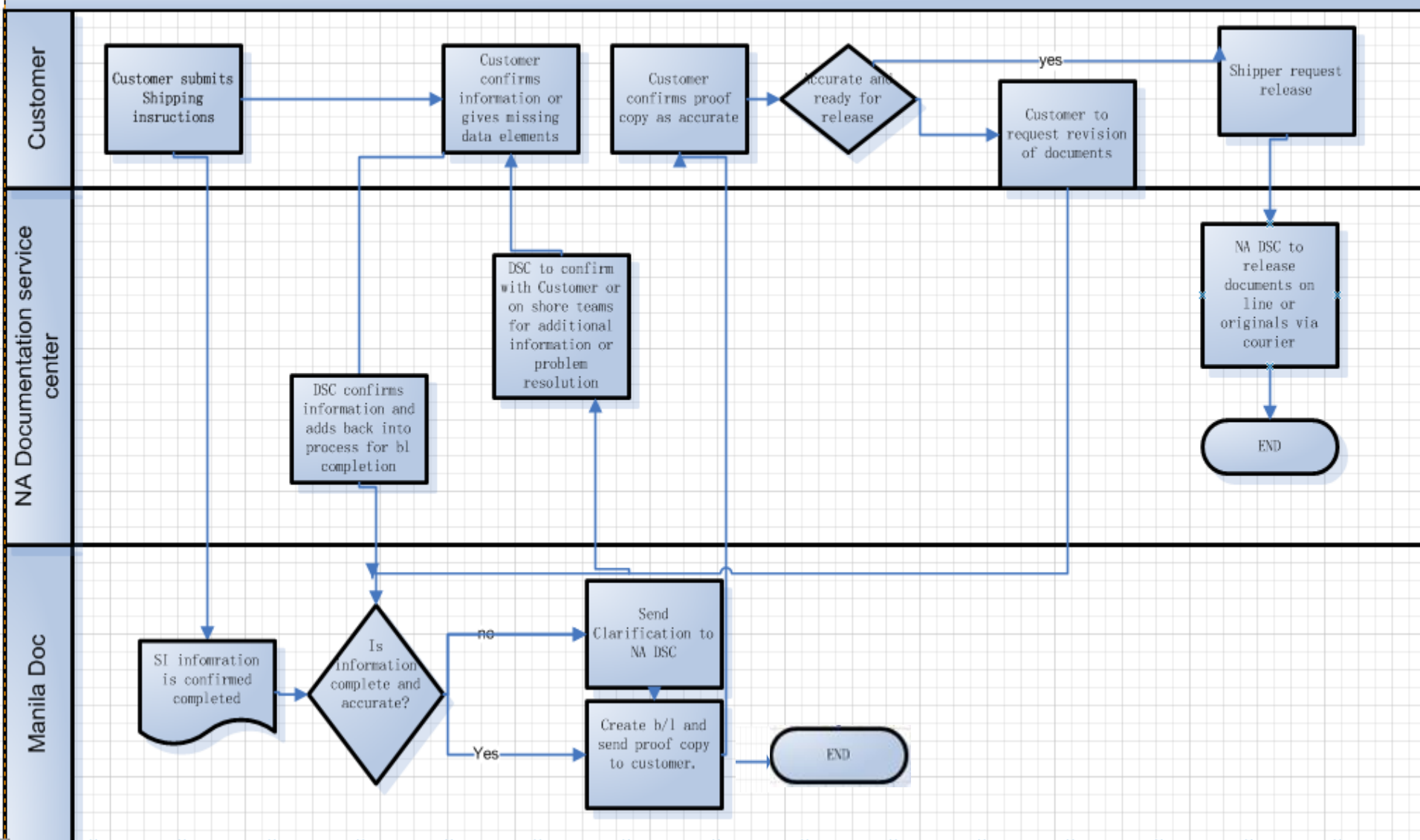
## NYK RUMINA



# Documentation Service Center

14 Documentation Specialist Boise Idaho  
41 Data Entry Coordinators Manila Philippines

# Bill of Lading process Flow



# Group Responsibilities

## NA Documentation

- Customer Calls
- Customer document request. (shipping certs, doc c/offers)
- Bill of lading release (both stateside and foreign)
- Problem resolution for missing or invalid information

## Manila Doc Center

- Bill of lading data entry
- Customer notification of late revision request delays
- Hs code inquires
- NCM inquiries (ANS cargo)
- Communication with on shore office for problem resolution

## BILL OF LADING VOLUMES

MONTH	2013	2014	INCREASE
JAN	10,438	11,554	1116
FEB	11,031	11,854	823
MARCH	12,786	13,880	1094
APRIL	11,504	13,727	2223

## CLARIFICATION VOLUMES

MONTH	CLARIFICATIONS	TOTAL VOLUME	DELAYED
JAN	3530	11,554	31%
FEB	3618	11,854	38%
MARCH	4275	13,880	31%
APRIL	4302	13,727	31%

# ADVANCED MANIFEST COUNTRIES

6/17/2014

Scope of Japan Advance Filing Rules	
<b>Cargo In Scope of the rule</b>	<p>All containerized cargo destined for Japan or transshipping in Japan is IN SCOPE and requires accurate, timely submission to Japan Customs</p> <p>RORO (car carrier) cargo, Shipper owned empty tank containers, empty carrier owned containers, Break Bulk cargo and FROB (freight remaining on board over a Japanese port) are OUT of SCOPE for the Japan 24 hour rule and does not require submission prior to loading</p>
<b>Who is responsible for filing the Advance Manifest?</b>	<p>Carrier → Shipment information for the Master BL level</p> <p>NVOCC → Shipment information for the House BL level</p>
<b>Filing methods</b>	Filing in electronic form by utilizing Nippon Automated Cargo and Port Consolidated System ("NACCS")
<b>Deadline of filing Advance Manifest</b>	<p>In principle, Vessel operator or NVOCC make submission 24 hours before departure from a port in a foreign country/territory</p> <p>To ensure notice prior to cargo loading, NYK will file 28 hours prior to vessel arrival at Load port, we request NVOCCs to follow this time line. To meet this deadline, customers will be requested to submit SIs within a suitable timeline prior SI Cut-off date to allow completion and submission to Japan Customs</p>
<b>Enforcement Date</b>	Cargo where submission deadline is on or after <b>10th March 2014 00:00 Japan Time</b> . Any person who does not submit cargo information by the deadline will be liable to imprisonment for up to a maximum period of one year or a fine not exceeding JPY 500,000

## Scope of China Advance Filing Rules

<p><b>Cargo in scope of the rule</b></p>	<p>All containerized cargo destined for China that is discharged at Shanghai port is IN SCOPE. International transshipment via Shanghai port is temporarily out of scope.</p> <p>FROB (freight remaining on board over a China port), RORO (car carrier) cargo, shipper owned empty tank containers, empty carrier owned containers and Break Bulk cargo are OUT of SCOPE for the China 24 hour rule and does not require submission prior to loading.</p>
<p><b>Deadline of filing Advance Manifest</b></p>	<p>24 hours before loading from a port in a foreign country/territory.</p> <p>To ensure notice prior to cargo loading, NYK will file 28 hours before vessel arrival at load port. To meet this deadline, customers will be requested to submit Shipping Instructions (SI) within a suitable timeline prior documentation cut-off date to allow BL completion and submission to China Customs.</p>
<p><b>Enforcement Date</b></p>	<p>3<sup>rd</sup> June 2014</p>



# Required Data Elements

1. Vessel	6. Shipper (complete address and phone)	12. Piece Count
2. BL#	7. Consignee (complete address and phone)	13. Gross Weight
3. Load Port	8. Notify (complete address and phone)	14. Measure
4. Discharge Port	9. Precise Commodity Description	15. Container Number
5. Place of Delivery	10. HS Code (min 6 digits provided on SI)	16. Seal Number *
	11. UN/IMDG/ Class if hazardous	17. Container Size/Type

## Common Challenges

<b>Hs codes</b>	<ul style="list-style-type: none"> <li>Invalid hs codes provided.</li> <li>Japan has specific hs codes.</li> </ul>
<b>Container Number</b>	<ul style="list-style-type: none"> <li>Equipment release in time for doc c/off and avoiding detention and demurrage charges.</li> </ul>
<b>Seal</b>	<ul style="list-style-type: none"> <li>Getting cargo loaded and sealed in time for doc c/off.</li> </ul>

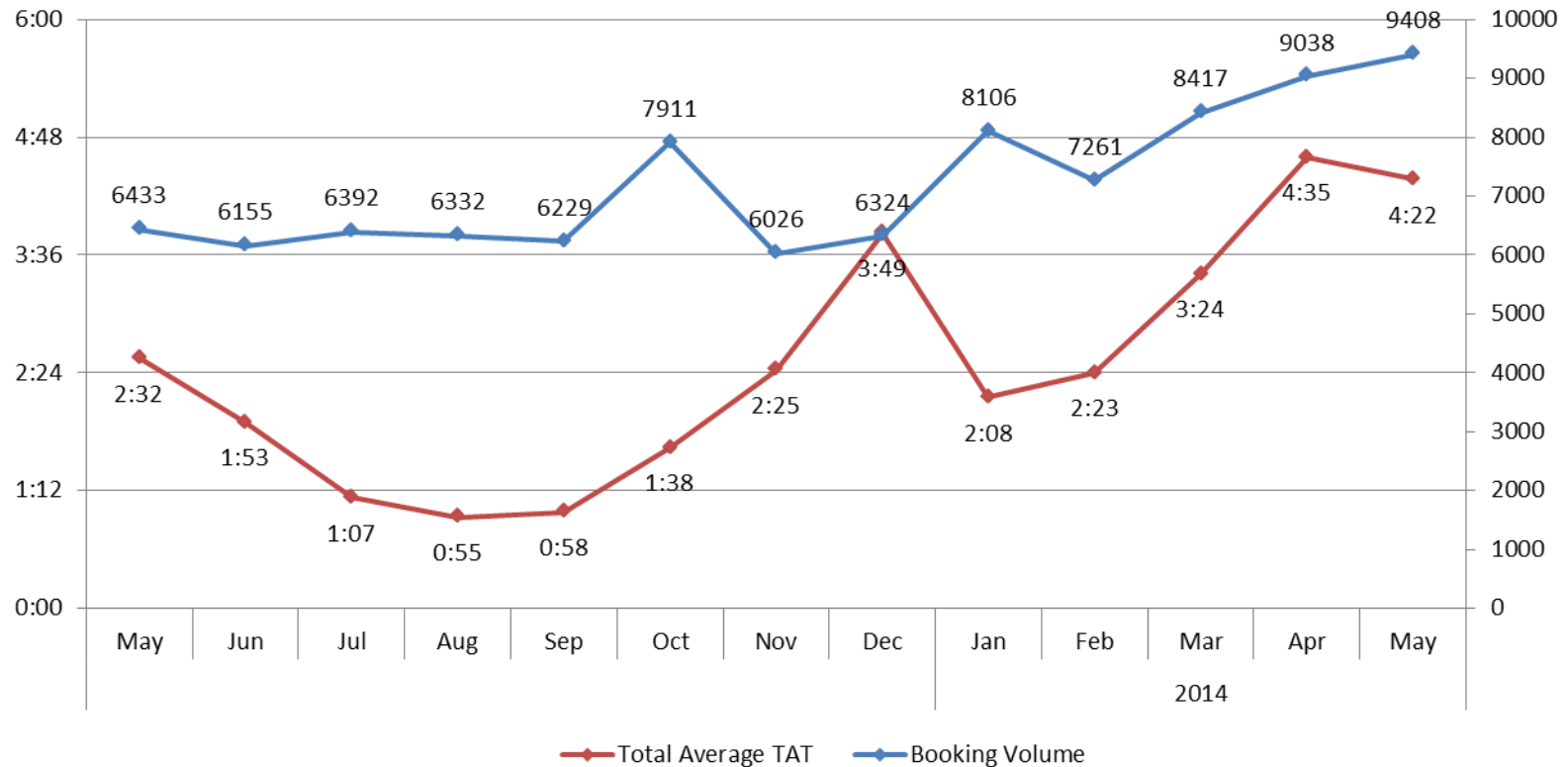
# Customer Service and eCommerce



# eBook

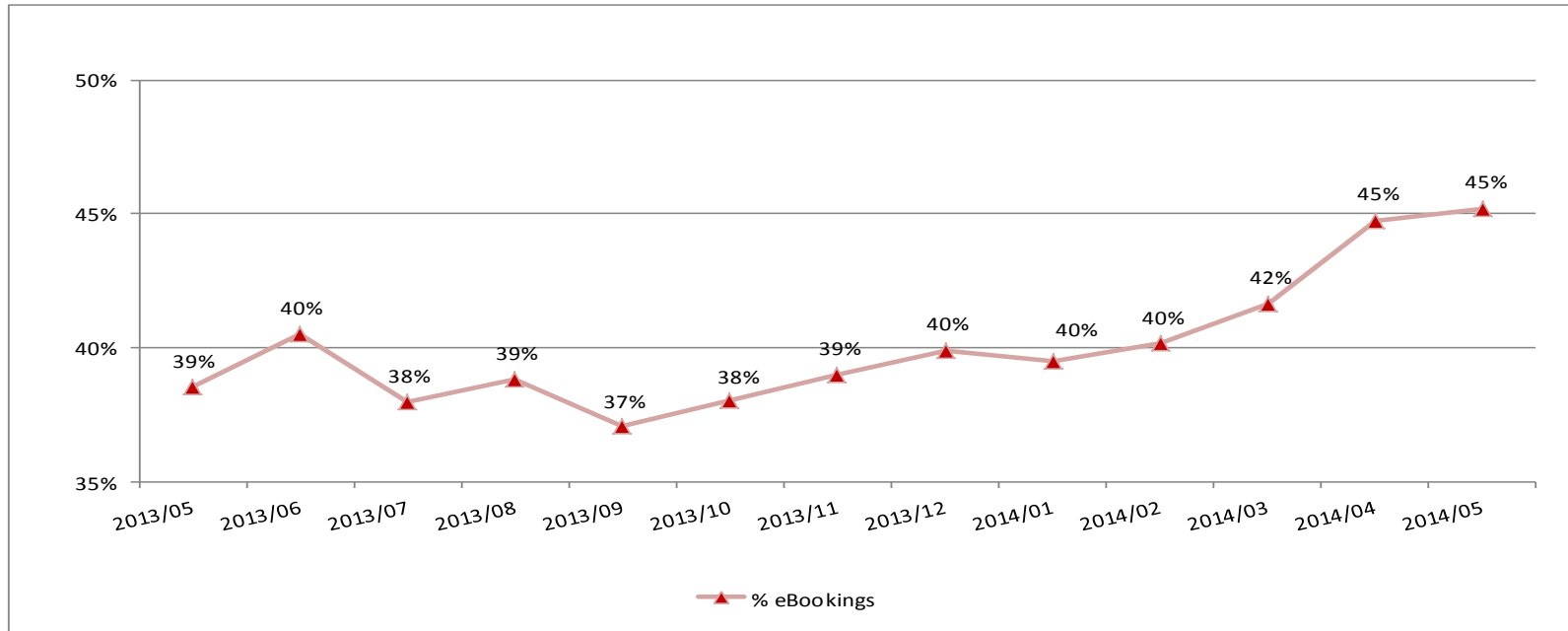
- **Benefits to customers**
  - Manage booking request and bookings at your convenience
  - Central location of information
  - Create, modify, manage booking requests electronically (Avoid phone hold times)
    - Higher data accuracy
  - NYK has a dedicated eBook Team
    - Scalable staff as volumes increase in a global center
    - eBook Team working same shift as U.S. teams and do not leave until all requests are answered for the day
  - NYK for the past year is averaging 2hr 37 minutes turnaround
- **Benefits to carriers**
  - Frees up resources to do other tasks
  - Carrier is able to provide more service and quality to the customer
  - Reduction of touches by internal staff
- **Options:**
  - Online ([www.nykline.com](http://www.nykline.com))
  - EDI (Direct)
  - Portal

# eBook Volume and Turn Time



- May 2013 thru May 2014 - eBook average turn time is 2:37 (hh:mm).
- May 2013 thru May 2014 – 46% increase on eBook Volume

# eBook Percentage



- For NYK NA - 55% of bookings are handled by our Customer Service Center; 45% via eBook
- May 2013 thru May 2014 - eBook percentage has increased due to Customer Service, Sales and eCommerce Bus Dev dedicated to sell and teach NYK’s eCommerce product to customers.

Breakdown of eCommerce Percentage by Method:

- Online ([www.nykline.com](http://www.nykline.com)) - 80%
- EDI (Direct) – 6%
- Portal - 14%

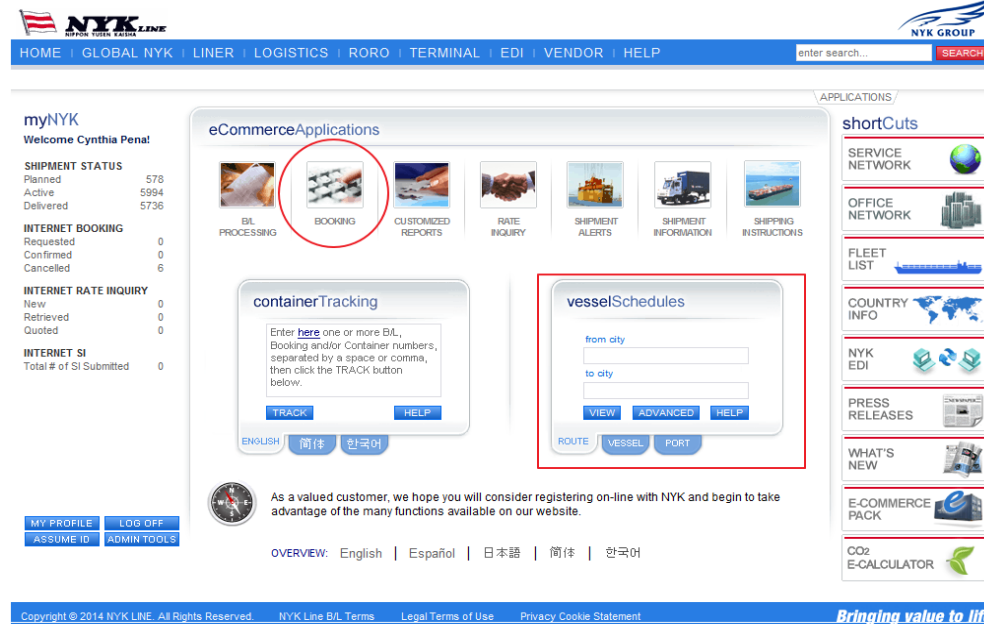
# Book Online

[www.nykline.com](http://www.nykline.com)

A booking can be made four different ways:

- Booking Application
  - New booking form
  - Templates
  - Copy from previous eBookings
- Vessel Schedules

- ❖ Upon registering on the website and obtaining a password, log in to submit booking requests



# Book Online

[www.nykline.com](http://www.nykline.com)

## New Booking Form

- All fields with a red asterisk are mandatory
- Upon filling out the application, click on "Proceed" button at the bottom of the page to be taken to the Booking Summary Form
- Review the request
- If any changes are to be made, click on the "Back" button
- If no changes, click on "Submit" button
- A confirmation message will appear on the screen and an email sent to you

## Templates

- Create and manage Templates
- Use Templates to create booking requests
- Reduces re-entry of repetitive info
- Up to 200 templates can be saved

# Book Online

[www.nykline.com](http://www.nykline.com)

## Previous Booking

## Vessel Schedules

**Previous Booking List**

Filter By  
You can 'View', 'Copy' and 'review 'History' for all requests, and initiate a 'Change' or 'Cancel' request for all bookings unless the status is cancel request or cancelled. [More](#)

Filter by Original Request Date or Last Request Date

Select

Begin Date  
Month / Day / Year

End Date  
Month / Day / Year

The text field search can perform a full or partial search. The results will find any record that begins with, ends with or contains the characters requested.

NYK Request Number	Booking Number	Place of Receipt	Place of Delivery	Cust. Reference Number	Status
3573013					
3382179					
3373134					
3373119					
3334233					
3334181					

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NYK GROUP

HOME | GLOBAL NYK | LINER | LOGISTICS | RORO | TERMINAL | EDI | VENDOR | HELP

myNYK  
Welcome Miss Piggy!

eCommerceApplications

SHIPMENT ALERTS  
Event Notifications  
Exception Reports

APPLICATIONS

shortCuts

SERVICE NETWORK

OFFICE NETWORK

FLEET LIST

COUNTRY INFO

NYK EDI

PRESS RELEASES

WHAT'S NEW

E-COMMERCE PRICK

COB CALCULATOR

containerTracking

vesselSchedules

from city  
New York, NY, USA

to city  
Hong Kong, HKG

TRACK ADVANCED HELP

ROUTE VESSEL PORT

As a valued customer, we hope you will consider registering on-line with NYK and begin to take advantage of the many functions available on our website.

MY PROFILE LOG OFF  
APPROVED ADMIN TOOLS

OVERVIEW: English | Español | 日本語 | 韓国語 | 中国語

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NYK GROUP

HOME | GLOBAL NYK | LINER | LOGISTICS | RORO | TERMINAL | EDI | VENDOR | HELP

scheduleSummary

New York to Hong Kong Schedule Summary

Note: Schedules are guidelines only.

Select Service: All Services

Service	Depart at PCL	Facility	Cut Off at PCL	Departure at PCL	Vessel/Voyage	POD	Arrival at POD	Cargo Available Facility	Estimated Transit Time
DEC	SEP-21	New York	SEP-21	SEP-25	MOL COSMOS029	Hong Kong	NOV-08	NOV-10	Hong Kong 445
DEC	SEP-28	New York	SEP-28	SEP-28	NYK ARCADIA#013	Hong Kong	NOV-15	NOV-17	Hong Kong 440
DEC	OCT-05	New York	OCT-05	OCT-09	MOL COMMERCE#002	Hong Kong	NOV-22	NOV-24	Hong Kong 440

BRING TO SEARCH

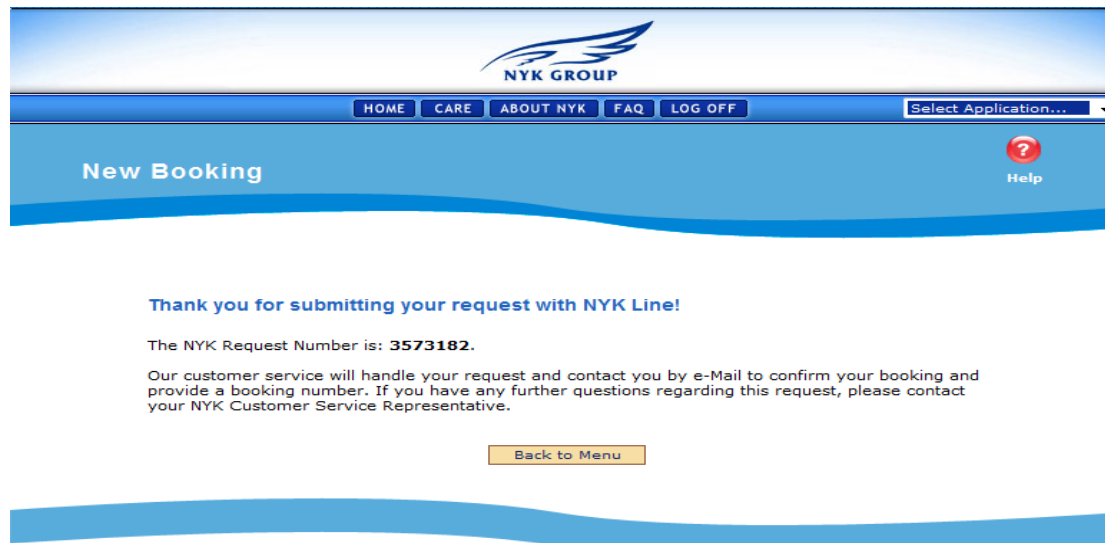
Copyright © 2013 NYK LINE. All Rights Reserved. NYK Line B/L Terms Legal Terms of Use Privacy Cookie Statement Bringing value to life.



# Book Online

[www.nykline.com](http://www.nykline.com)

Confirmation message will appear on the screen and an email sent to you



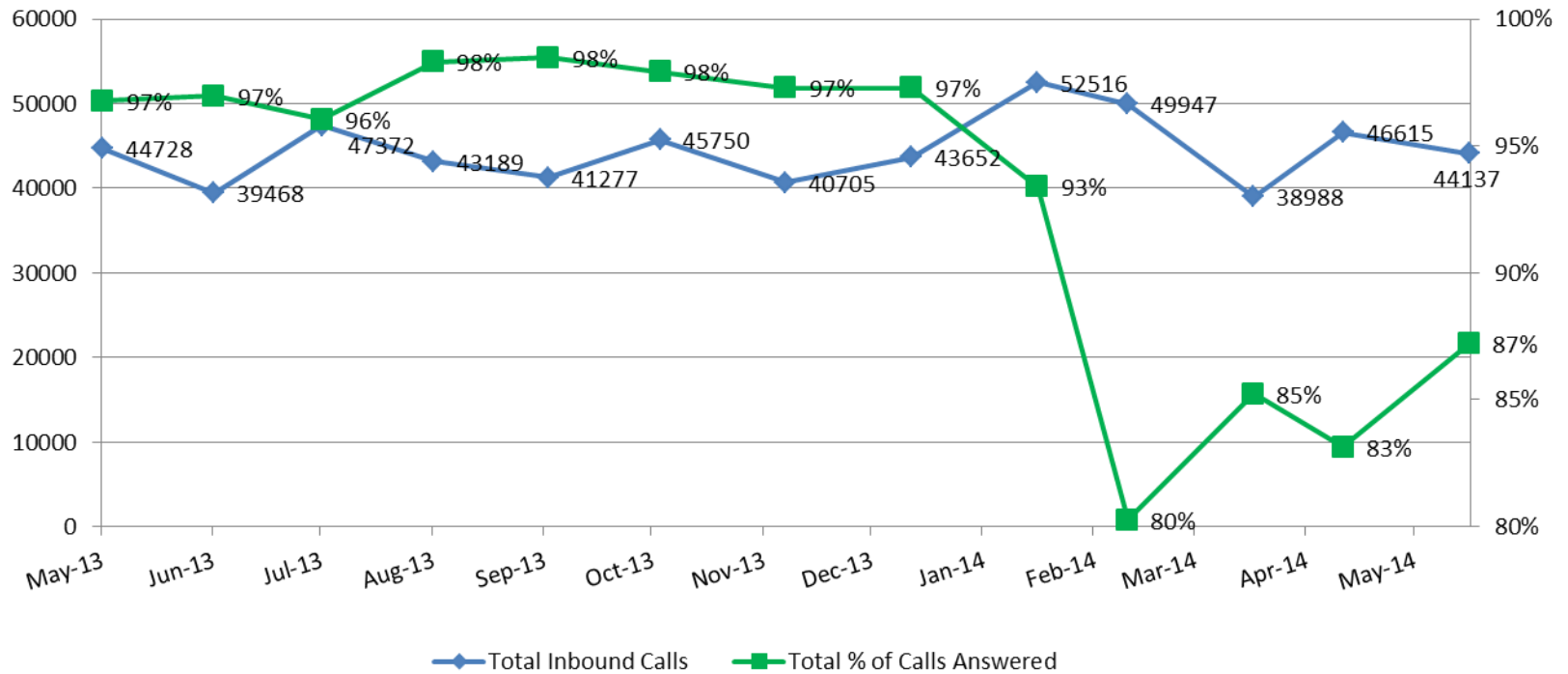
The screenshot shows the NYK Line website interface. At the top, there is a navigation bar with the NYK GROUP logo, menu items (HOME, CARE, ABOUT NYK, FAQ, LOG OFF), and a dropdown menu labeled "Select Application...". Below the navigation bar, the main content area features a blue header with "New Booking" on the left and a "Help" button on the right. The central message reads: "Thank you for submitting your request with NYK Line! The NYK Request Number is: 3573182. Our customer service will handle your request and contact you by e-Mail to confirm your booking and provide a booking number. If you have any further questions regarding this request, please contact your NYK Customer Service Representative." Below this message is a "Back to Menu" button.



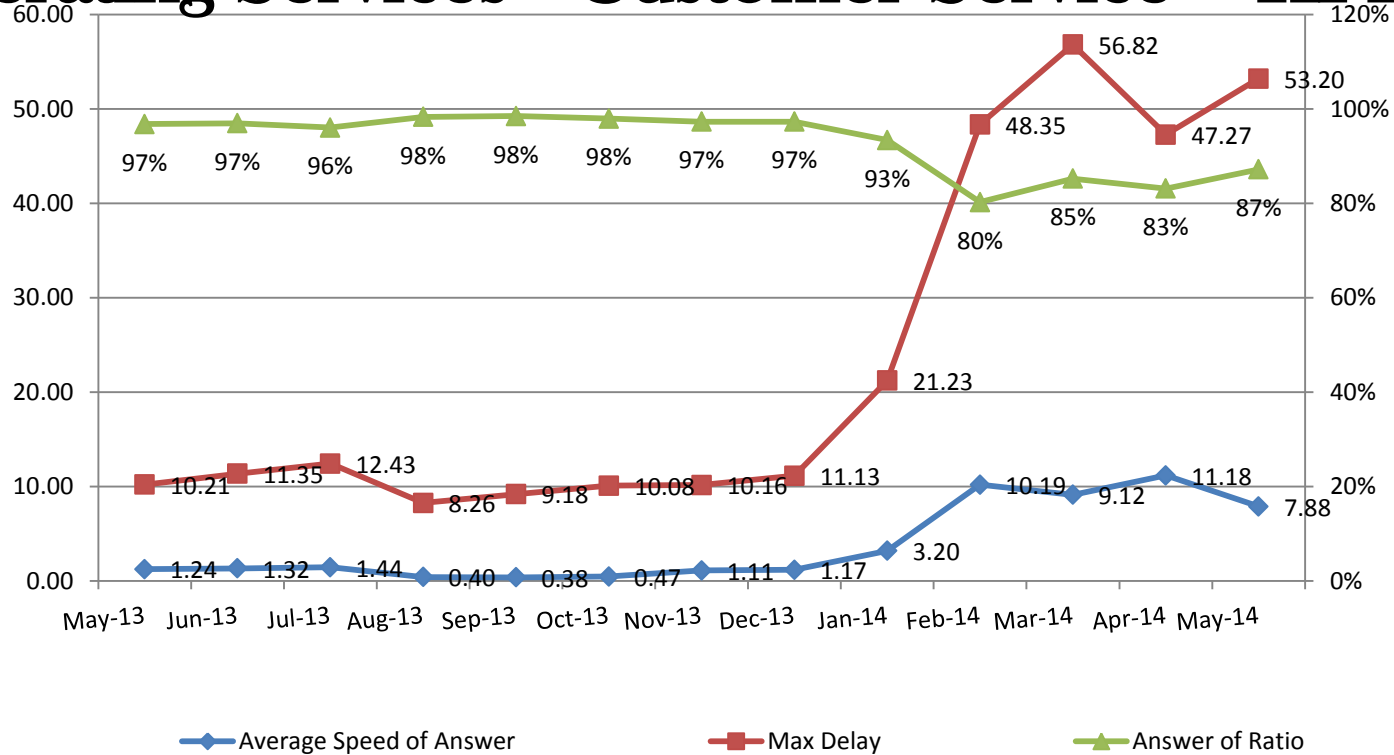
The foregoing is displayed without prejudice as to the question of liability and all defenses available to the vessel and Bill of Lading providers under the contract of carriage and/or otherwise are reserved. Information is subject to change without notification.

# Operating Services - Customer Service - Call Volumes

## Monthly Call Volume & Answer Percentage



# Operating Services - Customer Service - KPI



**CSVC Goals:**

**Max Delay:** 5 minutes

**Rate of Answer:** 1:15

**Answer Ratio:** 98%

# Thank you for your time



**KEEP CHALLENGING**

NIPPON YUSEN KABUSHIKI KAISHA