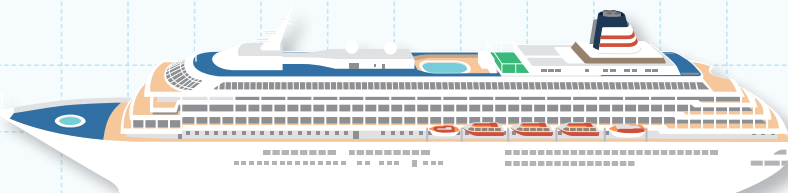
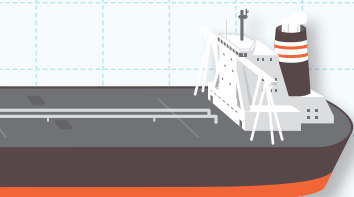


LNG Carrier

CSR Report 2011

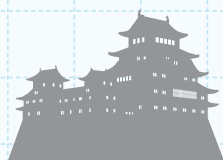
The corporate social responsibility policy and activities of the NYK Group



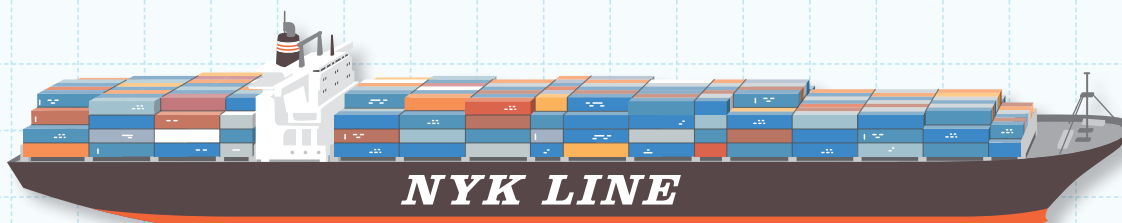
Cruise Ship



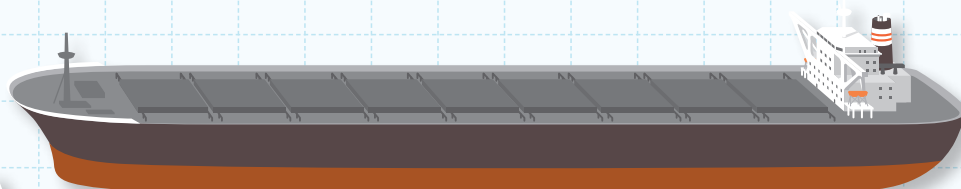
Big Ben



Himeji Castle



Container Ship



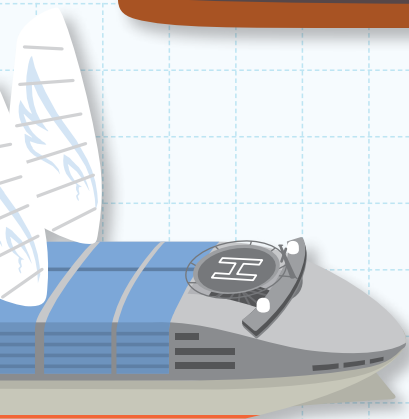
Bulk Carrier



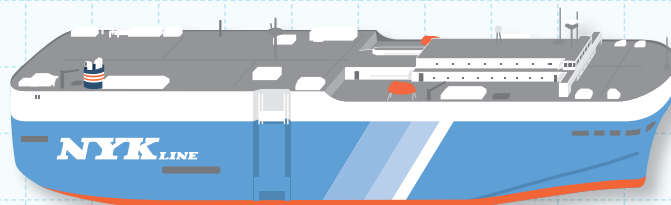
Statue of Liberty



Aircraft



Sphinx



Car Carrier

Bringing value to life.



NYK Group mission statement

Basic philosophy

Through safe and dependable *monohakobi* (transport), we contribute to the betterment of societies throughout the world as a comprehensive global-logistics enterprise offering ocean, land, and air transportation.

Management policy

Together with our customers

Through the use of our extensive skill and expertise and by considering each business site to be of utmost importance, we always work to create new value so that our customers will consider us a trusted and reliable partner.

Together with our shareholders and investors

We aim to enhance our corporate value by being financially responsible and by conducting business activities in an open, honest, and transparent fashion.

Together with society

As a good corporate citizen, we positively take on the tough issues that challenge our society, such as concerns involving the preservation of our natural environment, as we work for the betterment of the world that we inhabit.

Together with all staff members in the NYK Group

As a global enterprise that has the utmost respect for diversity in the workplace and the spirit of challenge, we emphasize the development of employee talents so that all staff members can take pride in their work and eventually fulfill their dreams.



About the cover

The cover was designed to express the basic philosophy of the NYK Group as a "comprehensive global-logistics enterprise offering ocean, land, and air transportation." It shows ships, trucks, and airplanes in proportion to world heritage assets, illustrating the scale of our operations and the close relationship between *monohakobi* and people's lives.

■ CSR Report 2011 (editorial guidelines)

Logistics bring convenience to communities and lives by transporting goods, people, and culture. This report was created to communicate to our stakeholders how the *monohakobi* business activities of the NYK Group contribute to society and impact the environment. For FY 2011, we have made use of media to create both a pamphlet that emphasizes easy-to-read feature articles, and a website that provides more comprehensive, timely coverage.

Scope of report

- ▶ Reporting period: April 2010 to March 2011 (In some cases information from April 2011 and beyond is included)
- ▶ Coverage: The activities of NYK Line as well as Japan-based and international group companies. Scope is indicated when there are differences in the major companies involved in specific activity areas.

Audience

This report has been prepared for all parties who have an interest in the activities of the NYK Group, including customers, shareholders, investors, business partners, employees, local communities, NPOs/NGOs, students, certification bodies, researchers, and those responsible for CSR at other companies.

Reference guidelines

- ▶ Environmental Reporting Guidelines (fiscal 2007 edition), Ministry of the Environment
 - ▶ Sustainable Reporting Guidelines 3.0, Global Reporting Initiatives (GRI)
 - ▶ ISO 26000
- [See the website for a table comparing the GRI Guidelines, United Nations (UN) Global Compact, and ISO 26000]

Web: [CSR > CSR Report](#) → Guideline Comparison

Date of issue

- ▶ August 2011 [Previous publication: August 2010; Next publication: August 2012 (tentative)]

The NYK Group

— Primary communications tools —

CSR activity reports

■ Website

The website contains broader and more comprehensive information, including detailed explanations and data on the initiatives introduced in print media, other initiatives that could not be included in the booklet, and up-to-date information on current CSR initiatives of the NYK Group.
<http://www.nyk.com/english/csr/>



■ Report (this report)

Contains non-financial information about the CSR initiatives of the NYK Group, focusing on social and environmental aspects.

Internal sharing and education

■ SEASCOPE

Monthly English language group newsletter describing initiatives and approaches in Japan and other countries. Aims to increase the motivation of all group company employees by communicating ways in which we work together with national staff.



■ YUSEN

■ Safety information newsletters

■ CSR handbook

Financial reports

■ Annual reports

Reports financial information to shareholders and investors, focusing on a description of business activities and results as well as strategies going forward.

■ Fact Book

■ Website

<http://www.nyk.com/english/ir/>



Business activities in general

■ Corporate website

Contains a description of NYK's business services, corporate data, IR information, recruiting information, and CSR activities as well as easy links to the websites of other group companies.
<http://www.nyk.com/english/>



■ NYK Plus

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Top Commitment

We enrich people's lives through *monohakobi, placing safe, environment-friendly operations foremost among our priorities.**

Through safe and dependable *monohakobi*, the NYK Group supports lives throughout the world as a comprehensive global-logistics enterprise offering ocean, land, and air transportation. We are keenly aware of our responsibilities as a global logistics provider working at the very core of the world's economy, and we take pride in the role that we play in creating richer, safer lives for people.

**monohakobi*

The goal of our business activities is to create a comprehensive logistics group that is a world leader in the provision of global ocean, land, and air services. We call this *monohakobi*.

Message to earthquake victims

We would like to extend our heartfelt condolences to the victims of the earthquake and tsunami that devastated regions of northeast Japan on March 11.

Immediately after the quake, NYK established a task force headed directly by myself and charged with confirming the safety of NYK Group employees and their families, as well as the status of our facilities. We also worked in cooperation with Keidanren Japan Business Federation to deliver aid to Aomori, Iwate, and Miyagi prefectures using a combination of our *Yamatai* module vessel for marine transport and container trailers for onshore transport. The group will continue to provide both monetary donations and transportation assistance so that the disaster area can recover as quickly as possible.

Continuing to grow

April 2011 marks the beginning of the NYK Group's new medium-term management plan, "More Than Shipping 2013." The previous medium-term management plan, "New Horizon 2010," which covered 2008 to 2010, focused on three key areas: growth, stability, and the environment. These areas were supported by initiatives to strengthen CSR management, which enabled us to reform our structures and overcome the global financial crisis and recession.

The "More Than Shipping 2013" medium-term management plan articulates a central theme, "grow with Asia, expand across the globe," and identifies four basic strategies to propel the development of our businesses: (1) leverage our logistics capabilities — effectively capture Asia's growing transportation business, (2) utilize our auto logistics capabilities — actively respond to all auto-transport supply chain needs in Asia, (3) employ our technological capabilities — secure highly advanced energy transportation business, and (4) leverage our global network — proactively expand overseas natural resources and energy transport business.

Developing into a leading global CSR company

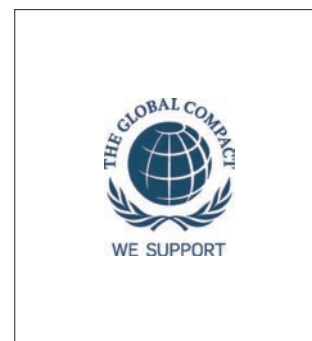
Companies must improve their CSR if they are to develop in a sustainable manner in harmony with the communities they serve. This involves enhancements to internal control as well as initiatives to ensure safety, protect the environment, maintain rigorous compliance, and respect human rights and labor standards.

At NYK, we view the training and education of talented seafarers as a crucial component in safety, and to do this we operate a merchant marine academy in the Philippines and offer local training programs in a number of other countries. In the area of environmental protection, we work proactively to develop both hardware and software technologies. For instance, we have in-

stalled solar power generators on our ships and air-lubrication systems on our module vessels. Many of these technologies are world firsts. We are also working to reduce CO₂ emissions with an initiative to improve fuel efficiency by 10 percent in FY 2015 (compared to FY 2010 levels).

Compliance is an obvious and important component of CSR activities, and the NYK Group has unfortunately been found to have violated antitrust law in the past. We established an internal task force to prevent such incidents from recurring, and in April of this year we organized a new Fair Trade Promotion Group, which will serve as a strong command center at the company's headquarters to ensure adherence to antitrust law both domestically and in our global activities.

In May 2006, NYK announced its agreement and support of the United Nations (UN) Global Compact (GC hereinafter). The NYK Group has incorporated the 10 principles on human rights, labor standards, environment, and anti-corruption articulated by the GC into its CSR guidelines and endeavors to put them into practice in its business activities. With approximately 50,000 employees around the world, the NYK Group considers initiatives for human rights and labor standards to be particularly important. These areas are overseen by the company's Global Compact Promotion Committee, which is based at the company's headquarters and charged with providing education and training on the GC principles of human rights and labor standards to group companies inside and outside Japan.



Concluding remarks

The unprecedented earthquake and tsunami that struck the northeastern coast of Japan have raised concerns about the prospects for the country's economy and society going forward. The NYK Group is committed to overcoming this trial by practicing the NYK Group Values of integrity, innovation, and intensity (the 3 I's) and capitalizing on our core competencies, the abilities that underline our competitiveness. We will continue to do everything in our power to contribute to the sustainable development of society as a good corporate citizen that is supported by stakeholders around the world. We look forward to the frank and honest opinions and suggestions of all our stakeholders.

Yasumi Kudo
President
Nippon Yusen Kabushiki Kaisha (NYK Line)

“More Than Shipping 2013” New Medium-Term Management Plan

In April 2011, the NYK Group inaugurated a new medium-term management plan to carry it through the next three years — “More Than Shipping 2013: Grow with Asia, Expand across the Globe.”

During the “New Horizon 2010” medium-term management plan that extended from 2008 to 2010, the NYK Group focused on the three basic strategies of “growth,” “stability,” and “environment,” working to improve corporate value and profitability while also adapting to dramatic changes in the external environment. The theme for our New Medium-Term Management Plan, “More Than Shipping 2013,” is “Grow with Asia, Expand across the Globe,” and our goal is perpetual, sustainable growth for the NYK Group.

Evolving medium-term management plan

The NYK Group formulates medium-term management plans to adapt to changes in the business environment and social circumstances, but we continue to adhere to the basic philosophy of enriching people's lives through safe and certain *monohakobi*.



“New Horizon 2010” results

The “New Horizon 2010” medium-term management plan covered the three-year period from 2008 to 2010. It was revised in October 2009 to account for the global slowdown that occurred at the end of 2008 and prepare the company for strong advances after the economy recovered.

Achieved financial targets and effectively executed strategic initiatives

Financial targets

(100 million yen)

	Recurring profit		
	Planned (as of October 2009)	Results	Differences
FY 2009	-330	-304	+26
FY 2010	400	1,141	+741

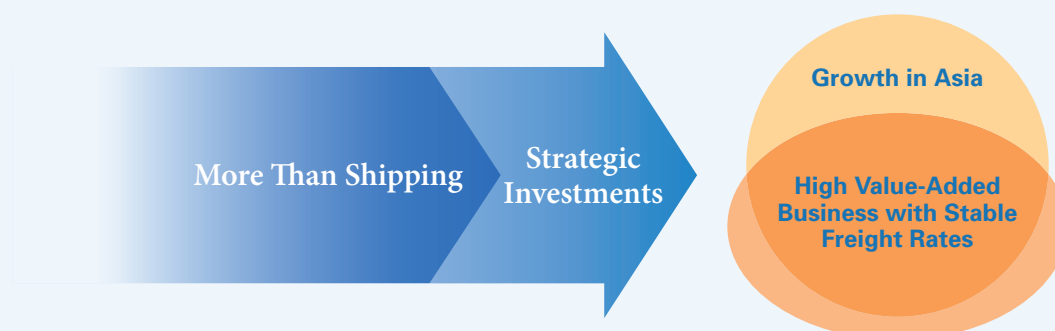
NYK's Strategy after “New Horizon 2010” Revision

Strategic Outline	Achievements
Further Advance the global logistics business	<ul style="list-style-type: none"> Integrated NYK Logistics and Yusen Air & Sea Service
Strengthen all automobile transport supply chain business	<ul style="list-style-type: none"> Made strategic investments in auto logistics in China and Thailand
Expand natural resources, energy transportation business and pursue new business opportunities	<ul style="list-style-type: none"> Obtained long-term contracts in emerging markets including China Expanded business in the Atlantic Region through NYK Bulkship Atlantic Invested in Knutsen Offshore Tankers ASA, world's No. 2 shuttle tanker company
Move toward light-asset business model for containership fleet	<ul style="list-style-type: none"> Reduced owned and long-term chartered fleets Centralized liner management in Singapore
Fundamentally review air cargo business	<ul style="list-style-type: none"> Lowered operational break-even point through drastic cost reductions Expanded chartering and leasing business
Implement drastic cost-reduction measures	<ul style="list-style-type: none"> Achieved cost reductions exceeding JPY 100 billion

Summary of “More Than Shipping 2013”

Our goal is to grow into a company that is chosen by satisfied customers because of history of more than 125 years in international marine transport, together with its ability to provide air and land services and additional value.

Capture the Growth in Asia by Combining Traditional Shipping with Value-Added Strategies



More Than Shipping
= Combine Traditional Shipping with Value-Added Strategies

Performance targets under “More Than Shipping 2013”

(100 million yen)					
Performance target	FY 2010 actuals	FY 2011 plan	FY 2012 plan	FY 2013 plan	FY 2016 target
Revenue	19,291	20,000	21,000	23,000	Target revenue in excess of 2.7 trillion yen; recurring profits in excess of 170 billion yen
Recurring profit	1,141	800	1,000	1,300	
Net income	785	500	750	950	

*Foreign-exchange calculated at the FY 2010 prevailing rate of 86.04 yen to the dollar. For FY 2011 onwards, plan assumes 85 yen to the dollar.

Bunker FY 2010 prevailing price was 483.87 dollars/MT. For FY 2011 onwards, plan assumes price of 650 dollars/MT.

*Plan figures and targets do not include the impact of the Great East Japan Earthquake.

Enhancing organizations and human resources to better adapt to accelerating international expansion

Closer to the customer		Support the expansion of the business with the world's highest levels of marine technology	
Target organization	Organization conducive to active discussion and debate regardless of nationality or job description	Target organization	Organization capable of continuing to advance the NYK marine technology base
Target human resources	Experts chosen by customers in their regions	Target human resources	People able to adapt to ever higher quality requirements
General guideline	Increase the ratio of national management		

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.



5 Bulk transportation

Cargo transported

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

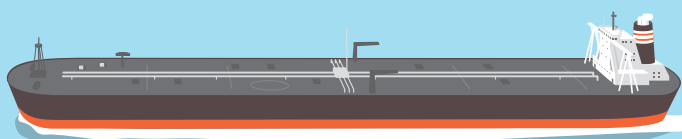
- Bulk carriers (Capesize)
109 vessels / 20,220,000 kt (DWT)
- Bulk carriers (Panamax and handysize)
235 vessels / 13,600,000 kt (DWT)
- Woodchip carriers
57 vessels / 2,860,000 kt (DWT)

1 Container transportation

Cargo transported

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

- Containerships (including semi-containerships, etc.)
143 vessels / 5,570,000 kt (DWT)



6 Petroleum, chemicals, and LPG transport

Cargo transported

- Petroleum ■ Petroleum products ■ Chemicals
- LPG (liquefied petroleum gas) ■ Ammonia, etc.

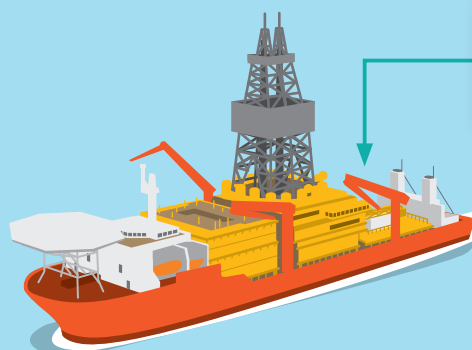
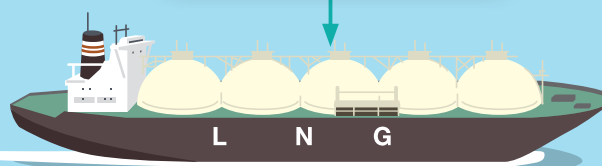
- Tankers
86 vessels / 13,120,000 kt (DWT)

7 LNG transportation

Cargo transported

- LNG (liquefied natural gas)

- LNG carriers
29 vessels / 2,130,000 kt (DWT)



10 Offshore business

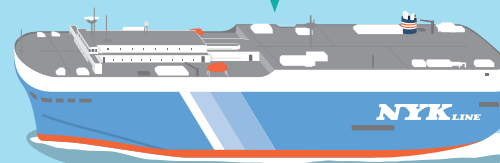
- Drillship
- Shuttle tankers

2 Automobile transportation

Cargo transported

- Passenger cars ■ Trucks
- Industrial vehicles, etc.

- Car carriers
118 vessels / 2,070,000 kt (DWT)



9 Air transportation services

Cargo transported

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

■ B747-400F: 8 planes

4 Terminal-related business

Description of services

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

■ Container terminals: 24 locations
 ■ Ro-Ro car terminals: 13 locations
 ■ Other terminals: 6 locations

As of February 2011

3 Logistics

Description of services

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

■ Logistics centers
 412 locations in 36 countries
 ■ Warehouse space
 2.13 million m²

As of September 2010

8 Cruises

■ 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 ancillary to transportation
- Temporary personnel service, etc.

1 Container transportation

We transport cargo that is vital to people's lives, including food, household products, and electric appliances. We will continue to offer efficient, competitive transportation services.

2 Automobile transportation

We transport automobiles to countries around the world. We will continue to improve our capacity in cross-trade transport (transportation services in which Japan is neither the origin nor the destination) to meet the needs of automakers' foreign operations; build and operate terminals and land transportation networks in Europe, China, and Southeast Asia; and lead the industry in infrastructure enhancements.

3 Logistics

NYK operates 412 logistics centers in 36 countries around the world. We will use this worldwide network to provide optimal logistics services that meet the increasingly globalized and diversified needs of our customers.

4 Terminal-related business

Terminals serve as the relay points in integrated sea and land transportation and we are improving their efficiency so as to better respond to accelerating and increasingly complex logistics needs. We are also working to make them more environmentally friendly by, for example, reducing CO₂ emissions.

5 Bulk transportation

NYK has decades of experience safely transporting the bulk cargo that is essential to global economic activities, including commodities like iron ore, coal, and woodchips. We are further enhancing our fleet by introducing transportation technologies geared to the specific properties of individual cargo classes.

6 Petroleum, chemicals, and LPG transport

NYK uses its wealth of experience to provide quality, safe transportation services. Our attitude toward safety and environmental issues is well known. The company was among the first to install double hulls, for example. This stance has earned us long-term shipping contracts with many major domestic and international oil producers. We will continue to engage in safe, stable operations in this segment.

7 LNG transportation

LNG is valued around the world as a source of clean energy, and NYK is actively involved in its transportation. We currently participate in LNG transportation projects in France, Nigeria, Russia, and Taiwan.

8 Cruise ships

NYK offers some of the world's finest cruise experiences to passengers in the North American, European, and Japanese markets. We will continue to strengthen our brands, revealing the charm of cruise ships and contributing to the advancement of the cruise culture.

9 Air transportation services

Nippon Cargo Airlines Co. Ltd. (NCA) enjoys an excellent safety record thanks to its independent operation and maintenance system. As a specialist in air freight, NCA offers customers the highest quality of international services with an emphasis on on-time transportation.

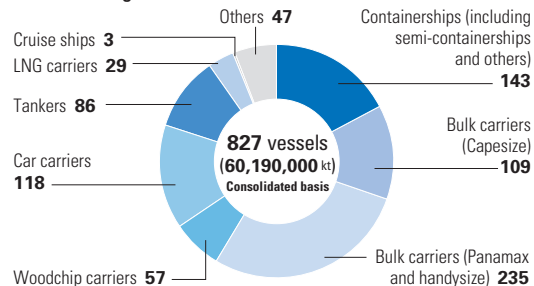
10 Offshore business

We established the Offshore Business Group in 2008 to support clients involved in deepwater oil and gas field development, and we currently offer deepwater drillship and shuttle tanker services.

11 Other businesses

NYK offers a wide range of services that are peripheral to transportation, and also makes effective use of its real estate assets by leasing space for offices, housing, shops, etc.

Fleet tonnage



(As of March 31, 2011)

Special feature

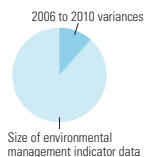
Monohakobi that enriches lives and protects the environment.

The NYK Group ships transport materials that are vital to life, everything from petroleum, natural gas, and other energy resources to food products, clothing, machinery, and automobiles.

Our materials transportation supports global economic growth, but higher transportation volumes also increase the load on the global environment. The NYK Group is responding with ongoing efforts to develop innovative technologies and transportation strategies that will lessen the impact.

Environmental management indicator data at the NYK Group

We use environmental management indicators to monitor CO₂ emissions per unit of transport by our fleet. These indicators are based on guidelines produced by the IMO. The smaller the numbers, the better the CO₂ emissions when transporting the same weight the same distance (see p. 26).



Environmental management indicator data

FY 2006	FY 2010
3.4	3.1

8.8 percent reduction

Environmental management indicator data

FY 2006	FY 2010
14.0	9.9

29.3 percent reduction

Containerships

Containerships transport food, apparel, machinery, and other day-to-day necessities. Their transportation volumes are predicted to increase as the world economy grows. Our emphasis is to bring greater efficiency to their operations and to develop next-generation technologies that will reduce their CO₂ emissions.

Oil tankers

Oil tankers are a key lifeline for today's society and one of the most efficient kinds of ship because they are able to transport large volumes of heavy materials all at once. They are also, however, responsible for a great deal of global transportation volume and therefore a prime focus for CO₂ reduction efforts. NYK is taking steps to reduce oil tanker CO₂ while maintaining safe ship operations.

Environmental load (CO₂ emissions)

Approximately **850,000 tons**

Value added by the business (marine transport weight)

Approximately **273.5 billion ton-kilometers**

Environmental load (CO₂ emissions)

Approximately **3,670,000 tons**

Value added by the business (marine transport weight)

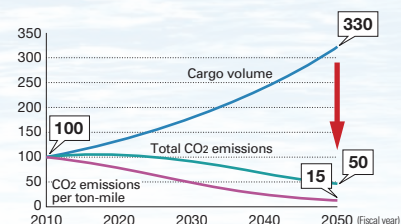
Approximately **369.9 billion ton-kilometers**

NYK Group environmental goals

The NYK Group has set the following goals as part of its efforts to protect the environment while continuing to grow its business.

■ **Long-term vision:** Contribute to global efforts to cut greenhouse gas emissions in half by 2050

■ **Reduction goal:** Minimum 10 percent unit reduction from FY 2006 levels by 2013
A 3 percent annual increase in marine cargo volumes will result in 3.3 fold growth over a span of 40 years. Reducing total CO₂ emissions by half will require that we use innovative technology to cut CO₂ emissions per ton-mile by 85 percent.



Source: Materials distributed by NYK Line at an August 2008 press conference to announce the NYK Cool Earth Project.

Reducing approximately 3 percent of global CO₂ emissions.

Ships account for approximately 90 percent of global transportation volumes. According to the [International Marine Organization \(IMO\)](#),¹ international marine transport produced a total of approximately 870 million tons of CO₂ in 2007, which corresponded to approximately 3 percent of the global total, or the rough equivalent of total emissions from Germany. As international transportation volumes continue to grow, the CO₂ produced by marine transport is projected to increase between 1.5 and 2.5 fold by 2050. The industry will thus have more of an impact than ever on the global environment.

The NYK Group has set a target of reducing CO₂ emissions by a minimum of 10 percent compared to FY 2006 levels, with

a target date of 2013. We call our groupwide initiatives to cut CO₂ the “Save Bunker Campaign,” and they include things like reducing cruising speeds for approximately 800 of our ships. These efforts are indeed having an impact. As we move forward, we will continue to develop technologies that contribute to the development of society while reducing our environmental load and cutting CO₂.

1 International Maritime Organization (IMO)

UN specialist organization to promote intergovernmental cooperation and formulate treaties and protocols covering technical and legal questions in marine transport and shipbuilding

Environmental management indicator data

FY 2006	FY 2010
57.0	47.6

16.5 percent reduction



Car carriers

Car carriers have relatively large CO₂ emissions because of the structure of the ship itself, the way in which cargo is contained, and the delivery schedules that must be met. We are working to improve operations and loading/unloading work, installing solar panels, and taking other initiatives.

Environmental load (CO₂ emissions)

Approximately 3,130,000 tons

Value added by the business (marine transport weight)

Approximately 65.8 billion ton-kilometers

Environmental management indicator data

FY 2006	FY 2010
7.5	7.3

2.7 percent reduction



Woodchip carriers

Woodchip carriers are designed to efficiently transport the woodchips that serve as raw materials for paper. To improve the efficiency of woodchip carrier operations, we have installed “MT-FAST,” an energy-conservation device that converts wasted swirl flow into propulsion.

Environmental load (CO₂ emissions)

Approximately 800,000 tons

Value added by the business (marine transport weight)

Approximately 109.6 billion ton-kilometers

Environmental management indicator data

FY 2006	FY 2010
17.9	15.9

11.2 percent reduction



LNG carriers

LNG (liquefied natural gas) carriers come in two varieties: turbine-plant ships and diesel-engine ships. Turbine-plant ships are powered by LNG, and we have developed new technologies to reduce environmental load by reusing the steam they generate.

Environmental load (CO₂ emissions)

Approximately 230,000 tons

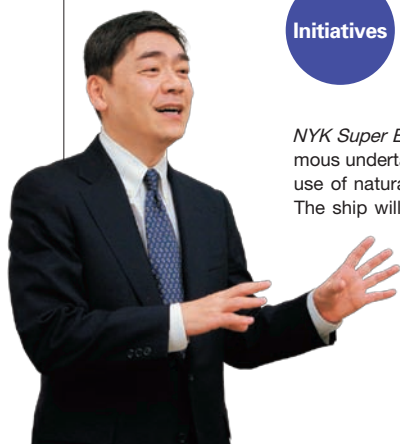
Value added by the business (marine transport weight)

Approximately 14.6 billion ton-kilometers

The NYK Group has released the design of its *NYK Super Eco Ship 2030*, an innovative concept ship that would reduce CO₂ emissions by approximately 69 percent using technology either currently in use or expected to be available by 2030. We also make use of a wide range of energy-conservation technologies, including the installation of solar panels and air-lubrication systems on our ships, and we work to reduce CO₂ emissions from existing ships by improving their operational efficiency.

New CO₂ reduction technology is crucial to build new ships.

NYK has set a goal of developing an innovative, environment-friendly ship by 2030. This new ship will make use of the most advanced technology available to reduce CO₂ emissions by 69 percent.



Initiatives

We believe that developing new CO₂ reduction technology is part of our responsibility as a leading company.

NYK Super Eco Ship 2030 is the containership of the future (see p. 29), and toward this enormous undertaking, we are drawing on the most advanced technologies available, including the use of natural energy and the development of ship forms with less water and air resistance. The ship will be equipped to measure the impact of its energy-saving technologies under a variety of weather conditions so that we can continue to make improvements. Reducing CO₂ is a responsibility for the entire international marine transport industry. As a leading company, NYK Line is charting the course to new technologies that will be assets for the industry as a whole.

Masahiro Samitsu

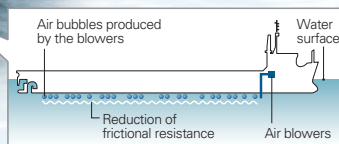
Corporate Officer
(Responsible for Environment Group and Cruise Enterprise Group)



The module carrier *Yamatai* has an air-lubrication system

Using air bubbles to reduce frictional resistance and cut CO₂ by 10 percent.

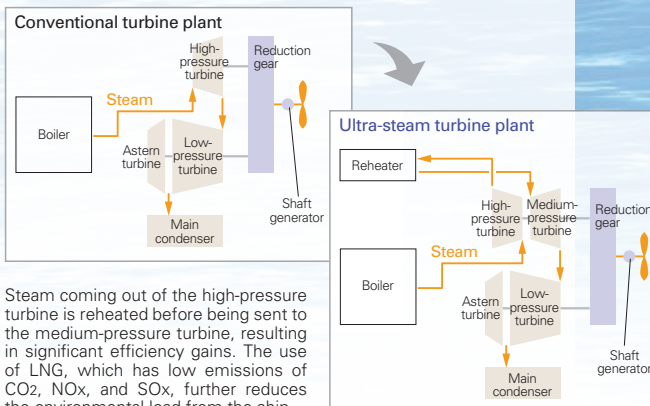
To reduce the frictional resistance of seawater on a ship, NYK and Mitsubishi Heavy Industries Ltd. have developed a system that uses blowers to supply air bubbles to the bottom of a ship. In 2010, the module carriers *Yamatai* and *Yamato* became the world's first oceangoing vessels to use this air-lubrication system, and we project that these ships will resultantly see a 10 percent reduction in CO₂. After onboard testing and efficiency experiments at sea, collected data and analytical results will be considered for the application of an air-lubrication system on a coal carrier which will be delivered in 2012.



Because a module carrier is relatively wide and has a shallow draft, less power is required for the supply of air bubbles, and the bubbles tend to stay along the ship's wide flat bottom surface. A module carrier is one of the most suitable ships for an air-lubrication system.

Reusing steam in the ship turbine plants of the future.

NYK and Mitsubishi Heavy Industries Ltd. collaborated to develop the "ultra-steam turbine" that reheats and reuses steam from the ship turbine plant. The system extracts steam as it is sent from the high-pressure turbine to the medium-pressure turbine, reheats it, and returns it, for more efficient utilization of the heat. This strategy reduces CO₂ by approximately 20 percent. The device is based on an eco technology developed for the land, which was reconfigured into a more compact size suitable for oceangoing vessels. NYK has commissioned the world's first installation of this system on one of the company's LNG carriers.



Steam coming out of the high-pressure turbine is reheated before being sent to the medium-pressure turbine, resulting in significant efficiency gains. The use of LNG, which has low emissions of CO₂, NO_x, and SO_x, further reduces the environmental load from the ship.

Other initiatives >>> p. 27

“Slow” is the quickest way to reduce CO₂.

Only a very few of the approximately 800 ships in our fleet are replaced in any given year. The biggest challenge we face is how to reduce the CO₂ generated by ships currently in operation. Our goal is to develop more efficient operational strategies that will cut CO₂ from ships in service today.



The key point to “slow” travel is how well you are able to coordinate shipside and landside operations.

To further reduce CO₂ from ships currently in service, we perform maintenance on engines while they are in dock and we clean the ship bottoms so that frictional resistance is lower. The most important point in reducing environmental load, however, is to “carry large volumes of freight slowly.” The goal of reduced-speed operations is to optimize routes so that arrival times are maintained even at the slower pace. This requires the close sharing of information between the onshore staff overseeing operations and the captains who have first-hand knowledge of ocean conditions. It is also vital that we have the understanding and support of our customers. CO₂ reductions can be achieved if people are aware of the need and act accordingly. Even the smallest efforts, when accumulated, can make a big difference in fuel consumption.

Osamu Kuroki
Chief Engineer



Special feature

Monohakobi that enriches lives and protects the environment.

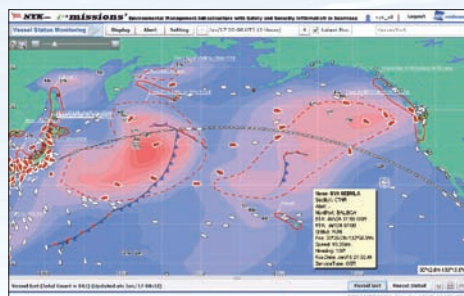
The “Save Bunker Campaign” for ongoing fuel efficiency gains

Ships travel at constant speeds, and a 10 percent reduction in speed translates into approximately 20 percent less fuel oil and CO₂; traveling 20 percent slower, approximately 40 percent. In 2005, the NYK Group launched the “Save Bunker Campaign” to highlight the need to conserve fuel and reduce CO₂. Numerical targets are set for each type of ship and are reviewed every three months by the Fuel Efficiency Committee. There are many other CO₂ reduction initiatives as well, including ship visits by onshore operations staff and the “30 Minutes Earlier” campaign. The common theme running through all of them is “act now on what can be done now.”

Onshore operators visit ships when they return to port. While on board, they discuss fuel efficiency results with the captain and chief engineer and confirm the schedule for the next voyage.



Information on weather, currents, and safety is centrally managed to enable the selection of the most energy-efficient routes.



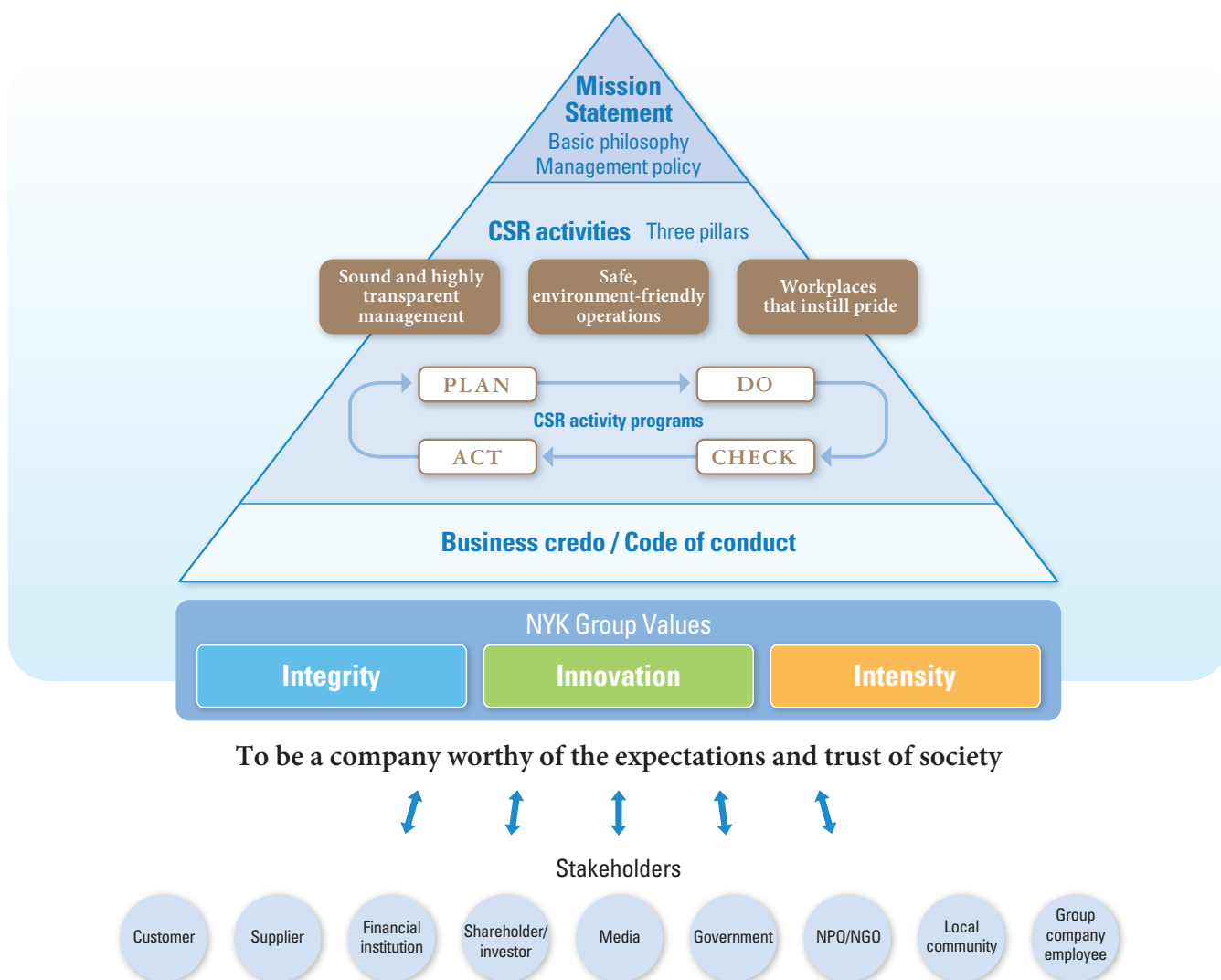
Information on currents, wind direction, wind power, wave height, barometric pressure, weather fronts, ice, etc., is displayed in real time. Port weather forecasts are used to ensure that ships arrive at the best possible timing.

NYK and Weathernews Inc. collaborated on the development of “NYK e-missions,” a system for the uniform management of ship information that has been installed in all of the approximately 800 ships operated by the NYK Group. Where several different systems were used in the past, the new system centrally manages all information on the position, anchorage, route weather conditions and forecasts, and piracy incidents for each ship in the fleet. The same information is available on board as onshore, enabling both groups to confirm the risks and select the optimal routes while also helping to instill greater awareness of fuel consumption among employees.

Other initiatives >>> p. 26, 27

The NYK Group's CSR activities

The NYK Group has a global network that builds on its core marine transportation services to provide a comprehensive package of ocean, land, and air services. At the NYK Group, CSR means that while we seek to earn profits as a company, we also take initiatives to address social issues like the environment and human rights and contribute to the achievement of sustainable societies. We have articulated three CSR pillars: "sound and highly transparent management," "safe, environment-friendly operations," and "workplaces that instill pride."



CSR activity program

As specific CSR activities, 31 units in the headquarters, including the CSR Coordination Group, formulate a CSR activity program and use a PDCA cycle to monitor and manage progress.

*Outlines of CSR activity programs (excerpts) are included on each page under the title. See p. 19-38.

Business credo and code of conduct

The business credo and code of conduct contain guidelines for day-to-day activities that all officers and employees of NYK Line are expected to adhere to in their duties. We designate one month of each year as "comprehensive compliance checkup month," and at this time we conduct a survey to evaluate the degree to which compliance awareness has penetrated the organization.

NYK Group Values

In January 2007, we formulated the NYK Group Values as an articulation of the attitudes required by individuals and organizations as they act on our corporate philosophy. Each and every NYK Group employee practices the NYK Group Values in their daily duties; the values are the glue that holds the company together and enables it to pass on its strengths from generation to generation.

CSR organizations and programs

The General Affairs / CSR Headquarters is located in the head office, and the officers are stationed at Japan-based group companies and [six overseas regions](#).¹ The CSR Coordination Group coordinates CSR activities among domestic and international group companies, implements programs, and provides support. Other responsibilities include the publication and distribution of the CSR report and a CSR newsletter, implementation of [CSR training](#),² and response to [SRI surveys](#).³ The CSR Headquarters also works to ascertain the requirements of stakeholders and to communicate both internally and externally the changes and reforms that are taking place so that we continue to be a corporate group that meets the expectations and earns the trust of society.

For international group companies we publish the “Global CSR Newsletter” which shares information on CSR activities from around the world. CSR officers also gather at the Tokyo head office once a year to share activity guidelines for global initiatives on issues like human rights.

1 Six overseas regions

East Asia, South Asia, Oceania, Europe, North America, Latin America

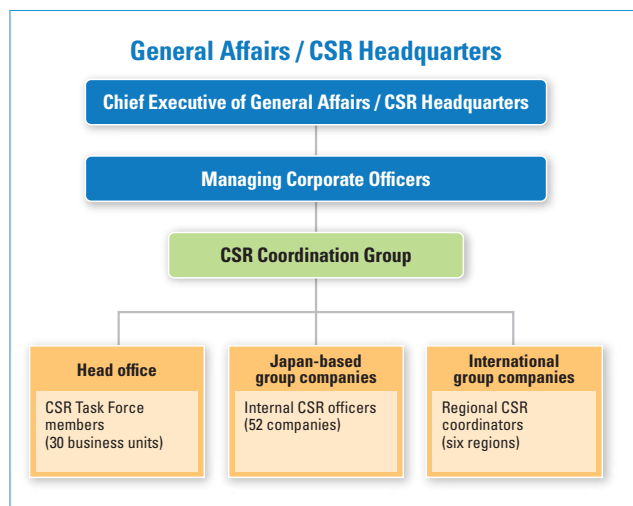
2 CSR training

Training and e-learning programs on general CSR issues, compliance, and the Personal Information Protection Law

3 SRI Survey

Survey from socially-responsible investment perspectives

■ CSR management chart (as of April 1, 2011)



CSR officers are assigned to 52 leading group companies in Japan. Internationally, CSR coordinators are assigned to six regional headquarters to promote CSR activities that address local concerns and issues. CSR officers and CSR coordinators share information with the headquarters, General Affairs / CSR Headquarters, and other officers as they develop and implement activities.

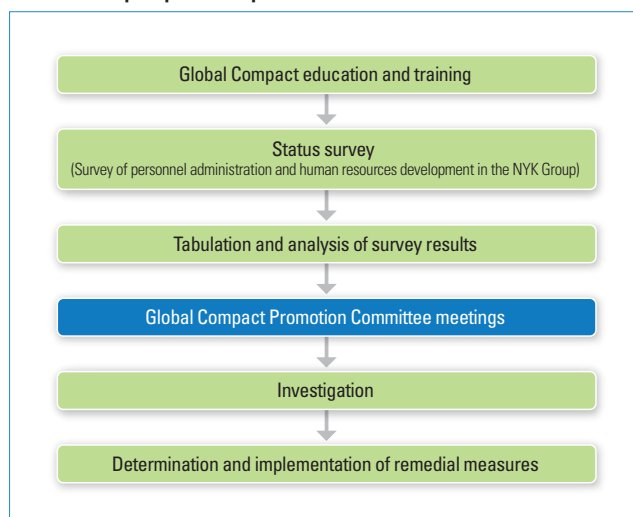
Global Compact Promotion Committee

In September 2010, we established a Global Compact Promotion Committee in the headquarters to spearhead our efforts to promote the United Nations (UN) Global Compact (GC hereinafter) and to oversee investigations into and responses to human rights infringements. The committee is made up of representatives from the HR Group and the CSR Coordination Group, and their initiatives focus on GC Principles 1-6 that deal with human rights and labor standards. They also investigate any matters in the conduct of corporate business that could potentially contravene the GC and, if found to be factual, determine the measures required for rectification. The Environment Group heads up initiatives for the environment sections of the GC; the Compliance Group and Fair Trade Promotion Group, initiatives for anti-corruption.

Web [CSR > The NYK Group's CSR Activities](#) → United Nations (UN) Global Compact

United Nations (UN) Global Compact <http://www.ungcn.org/>

■ Global Compact promotion process



CSR guidelines for partners and suppliers

NYK is responsible for bringing safe and certain *monohakobi* to its customers' supply chains, and in April 2010, we formulated “CSR guidelines for partners and suppliers” to better achieve this. The document contains guidelines related to the supply chain and covers issues such as legal compliance, fair trade, building trust, safety and confidence, the environment, human rights, labor, and corrup-

tion. We provided domestic group companies with explanations of it during FY 2010, and we are now working to spread the document.

Web [CSR > The NYK Group's CSR Activities](#) → CSR guidelines for partners and suppliers

Sound and highly transparent management

The NYK Group endeavors to build and maintain highly transparent and efficient management structures. We have formulated a specific code of conduct that embodies our corporate philosophy and requires all employees to act in a responsible manner that complies with applicable laws and ordinances.

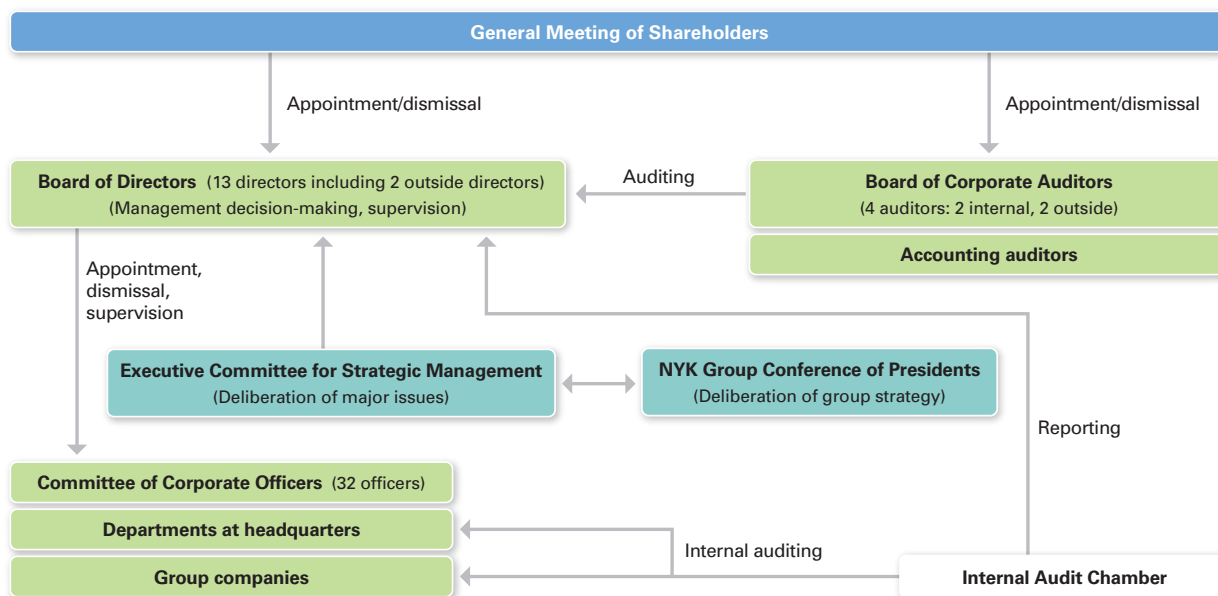
Corporate governance philosophy

NYK Line endeavors to meet the expectations of its customers, shareholders, investors, suppliers and partners, local communities, NYK Group employees, and all other stakeholders by improving the transparency and efficiency of its management and maintaining and building appropriate management systems. While endeavoring to increase the effectiveness of the audits conducted by our internal auditors, we have also chosen to establish a board of corporate auditors in the belief that management decisions are most appropriately made by internal directors who are familiar with the company's operations. We also appoint two outside directors to increase the effectiveness of external audits of the company's management, and they participate in all decisions on material matters made by the board of directors. To improve the transparency of management, all NYK directors serve for terms of one year. We have two internal and two outside auditors who attend meetings of the board of directors, peruse documentation regarding material matters, and conduct audits of our finances and operations. In addition, the Auditing Chamber (two full-time staff) provides dedicated support for the auditors.

Internal control

The Internal Control Committee is chaired by the president and tasked with enhancing internal control systems and strengthening control within the group. It takes the lead in regular programs to confirm the status of controls throughout the organization and use findings to make improvements. The board of directors determines and amends basic guidelines for the development of internal control systems that comply with the Japanese Company Law. We also create the internal controls required to ensure the appropriateness of financial statements as mandated under the Financial Instruments and Exchange Act, and perform assessments of the effectiveness of systems and their operations.

■ Corporate governance organization chart (as of April 1, 2011)



Enforcement of compliance

The NYK Group has a number of initiatives to promote compliance. Among the most important are the Compliance Committee chaired by the president (meets twice a year), individual employee confirmations of compliance with the code of conduct, a comprehensive compliance checkup as an attitudes survey of employees (once a year), coordination and training meetings for domestic and international group companies, distribution of NYK compliance standards to domestic and international group companies, case-study-based compliance education (e-learning), and compliance group training. The company also has helplines ([Yusen Chat Room](#),¹ etc.) in place as warranted by local conditions and continues to enhance them so that it is able to collect information that will prevent improper activities in a timely manner and foster a more transparent corporate atmosphere.

NYK-Point

1 Yusen Chat Room

A six-member team, including an outside legal counsel, provides a broad range of consultations and receives reports regarding compliance questions. Currently open to NYK and 58 Japan-based group companies, this service is being expanded to encompass the entire group.

Compliance training participation

FY 2010	Sessions	Participants
Training*	18	686
e-learning	1	1,823

* Since FY 2002, a total of 291 sessions and 6,795 participants

Compliance with antitrust/competition law

In July 2008, NYK established its Antitrust Law Task Force (ALTF) in the headquarters to respond to the rapid expansion and more strict enforcement of antitrust/competition law around the world and to regrettable violations of such law among our group companies. The ALTF has set up antitrust-law-related internal-governance systems, procedures, and schemes covering about 250 companies in 47 countries (as of the end of March 2011). The ALTF also conducted training courses, carried out e-learning training, and served as consultants on antitrust issues. In FY 2010, we created and distributed Japanese and English versions of a [Manual about Antitrust & Competition Laws](#)² for group companies and emphasized training for domestic and international organizations. In April 2011, the ALTF was replaced by the Fair Trade Promotion Group to encourage all NYK staff members to cultivate an appropriate understanding of antitrust laws and develop an unconscious law-abiding spirit among all NYK Group members.

NYK-Point

2 Manual about Antitrust & Competition Laws

The Japanese version was distributed to more than 1,200 Japanese employees at domestic and international group companies. The English version was distributed to national staff around the world through Regional Task Forces (RTF) in six regions (East Asia, South Asia, Oceania, Europe, North America, and Latin America).

Antitrust law training class

	Sessions	Participants
Training (Japan)	65	Approx. 1,950 (total participants)
Training (international)	25	Approx. 1,000 (total participants)
e-learning (Japan)	1	Approx. 2,850 (FY 2010)

Risk management

The NYK Group performs general assessments from companywide perspectives of the risks to its business, and endeavors to manage itself as appropriate to circumstances. More specifically, it formulates risk management guidelines and bylaws, regularly identifies the conceivable risks to the operations of individual units, performs companywide assessments, and develops systems and organizations that appropriately adapt to risk. We also provide risk management education and training for NYK Group employees to foster an awareness of individual responsibility for risk management in the execution of operations.³

3

Risks that could potentially impact the NYK Group's business results, share price, or financial status (Description of "operational risks" in NYK Securities Report)

(1) A major shipping accident (2) Changes in the overall shipping and freight markets (3) Competitors (4) Fluctuations in currency exchange rates (5) Changes in fuel prices (6) Changes in regional economic conditions affecting global operational developments (7) Impacts of incidents arising during system development or operation (8) Stronger legislation on environmental preservation, safety, and security (9) Air transportation services (10) Relationship with partners and suppliers (11) Operational restructuring (12) Medium-term management plan and emergency structural reform project (13) Investment plans (14) Fluctuations in interest rates (15) Disposal of vessels (16) Valuation losses on investment securities (17) Retirement benefits plan (18) Evaluation of prospects for recovery of deferred tax assets (19) Litigation

Information security programs

To head up information systems security, NYK has established an Information Security Management Committee and a subsidiary Information System Security Committee that approve the formulation and implementation of annual activity plans. These plans include measures to protect against computer viruses and other network security issues as well as measures to strengthen overall information security for group companies. In addition, we offer e-learning opportunities on information security as part of our security educational activities for NYK Group employees.

Formulation of business continuity plan

NYK has prepared business continuity plans (BCP) for all the major operations in the headquarters and group companies so that, in the event of damage from a disaster or catastrophic event, the company will be able to maintain its important functions uninterrupted wherever possible, or if interrupted, to quickly restore them. After Great East Japan Earthquake of March 2011, we established a task force chaired by the president to collect and organize information and develop policies and programs both for the company's operations and for assistance to the disaster area. In addition, we are formulating and verifying a more practical BCP, including provisions that will enable employees to work from home.

Supporting lives

The NYK Group uses advanced transportation technology to support lives with safe and certain *monohakobi* services throughout the world. We will continue to promote safe ship operation as we enhance our customer-oriented services.

from Singapore

“We developed the BBS program to promote onboard safety”

We developed the BBS (Behavior Based Safety) program, including the STOP (Suspend Think Observe Proceed) card, to eliminate unsafe acts. The program begins with the observation of workers, identification of their unsafe behaviors, and immediate corrective action. All staff carry STOP cards, which are presented if the worker is observed in an unsafe act or behavior. When a card is presented, the worker must correct the unsafe act before resuming work. These unsafe acts are reported as near misses as well and discussed at onboard safety meetings. Top management periodically monitors the number of STOP cards presented. Through the BBS program, we seek to change a person's mindset, habits, and behaviors so that these “at risk” behaviors will no longer be performed.



Ritesh Sood

HSEQ Manager
NYK Shipmanagement Pte. Ltd.



from Japan

“Purposefully enhancing safety”

Global Ocean Development Inc. manages and operates the *Mirai* oceanographic research vessel that collects and transmits global-scale data on climate change and environmental change. In 2010, it made its third consecutive year of observations in the Arctic Ocean,* where it collected ocean floor sediment and water samples for a period of more than 40 days, and throughout the entire period was accident-free. Maintaining safe ship operation requires that the safety of the route be assessed in advance and, in some cases, operational procedures and anti-piracy measures formulated. Surveillance activities and briefings for the captain and chief engineer before and after boarding help to ensure that regulations and safety information are shared with the ship and raise general safety awareness.

*Most northerly observations ever at 79-11N, 164-58W



Mirai navigates the Arctic Ocean.

Captain Kenji Adachi

General Manager,
Marine Department
Global Ocean Development Inc.



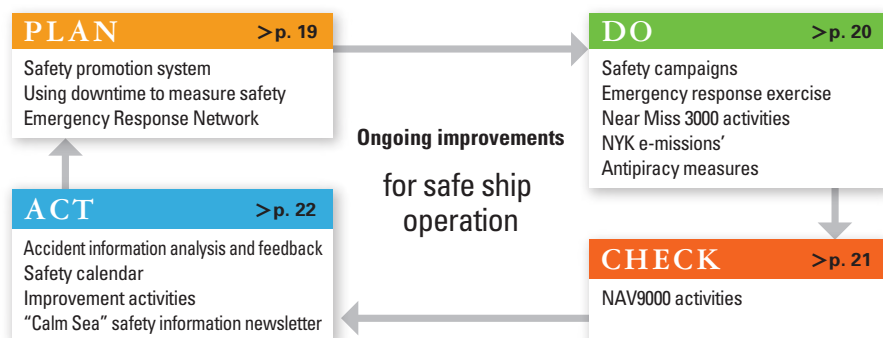
Safety on the sea

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
<ul style="list-style-type: none"> Safety and Environmental Management Committee (SEMC) takes the lead in safety promotion activities Extension of safety promotion activities to all NYK Group employees (including seafarers) 	<ul style="list-style-type: none"> Promotion of safety activities under the leadership of SEMC <ul style="list-style-type: none"> Commencement of regular SEMC reviews (April) Implementation of safety promotion activities, anti-accident measures, and anti-terrorism/anti-piracy measures Enhancement of Near Miss 3000 activities and improvement of safety activities <ul style="list-style-type: none"> Expansion of participating ships and shipowners (added two companies from last year) Quarterly feedback 	<ul style="list-style-type: none"> Promotion of safety activities under the leadership of SEMC Enhancements to the SEMC organization Measures to cope with larger fleet numbers Enhancement of Near Miss 3000 activities Feedback to improve other safety activities

Ongoing improvements

Safe ship operation is the foundation for all of NYK Line's business activities and is our highest priority task in protecting the environment. We will continue to make practical, down-to-earth improvements as we seek to better achieve safe ship operation.

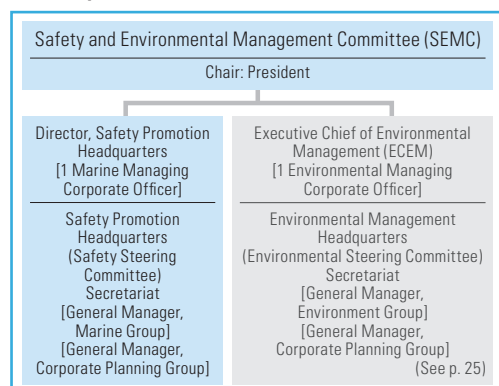


PLAN Determination of safety and environment activity guidelines and targets

Safety promotion system

The Safety and Environmental Management Committee chaired by the president reviews activities for the previous year and sets the next year's targets and guidelines. In addition, subcommittees for individual types of ship formulate specific activity guidelines and move safety promotion activities into implementation.

Safety promotion system (as of April 1, 2011)



Using downtime to measure safety

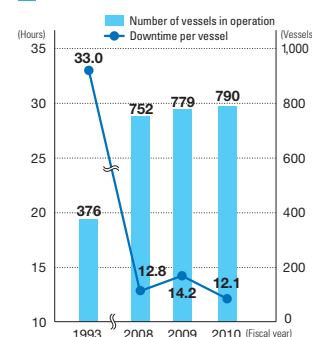
NYK uses the time that ships are stopped due to accidents or problems as a means of measuring the degree to which we have achieved safe ship operation. Our sea and land operations work together to bring us closer to the target of "zero" downtime.

Emergency Response Network (ERN)

NYK has created an ERN¹ to prepare for accidents and incidents when they happen.



Downtime data



NYK-Point

1 ERN

Emergency Response Network
Our emergency response network divides the world into six regions so as to be able to respond more quickly and minimize damage in the event of an accident or problem anywhere on the seas



CSR > Safety
→ Safety on the Sea

NYK-Point

1 Remember Naka-no-Se Campaign

Conducted every year in July, the month in which an oil spill occurred from the Diamond Grace very large crude oil carrier (VLCC) at Nakano-Se in Tokyo Bay in 1997, to ensure that the spill's lessons are not lost.

NYK-Point

2 Sail on Safety Campaign

Conducted for two months every winter in December and January, focusing primarily on rough winter-time weather.

3 Heinrich's Law

A law on work-related accidents that says that behind every major accident there are 29 minor accidents and 300 near misses.

NYK-Point

4 DEVIL Hunting!

"DEVIL" is derived from "Dangerous Events and Irregular Looks." The purpose of these activities is to eliminate at the very early stages the precursors and factors to accidents before a major event occurs.

NYK-Point

5 NYK e-missions'

Environmental Management Infrastructure with Safety and Security Information in Seamless

A system to provide the entire fleet with movement monitoring; information about meteorological, hydrographic, and tropical depression conditions; warnings about rough seas; distance calculations; recommended routes; and weather information. Information is transmitted automatically. The system also enables captains' reports and other documents to be viewed.

NYK-Point

6 FROM

Fleet Remote Monitoring System
A system developed by NYK to use satellite communications to monitor the movements of the fleet.

7 UKMTO

UK Maritime Trade Operations
Established in 2001 as a program conducted by the Royal Navy. It coordinates multinational forces in the Indian Ocean and Middle East, helping to maintain safety and security by, for example, operating a voluntary position reporting system in the Gulf of Aden.

See the feature



p. 10-13

→ *Monohakabi* that enriches lives and protects the environment.

DO Implement integrated safety activities at the vessel, workplace, and company levels

Safety campaigns

Each year, we conduct the **Remember Naka-no-Se**¹ safety campaign in the summer and the **Sail on Safety**² campaign in the winter. Sales, operations, and technology staff visit the ship as a team, working to improve mutual understanding between the ship and onshore staff and increase safety awareness among all concerned. Shipowners and ship-management companies are also indispensable partners in achieving safe ship operation, and we hold safety promotion meetings and safety seminars for them. These programs provide an opportunity to share information and improve safety throughout the NYK Group.

Emergency response exercise

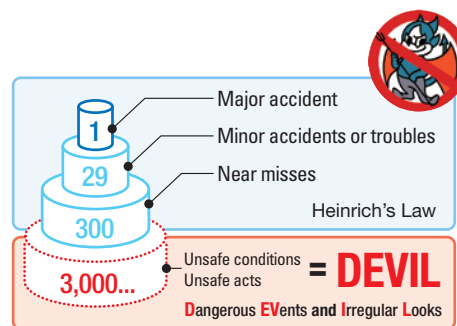
Regular training is provided to increase employees' ability to respond to accidents. For greater realism, training sessions assume different scenarios for the type of ship and type of problem encountered. Ship crews, ship management companies, government agencies, shippers, and other interested parties participate in training and exercises. In September 2010, we took part in emergency response training, which included antipiracy exercises for car carriers that were conducted jointly with the Japan Coast Guard. We also emphasize reviews after training sessions are completed, using the opinions and insights obtained to further enhance our accident response systems.



Emergency response exercise

Near Miss 3000 activities

Near Miss 3000 activities are inspired by **Heinrich's Law**³ and conducted on ships as a program to prevent accidents from occurring. NYK has expanded from the *hiyarihatto* (near-miss) level to create **DEVIL Hunting!**⁴ activities that seek to nip accidents in the bud by identifying and dealing with situations that are precursors to often overlooked problems. The scope of this program was expanded to the entire NYK Group in 2006, and it also covers our partner shipowners and ship-management companies.



NYK e-missions'

We developed and introduced "NYK e-missions"⁵ to replace the "FROM"⁶ system that had been in use since 1998. The new system provides centralized monitoring of ship movement and meteorological/hydrographic conditions for the entire fleet. It entered into operations in December 2009. If abnormalities occur or a situation requires attention, the system immediately indicates this by displaying a warning on the screen and sending an e-mail to the relevant people.

Antipiracy measures

We have established a Terrorism and Piracy Emergency Response Headquarters to deal with the threat from piracy in the Gulf of Aden and the waters off Somalia. NYK formulated its "Operational Guidelines in Somali Waters" on the basis of information it had collected and disseminated. It also engages in close, ongoing exchanges of information and opinions with the **UKMTO**⁷ and the Ministry of Land, Infrastructure, Transport and Tourism.

CHECK Confirmation of the impact of safety activities

NAV9000 activities

The NYK Group introduced NAV9000, a rigorous self-imposed safe ship management system, in 1998 in order to better discharge its responsibilities to achieve safety and protect the environment. All ships and companies (shipowners, ship management companies), whether owned ships or **chartered vessels**,⁸ are presented with operational safety requirements and asked to adhere to them. Requirements include both matters mandated under international conventions and also lessons from previous accidents and problems, together with requirements imposed by customers. Content is reviewed when necessary; it currently numbers about 600 items.

Auditors⁹ with expertise visit ships and companies on a regular basis to audit compliance with NYK Line's requirements. If these auditors find that requirements are not being satisfied, they indicate their observations and report to NYK Line. NYK Line

sends a Corrective Action Request to the ship or company requesting that a remediation plan (Corrective Action Plan) be provided to NYK. NYK then determines the acceptability of the plan and the improvement measures. If appropriate, the auditor reconfirms during the next audit that adjustments have been made, and if insufficiencies are still found, NYK requires the submission of a revised remediation plan. This process helps us to maintain and improve the safety of all our operating ships. In FY 2010, we inspected 306 ships and 38 management companies, which resulted in a total of 2,783 improvements.



NAV9000 booklet



Ship audit



Interview during ship inspection

Comment from Maritime Safety Officer

The entire staff, both NYK and outside, is committed to safe operations

According to an analysis of Near Miss 3000 activity reports, roughly 70 percent of all near misses are the result of neglect, procedural violations, and the lack of a safety-conscious mindset. According to Heinrich's Law, causes of accidents and troubles can be regarded as having a similar tendency. In other words, the way that we reduce accidents and problems is to be constantly aware of safety and follow procedures. NAV9000 activities, ship inspections, and company audits help us to confirm that safety requirements are

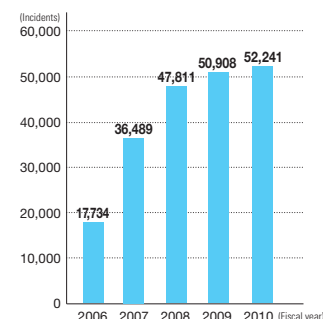
being observed and maintained, and to seek improvements when there are inadequacies. These are very basic, down-to-earth activities, but I believe that these activities are crucial to the prevention of accidents and trouble.

Yutaka Koshimizu

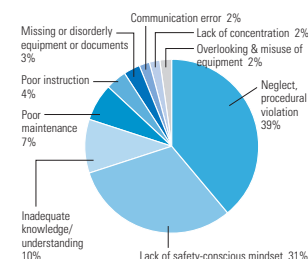
Safety Management Team
Marine Group



Number of near misses reported



FY 2010 near miss causes



Breakdown of NAV9000 improvements (requests)

	FY 2008	FY 2009	FY 2010
Ship audits	308	319	306
Company audits	36	35	38
Improvements	2,898	2,946	2,783

8 Chartered vessels

Ships leased from shipowners together with their fixtures and crew in a state capable of safe operation.

9 Auditor

Expert auditors audit companies and inspect ships



CSR > Safety

→ Safety on the Sea

NYK-Point

1 Safety Bulletin

A safety information journal that is used to publish information and issue instructions to the entire fleet on piracy, terrorism, other matters of concern in voyages, causes of accidents and problems, and prevention measures.

NYK-Point

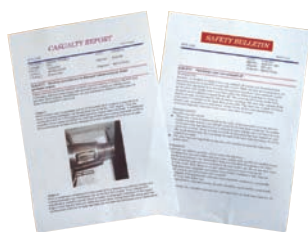
2 Casualty Report

A safety information journal that is used to quickly share information on accidents and problems with the entire fleet and encourage greater awareness and care.

ACT Investigate causes of problems and develop improvements to meet targets

Accident information analysis and feedback

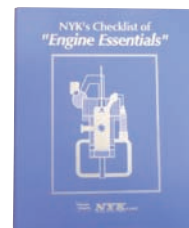
Bulletins are sent to all ships in the fleet any time if an accident or incident occurs as a means of preventing recurrence. After investigating the causes, both direct and indirect, the company formulates prevention measures that are published as **"Safety Bulletins."**¹ All ships and companies are required to take preventative measures, and strategies are fed back to NAV9000 requirements as well.



"Safety Bulletin" and "Casualty Report"²
safety information newsletters

Improvement activities

As one of our safety activities, we distribute NYK's Checklist of "Engine Essentials" to the entire fleet. This binder of information and checklists that sums up everything we have learned about engine problems and accidents. It also provides the basis for regular inspections of ships so that recurrence is prevented. In addition, we confirm the use of the checklists during NAV9000 ship audits. These activities and programs assist to reduce downtime caused by engine problems.



NYK's Checklist of "Engine Essentials"

Safety calendar

We created the "Seamanship Calendar" as a tool for preventing accidents and other problems on ships. It contains illustrations of things that experience has taught us crews need to be particularly aware of. There are three versions of the calendar — "Deck," "Engine," and "General" — and they are distributed each year to all ships, shipowners, and management companies. In March 2011, we created and distributed a booklet using illustrations from the past three years.



"Seamanship Calendar" contributes to safety

"Calm Sea" safety information newsletter

We published the "Calm Sea" safety information newsletter as a means of disseminating information about accidents, downtime, and other problems, together with what they teach us about ship operations. The newsletter also contains case studies from Near Miss 3000 activities, profiles of ships achieving outstanding results in NAV9000 inspections, lessons from past incidents, and ideas for protecting the environment. It is distributed to all ships, shipowners, and ship management companies. We also publish "Featuring Engine Trouble Cases" as a companion volume.



"Calm Sea" safety information newsletter



CSR > Safety

→ Safety on the Sea

Safety on land and in the air

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
■ Prevention of accidents	<ul style="list-style-type: none"> Update safety standards to reflect the true causes of accidents <ul style="list-style-type: none"> → Ongoing implementation (reviewed two times per year) 	<ul style="list-style-type: none"> Continual updating of safety standards to reflect the true causes of accidents
	<ul style="list-style-type: none"> Review safety standards to learn from other sectors and industries <ul style="list-style-type: none"> → Joint formulation of container storage facility construction safety programs with JFE Engineering Corp. 	<ul style="list-style-type: none"> Continual updating of safety standards to reflect lessons from other sectors and industries

Safety initiatives at ports and terminals

At the core of all of our efforts is the idea that preventing accidents from happening is the best form of safety. The Joint Safety Meeting is held three times per year at the three major terminals in Japan (Tokyo, Yokohama, and Kobe). In FY 2010, the meetings analyzed and discussed recent incidents and how recurrence could be prevented, and made progress on sharing and standardizing prevention strategies. NYK uses these results to review its own procedures and to engage in ongoing information sharing on safety initiatives with other sectors and industries.



Inspecting equipment before loading a ship

Safety initiatives in the air transport sector

Nippon Cargo Airlines Co. Ltd. (NCA) works to maintain absolute safety in its operations under the “NCA Safety Principles.” In FY 2010, it set a companywide safety target of “Further cultivation of NCA safety



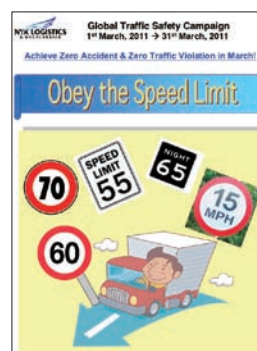
Training on emergency evacuation procedures

culture” and launched a series of safety promotion activities. The company used the results from a safety awareness survey of all executives and employees to spark an organization-wide discussion of its weak points, out of which developed a vision of the safety culture that it should achieve. In addition, the company expanded the *hiyarihatto* reporting system to organizations overseas, and used event reports for risk management to prevent accidents and incidents.¹

There were also four opportunities each year for front-line employees to exchange opinions with the president and other officers, safety lectures featuring outside speakers, tours of safety education facilities at other companies (monthly), and training on emergency evacuation procedures for the company’s airplanes. These educational activities help to further enhance safety.

Safety in logistics

We performed audits of logistics operations at companies providing domestic and international logistics services. We also used the “Global KPIs”² and conducted our “Global Traffic Safety Campaign”³ to ensure rigorous adherence to accident-prevention programs and improve both safety and quality. A new program introduced this year is the “Monthly Safety Self-Check Sheet,” which is sent out each month and uses information about past accidents and incidents to improve safety and quality. We carefully study the responses and indicate measures to be taken when safety programs are found to be inadequate.



Poster from the safety and environment promotion campaign

1 Incident

An event that did not result in an accident but may have impacted operation of the aircraft

NYK-Point

2 Global KPIs

KPI: Key Performance Indicator
Unified performance metrics for the former NYK Logistics

NYK-Point

3 Global Traffic Safety Campaign

An annual initiative to raise safe driving awareness in conjunction with Traffic Safety Month



CSR > Safety

→ Safety on Land and in the Air

For the global environment, today and tomorrow

The NYK Group is keenly aware of the environmental load generated by transportation and works to conserve and improve the global environment. We are committed to becoming a leading corporate group in the area of environmental conservation; environmental issues like warming and biodiversity are among our top priorities, and we invest in the development of environmental technologies.

from

The United Kingdom



Claire Sivills
Marketing Manager
Yusen Logistics (UK) Ltd.

“Two Environment Awards for Yusen Logistics (UK) Ltd.”

In 2010, Yusen Logistics (UK) received two major environmental awards. In July, it received the annual Environment Award from the UK Warehousing Association. This award recognizes excellence among third-party logistics. And in November, Yusen won a prestigious Green Apple Award for carrying out projects that enhance the environment. The Green Apple Awards recognize, reward, and promote environmental best practice around the world. The award was presented at the House of Commons.

Both awards were given in recognition of Yusen's efforts to conserve electric power, reduce CO₂ emissions, and reduce waste. We are committed to continuing these initiatives as part of our ongoing efforts to conserve the global environment.



Awards ceremony

from

Japan

“Reduced CO₂ by 10,300 kg per year”

Nippon Yuka Kogyo Co. Ltd. formulated and implemented a 12-point action plan based on the FY 2010 Environmental Management Vision and NYK Group Green Policy of the NYK Group. Among the highlights were the installation of solar panels, changes to boiler fuel, and the establishment of rooftop greenery, which were recognized to have a combined CO₂ reduction impact of approximately 10,300 kg per year. Similarly, when the company installed a new cooling tower, it was able to reduce annual water usage by 422 cubic meters. These achievements earned the company recognition at the Group Environment Awards. The company remains committed to proactive efforts to tackle environmental issues in the future.



Solar panels installed

Seiju Nagae

Manager
Quality Control Section
Nippon Yuka Kogyo Co. Ltd.



Promotion of environmental management

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
■ Strengthen environmental management system	<ul style="list-style-type: none"> ■ Expansion of ISO 14001 certification, increase in internal auditors → Members of the Environmental Management Team receive training as internal auditors 	<ul style="list-style-type: none"> ■ Continuation and expansion of ISO 14001 certification ■ Reviewing environmental laws and ordinances, evaluating compliance, and enforcing record-keeping
■ Strengthen group environmental management	<ul style="list-style-type: none"> ■ Promotion of group environmental activities → NYK Group Environmental Management Meeting held (39 companies) → Global CEM¹ Meeting (November) 	<ul style="list-style-type: none"> ■ NYK Group Environmental Management meeting ■ Global CEM Meeting

Environmental Management Vision and three environmental strategies

Contribute to the global environment and the creation of sustainable societies by managing environmental risks and arriving at an optimal balance between environment and economy

- 1 Implement reduction of greenhouse gas emissions
- 2 Promote social contribution through activities that protect the natural environment
- 3 Strengthen environmental management groupwide

NYK Group Green Policy

- 1 Preserve the marine and global environments by making continual improvements in operations
- 2 Comply with all relevant laws, ordinances, regulations, etc.; formulate and enforce voluntary standards
- 3 Ensure the safety of ocean, land, and air transportation services
- 4 Prevent and suppress global warming and air and marine pollution
- 5 Adopt environment-friendly technologies, etc.
- 6 Conduct employee education programs that increase environmental awareness
- 7 Disclose environmental information; contribute to society through environmental conservation

ISO 14001 certification, Green Management certification

We have established a Safety and Environmental Management Committee at the head office and developed a global multi-site system to coordinate activities around the world. Currently, we have 44 companies, 105 offices, and approximately 700 ships, including chartered vessels, that have been certified under ISO 14001. In addition, there are also 11 group companies that have earned ISO 14001 certification on their own and eight that have earned **Green Management certification**.² Each engages in environmental activities suited to its form of business (all numbers as at April 1, 2011).

Strengthen group environmental management

The NYK Group Environmental Management Meeting was established for major domestic group companies, and currently works with 51 companies to promote environmental management. Companies engage in activities independently under the principles articulated in the “NYK Group Environmental Management Guidelines” as warranted by the nature and scale of their operations. To further promote environmental activities throughout the group, we held the fourth NYK Group Environmental Management Meeting in October 2010 to recognize and present energy-conservation activities in the fleet and offices and other environmental activities of particular excellence at group companies, and to confirm future directions in strengthening and enhancing environmental activities.

Environmental management organizations (as of April 1, 2011)



In Japan, the NYK Group Environmental Management Meeting has the participation of all 51 major group companies, providing a forum for mutual communication and coordination of efforts. Internationally, we have appointed chiefs of environmental management (CEMs) in six regions (North America, South America, Oceania, East Asia, South Asia, and Europe) to share information with the headquarters and drive local environmental activities.

1 Chief of Environmental Management (CEM)

Regional meetings are held on a regular basis to enable officers to identify their regions' issues and goals and formulate programs for their achievement

2 Green Management certification

Certification and registration for transportation operators that make voluntary efforts above a certain threshold as described in the Green Management Promotion Manual. Examples include eco-driving and the introduction of low-pollution vehicles. Certification is administered by the Foundation for Promoting Personal Mobility and Ecological Transportation.

Eight companies certified as practicing Green Management

Tomakomai Kaiun Co. Ltd., Nippon Container Yuso Ltd., UNI-X Corporation, Kaiyo Kogyo Co. Ltd., Yusen Koun Co. Ltd., Asahi Unyu Kaisha Ltd., Yusen Kairiku Co. Ltd., and Yokohama Kyoritsu Warehouse Co. Ltd.

See the feature

CSR p. 10-13
→ *Monhakabi* that enriches lives and protects the environment

Web CSR > Environment
→ Environmental Management

Environments on the sea

Environmental management indicator for certain types of vessels

Types of vessel	Environmental management indicator (Unit: g CO ₂ /ton-km)		Reduction rate (compared to FY 2006)
	FY 2006	FY 2010	
VLCCs	3.4	3.1	8.8%
Car carriers	57.0	47.6	16.5%
Container-ships	14.0	9.9	29.3%

A decline in the numbers means an improvement in CO₂ emissions per ton kilometer.

1 International Maritime Organization (IMO)

UN specialist organization to promote intergovernmental cooperation and formulate treaties and protocols covering technical and legal questions in marine transport and shipbuilding

2 Nensetsu

Abbreviation of the Japanese expression nempi setsugen, meaning "fuel economy"

3 Eco speed

Operating ships at lower speeds that reduce engine revolutions while maintaining schedules. This approach conserves fuel and reduces CO₂ emissions without impacting delivery times.

4 SEEMP

Ship Energy Efficiency Management Plans. Management plans that encourage more efficient ship operation and reduce CO₂ emissions in international marine transport by requiring ships to formulate energy-conservation programs and regularly check and improve their effectiveness. The IMO has formulated guidelines and is considering making such plans obligatory for all ships.

5 Sulfur oxide (SOx)

Toxic substance that has been identified as one of the causes of air pollution and acid rain

6 Nitrogen oxide (NOx)

Toxic substance that has been identified as a key element of photochemical smog, which pollutes the air and causes acid rain

See the feature



p. 10-13

→ Monohakabi that enriches lives and protects the environment

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
■ Reduction of CO ₂ emissions	<ul style="list-style-type: none"> ■ Reduction of fleet unit CO₂ emissions <ul style="list-style-type: none"> → Save Bunker campaign → Use of Ecoreport (improvement rate 8.5 percent) 	<ul style="list-style-type: none"> ■ Further promotion of fuel economy activities ■ Continuation of Ecoreport
■ Promotion of social contribution to conserve the global environment	<ul style="list-style-type: none"> ■ Preservation of biodiversity <ul style="list-style-type: none"> → Installation of ballast water system on <i>Emerald Leader</i> 	<ul style="list-style-type: none"> ■ Promotion of ballast water system installation ■ Promotion of dismantling at environmentally friendly shipyards

Reduction of CO₂ emissions

Environmental management indicators

The NYK Group is working to reduce emissions of greenhouse gases from its fleet by monitoring the operational efficiency of ships and calculating environmental management indicators as mandated in guidelines issued by the International Marine Organization (IMO).¹ The data on marine cargo transportation volumes and greenhouse gas emissions is collected from all ships in the fleet through the Ecoreport system developed independently by NYK.

The company has set a target of reducing CO₂ emissions by a minimum of 10 percent in 2013 compared to FY 2006 levels. It is monitoring environmental

management indicators for the fuel economy activities conducted under the Save Bunker campaign and using that data for further improvements.

Save Bunker campaign

The NYK Group began "Save Bunker" fuel economy activities in October 2005 as a campaign to reduce ship fuel consumption and CO₂ emissions. For the NENSETSU² 2010 campaign in FY 2010, members were nominated from each group company for the Save Bunker Mission and tasked with improving communications between ships and land offices. Other initiatives included the introduction of "eco speed"³ and the Save Bunker awards for car carriers. The company revised its Save Bunker Manual in January 2011. The new version complies with the SEEMP⁴ principles under study at the IMO by clearly identifying the people responsible for fuel economy and engaging in activities that improve the effectiveness of fuel reduction efforts.

Preventing air pollution

Low-sulfur fuel oil

The burning of fuel oil that contains sulfur results in the emission of sulfur oxide compounds (SOx).⁵ The IMO, European Union, and State of California (USA) mandate the use of low-sulfur fuel oil to reduce the SOx emitted by ship. Low-sulfur fuel oil is different from conventional fuel oil, requiring NYK to modify the equipment on existing ships and the specifications for new ships. We have organized a task force to investigate these issues and spearhead efforts to achieve both safe ship operation and environmental protection.

Electronically controlled engines

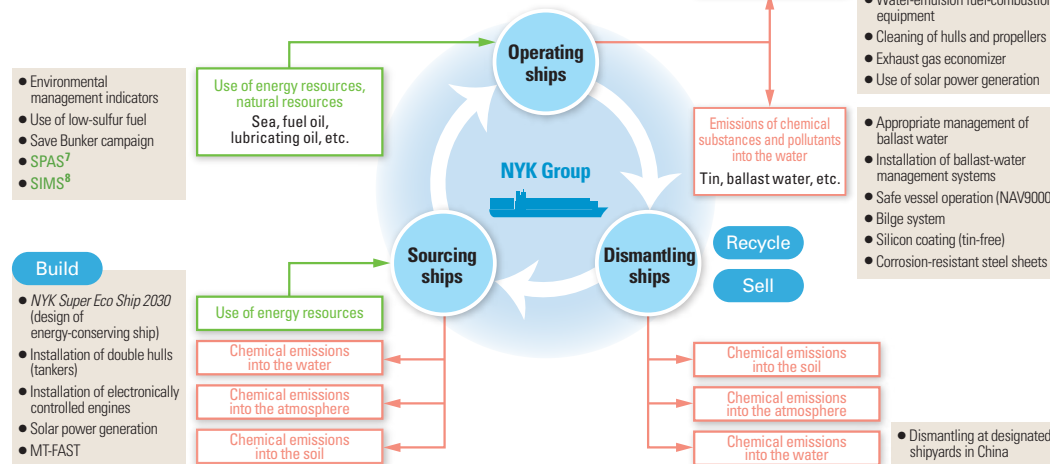
Electronically controlled engines installed on vessels electronically control fuel injection and exhaust-valve opening/closing to optimize performance and reduce emissions of nitrogen oxide (NOx).⁶ Electronically controlled engines have better fuel consumption in the low-load range, making them a promising candidate for the environment-friendly engines of the future. NYK had 38 vessels with electronically controlled engines at the end of March 2011. The company will also be installing electronically controlled engines in newly built vessels.

Preservation of biodiversity

Mapping the relationship between the NYK Group and biodiversity

Created with reference to the "Map of the Relationship between Business and Biodiversity" developed by the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB)

NYK Group initiatives



Ballast-water management systems

In September 2010, the *Emerald Leader* car carrier became the first member of the NYK fleet to install a **ballast-water management system**¹⁰ approved by the Ministry of Land, Infrastructure and Transport. This was done as a part of global environment activities in preparation for the entering into effect of the **International Convention for the Control and Management of Ships' Ballast Water and Sediments**.¹¹ The Monohakobi Technology Institute (MTI), a member of the NYK Group, was involved in the development of the system from the field testing stages and will use the experiences gained in this installation to deploy it to other ships owned and managed by NYK.



Seawater filter in the ballast water system

Cooperation with Tohoku University

NYK cooperates with global-scale research conducted by Tohoku University into the distribution and

cycling of greenhouse gases. For roughly 30 years, ever since 1982, two containerships traveling between Japan and Australia and between Japan and North America have been collecting air samples from over the ocean. The samples are analyzed by Tohoku University to identify differences in the concentration of greenhouse gases between the Northern and Southern hemispheres and how these concentrations vary over seasons and years. By adding the marine observations to fixed-point land observations, the research helps to elucidate the global-scale distribution and cycling of greenhouse gases.

Ship decommissioning

Ships are excellent candidates for recycling, with more than 90 percent of their materials by weight recyclable. However, they also generate **toxic substances**¹² when dismantled. NYK in principle only decommissions its ships at designated yards in China that have the facilities to appropriately dispose of toxic substances and that are committed to high standards of labor safety and environmental protection. We are also creating lists of toxic substances used in ships to improve the safety and environmental friendliness of decommissioning. These lists serve as important information to enable proper safety and environmental care during the decommissioning process.

FY 2010 marine pollution incidents

Fuel leaks during refueling or voyages	1
Leaks from hydraulic machines	5
Lubricant leaks at berth	2

The eight incidents noted above were appropriately reported and treated.

7 SPAS

Ship Performance Analyzing System

8 SIMS

Ship Information Management System

9 BRIDGE

Systems to provide ships with up-to-date weather and hydrographic forecasts

10 Ballast-water management systems

Ballast water is seawater carried by the ship to maintain its balance. Common practice is to take on ballast water at the port of unloading and then release it from the tanks at the port of loading. Management systems ensure that the marine life carried along with the ballast water does not upset other ecosystems. When the International Convention for the Control and Management of Ships' Ballast Water and Sediments takes effect, all oceangoing commercial ships will be required to install ballast-water management systems to satisfy convention standards. The scope of application will gradually expand to new and existing ships until full coverage in January 2017.

11 International Convention for the Control and Management of Ships' Ballast Water and Sediments

An international convention to regulate and manage ships' ballast water and sediments for the purpose of protecting the environment, human health, and economic activities by preventing the transport of harmful waterborne organisms and pathogens. It was adopted in 2004, but had yet to enter into effect as of this writing in April 2011.

12 Toxic substances

Oil, asbestos, PCBs, CFCs, TBT, and other substances that adversely impact the environment and human beings

Oil: Residues from heavy oil fuel

Asbestos: A fibrous natural mineral. Has excellent durability and chemical resistance, but inhalation of large amounts of the fiber can cause lung cancer and mesothelial tumors.

PCB: Polychlorinated biphenyl. Has excellent electrical insulation and chemical resistance, but is highly toxic and carcinogenic.

CFCs: Chlorofluorocarbons. Gases that destroy the ozone layer and contribute to the greenhouse effect.

TBT: Tributyltin, an organotin compound. Has adverse impacts on marine life, for instance the masculinization of shellfish.

Environments on land and in the air

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
■ Reduction of CO ₂ emissions	■ Office energy saving activities ➔ Office Environmental Management Committee meetings (monthly, approximately 1 percent reduction compared to the previous year)	■ Promotion of activities by Office Environmental Management Committee

Modal shifts

NYK Auto Logistics (India), a subsidiary of the NYK Group in India, integrated its operations with **CONYK Cartrac Pvt. Ltd.**,¹ a joint venture for the rail transportation of finished cars, in October 2010. The business will make use of a hub and spokes network in which rail transport provides the long-distance portion, with trucks used at the points of origin and destination. Rail transport significantly reduces CO₂ emissions per vehicle. With finished car distribution on the increase, we have taken an active role in identifying and implementing environmental solutions and look forward to providing enhanced services in the future.



Transporting finished automobiles by rail

Eco hangar wins the Chiba Prefecture Architectural Cultural Award

A maintenance eco hangar (energy-efficient aircraft maintenance hangar) built by Nippon Cargo Airlines Co. Ltd. at Narita Airport was selected for the **Chiba Prefecture Architectural Cultural Award**² (for environmentally friendly structures) by the Chiba Prefecture Architectural Cultural Award Selection

Committee in December 2010. The maintenance eco hangar makes use of advanced energy-conservation technology and is expected to reduce CO₂ emissions by approximately 30 percent compared to conventional hangars.



Energy-saving eco hangar for aircraft servicing

Introduction of CIS solar power generation for Ohi Container Terminal

NYK Line operates the new No. 6 and 7 berths at the Port of Tokyo container pier jointly with Uni-X Corp. and Nippon Container Terminals Co. Ltd. In April 1, 2010, NYK Trading Corp. installed and brought **CIS solar cells**³ at the facility. CIS solar cells are considered to be the next generation of solar cells. This is the first time they have been installed at a domestic terminal. The large-capacity cells are able to generate up to 135 kW, which corresponds to approximately 130,000 kWh per year or 1 percent of the electric power used at the terminal.

1 CONYK Cartrac Pvt. Ltd.

Established by the Container Corporation of India (a subsidiary of Indian Railway) and NYK Line (India) in September 2009 (investment ratio: 50:50).

2 Chiba Prefecture Architectural Cultural Award

An award established by Chiba Prefecture in FY 1994 to recognize excellence in architecture and promote the creation of communities that are both energetic and peaceful. Awards are presented to architects, designers, and contractors in the categories of "scenic excellence," "universal design," and "environment friendliness."

3 CIS solar cells

Thin solar cell that takes its name from the initials of the three primary elements used in it: **Copper**, **Indium**, and **Selenium**.

4 Clean Cargo Working Group

A working group in which the world's major containership companies and shippers formulate and evaluate "Environmental Performance Surveys" (EPS) to assess the environmental performance of marine transport and "Environmental Performance Metrics" (EPM) to calculate ship gas emissions.

5 BSR

Business for Social Responsibility. A business network to study socially-responsible corporate activities. Founded in the United States as an NPO in 1992 and supports a wide variety of initiatives for ethical values, environmental issues, human rights, and local communities in the context of CSR.



CSR > Environment
➔ Land & Air

Comment from Chief of Environmental Management

Voice

Aiming for sustainable transportation

The **Clean Cargo Working Group**⁴ of **BSR**⁵ is a business-to-business collaboration dedicated to integrating environmentally and socially responsible business principles into transportation management. Participants include more than 25 leading multinational manufacturers, retailers, and ocean freight carriers, which collectively move nearly 60 percent of global container cargo. As a member of Clean Cargo, NYK has had the opportunity to network with many custom-

ers and industry partners with developing tools and metrics in an effort to improve the environmental impact of transportation and logistics.

Brett Kats

Chief of Environmental Management
NYK Group Americas Inc.



General group initiatives

Environmental-preservation campaign

NYK conducts an environmental-preservation campaign called "The Earth Is Our Home" as part of its annual observance of **Environment Day**¹ on June 5. During FY 2010, the NYK Group conducted a number of activities in Japan and other countries designed to increase awareness of environmental issues. Some highlights include a **NYK Candle Night**,² environmental e-learning, and the **CO₂ Diet Declaration**.³ During FY 2010, a total of 3,551 employees took the environmental e-learning course, up 1,109 from the 2,442 enrolled in the previous year. The CO₂ Diet Declaration is held twice a year (summer and winter) and has made significant inroads in the NYK Group, attracting a total of 11,386 participants.



NYK Candle Night

Collection of environmental-load data

We collect environmental-load data from group companies around the world to monitor our overall environmental load and encourage environmental initiatives. In Japan, we collect 15 categories of data from 69 companies (268 workplaces); internationally, seven categories from 114 companies. This data helps the organization to "visualize" its environmental load.

Group Environment Awards

We established the Group Environment Awards to encourage environmental activities, the dissemination of excellent ideas and greater environmental awareness among NYK Group employees. In FY 2010, five companies were selected: Asahi Unyu Kaisha Ltd., Naikai Tug Boat Service Co. Ltd., Nippon Yuka Kogyo Co. Ltd., Hachiuma Steamship Co. Ltd., and Yusen Logistics Co. Ltd. Awards were presented and activities profiled at the NYK Group Environmental Management Meeting in October 2010. NYK will continue to promote environmental activities at the group level through the Group Environment Awards.



Awards ceremony

1 Environment Day

Commemorates the United Nations Conference on the Human Environment held in Stockholm on June 5, 1972. Japan's Basic Environment Law designates this day as Environment Day. Its purpose is to increase interest and understanding of conservation and motivate participation in conservation activities.

NYK-Point

2 NYK Candle Night

NYK encourages domestic and international NYK Group employees and their families to participate in the "Candle Night," an activity that encourages people to spend a few hours at night away from electric lights twice a year. In FY 2010, NYK distributed original candles to employees who desired to participate. These events conserve energy and provide an opportunity to think about environmental issues.

3 CO₂ Diet Declaration

An energy conservation program promoted by the Ministry of the Environment and Tokyo Electric Power Company to help prevent global warming. A seedling is contributed for every 20 people participating.

NYK Super Eco Ship 2030

Global economic development has led to an increase in international trade volumes, which in turn increases the number of ships and the CO₂ that they emit. Ships require additional environmental technology to address these concerns while continuing to contribute to the development of the world economy. *NYK Super Eco Ship 2030* is an advanced containership that targets an approximately 69 percent reduction in CO₂ emissions by making use of advanced technologies, including reduced hull weight and abrasion resistance to save on the energy required for propul-

sion; use of fuel cell-based energy conversion; maximization of solar, wind, and other renewable energy; and improvements in ship operations. Many of these technologies are still on the drawing board but slated for development.



CSR > Environment

→ Environmental Communication

For people who deliver value

The NYK Group does more than just provide *monohakobi* services, it delivers culture and value that enrich peoples' lives. Each and every employee is committed to meeting the expectations of society as we strive for sustainable social and corporate development.

from Czech Republic



Colleen Williams

Digital Content Coordinator
NYK Group Europe Ltd.

"Free transportation of goods helps communities to rebuild after flooding"

I'm part of the team responsible for CSR at NYK Group Europe Ltd. We are based in London, but handle NYK CSR matters for communities throughout Europe and Africa. I would like to tell you about social contribution activities conducted by Yusen Logistics (Czech Republic) c.r.o. Northern areas of the Czech Republic were hit with destructive floods in August 2010 and Yusen Logistics (Czech Republic) responded by providing assistance to the "People in Need" NGO and free transportation of drinking water, cleaning supplies, toiletries, and other relief supplies from the Prague suburbs to the disaster area. Around 20 new staff members that were scheduled to join the company also volunteered to help out in the recovery effort. The NYK Group steps up and becomes involved in social contribution activities as a good corporate citizen that lives in partnership with society.



from Japan

Hands-on seminar

In May 2010, we invited representatives from more than 10 client companies in central Japan to come to our Chubu Logistics Center for a hands-on seminar on aircraft loading methods and ideal freight packing strategies. We, along with our customers, share an interest in preventing damage during cargo transportation. In the post-event survey, customers commented that the seminar had "helped significantly" and expressed a desire for further training in the future. We look forward to holding more seminars that address the needs of our customers and increase their satisfaction.



Hiroki Kushida

Global Air Freight Business Department
Central Japan Air Freight Operation Center
Air Freight Operation Section
Yusen Logistics Co. Ltd.



Together with our customers

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
■ Improvement of customer satisfaction	<ul style="list-style-type: none"> ■ Rigorous quality assurance (cruise) <ul style="list-style-type: none"> ➔ <i>Asuka II</i> cruise ship organizes Customer Satisfaction Improvement Committee ➔ Survey tabulation, analysis, improvement ➔ Feedback of improvements to customers ➔ Maintenance of rank as No. 1 in the world and Japan in travel magazines 	<ul style="list-style-type: none"> ■ Rigorous quality assurance led by the Customer Satisfaction Improvement Committee (<i>Asuka II</i>) ■ Maintenance of rank as No. 1 in the world and Japan in travel magazines

Logistics services

The NYK Group has been providing total logistics services through the strategic collaboration between two brands: NYK Logistics, which was operating ocean freight forwarding,¹ land transportation, warehousing, and distribution services; and Yusen Air & Sea Service, which specialized in air freight forwarding. We are now integrating these two into a single global brand, "Yusen Logistics." This global integration, which is under single management, will better link the ocean, land, and air networks by combining logistics expertise and techniques; increasing the efficiency of operations of warehouses, computer

systems, and other assets; and optimizing the utilization of human resources, the most important asset of the NYK Group. We look forward to increasing business opportunities to provide our valuable customers a wider range of quality services on a global scale.

The integration began in October 2010 in Japan, and by April 2011 will extend to more than 20 countries in Europe, the Americas, Asia, and Oceania. The project is expected to be completed by March 2012. We will continue our efforts to contribute to the development of the international economy.

1 Forwarding

Service that involves sourcing space from ocean and air freight carriers for the transportation of customer cargo, including customs clearance

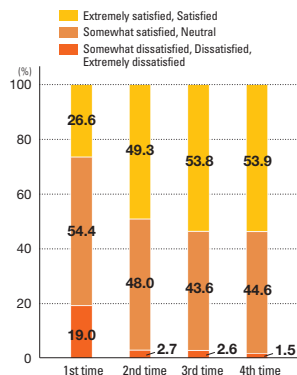
■ Logistics services from Yusen Logistics Co. Ltd.



CSR > Together with Stakeholders

➔ Together with our Customers

Kobe Terminal Customer Satisfaction Survey results

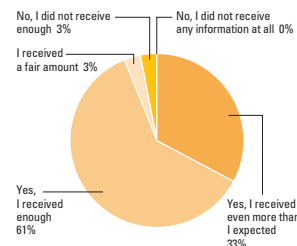


1 IC tag

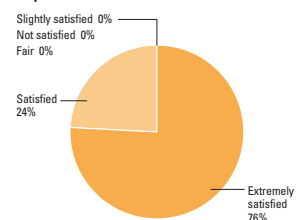
A tag that uses radio waves to recognize people and objects. It is sometimes referred to as an RFID (Radio Frequency Identification) tag.

Survey of visitors at the MTI Tokyo Lab in FY 2010

"Did you receive an adequate amount of information?"



"Are you satisfied with the overall lab experience?"



Customer Satisfaction Survey for Kobe Terminal

Container terminals are the linchpins that bring together ocean and land services in international logistics. They are also a point of contact with owners and other customers through the medium of cargo. Since FY 2008, we have conducted a customer satisfaction survey of approximately 80 client companies to better understand how we are doing. The survey involved direct visits to companies to explain our intentions, and participants received reports of both the findings and new initiatives resulting from them. We take their opinions and remarks and are working to improve. The outcome of the survey has been better communication with customers and a gradual enhancement of our reputation. We will continue to make efforts to improve customer satisfaction in the future.

Cruise

Our No. 1 priority is for our guests to feel the joy of life through their cruise experiences. We create and offer unparalleled cruises at a high level of safety based on our expertise as an ocean transportation company. Our guests enjoy travel to a wide diversity of cities, the beauty of nature, and world heritage at ports of call, as well as a variety of entertainment, refined cuisine, and facilities to promote health, such as spas, on board our ships, all enabled by a delicate coordination of both hardware and software resources. Our product consistently receives high praise from guests all over the world.



Crystal Symphony cruise ship

Returnable Transport Item (RTI) Management System

To address limited resources and supplies, as well as environmental issues and rising distribution costs, RTIs will continue to increase and replace conventional and disposable packaging. NYK and the Monohakobi Technology Institute (MTI) have developed automatic-identification technologies to support our customers' optimal use of RTIs. RTIs must be collected, and any improper management of transfers can actually increase costs from loss, theft, and transfer inefficiency. But we can reduce those risks by installing IC tags¹ on RTIs and thereby tracking their locations. MTI has a logistics facility, its MTI Tokyo Lab, which conducts various tests and provides solutions for each customer's needs. The lab has equipment on display and provides demonstrations so that customers can experience and understand automatic-identification technologies firsthand.



Returnable Transportation Item Management System

Together with our shareholders and investors

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
■ Enhanced information disclosure	■ Increase opportunities to share information and encourage investors to understand our business → Investor briefings and tours	■ Encourage understanding of the medium-term management plan with better investor briefings and continuing facilities tours and business briefings
■ Greater awareness of IR activities within the organization	■ Strengthen feedback to executives and employees → Increase IR reporting sessions and publication of monthly reports	■ Ongoing

Approach to IR activities

Timely, fair and appropriate information disclosure and dialogue are essential to building friendly relationships with shareholders, investors, and other stakeholders, and doing this helps to increase corporate value. At NYK Line, the president and the entire management team are committed to proactive information disclosure. During FY 2010 we took initiatives to enhance company briefings for individual investors and to give executives and employees greater feedback from IR activities.

Tours of facilities

In December 2010, we held an IR tour for institutional investors and analysts in Thailand. The country is home to the production facilities of large numbers of automakers and electrical equipment manufacturers, and we showed what the NYK Group was doing with tours of the **Ro-Ro ship¹** terminal, logistics warehouse, and Yusen Logistics Co. Ltd. facilities. We also visited customers so that they could see NYK service in action.

Publication of IR information

The “NYK Plus” pamphlet is published twice a year (spring and fall) specifically for personal shareholders and investors to provide them with insights into the breadth of NYK’s ocean, land, and air business activities and its social contribution initiatives. We hope that this publication improves their familiarity with the company. We are also enhancing the content of our website so that up-to-date information is available. On the site you will find monthly figures for containership cargo volume and the bulk carrier and tanker market, as well as schedules for company briefings geared to individual investors.



Vol. 9, Spring 2011

2010 IR highlights

	Participating companies	Participating individuals
Meetings with investors in Japan	420 (27)*	457 (28)
Overseas IR tours	190 (20)	244 (32)
Tours of facilities		
2 in Japan	49	55
1 overseas	4	4
IR seminars for individuals		
13 in Japan	—	1,929

* Parentheses indicate participation by the NYK president

Comment from securities analyst

Appreciate emphasis on stock markets

NYK Line is one of the highest-ranked companies for disclosure both by the Security Analysts Association of Japan and by institutional investors. I appreciate the efforts made to maintain a dialogue with stock markets and use that information in management, especially the small meetings with the president and the IR organization that is able to discuss business strategy with us on a day-to-day basis. The company is also active in providing tours of its domestic and overseas facilities. In 2009, I was able to tour a car carrier; and in 2010, viewed what the company is doing to enhance the safety of ship operations. The car carrier tour was held just after the

global recession, when Japan’s automobile exports were trending downwards. The safe ship operation tour was held at a time when safety standards were being beefed up with “**major inspections**,”² and it was a valuable opportunity to hear first-hand what front-line workers were thinking.

Yuichi Tezuka

Senior Research Analyst
Equity Investment Department
Sumitomo Trust & Banking Co. Ltd.



1 Ro-Ro ship

Roll-on, Roll-off ship
A ship similar to a ferry that has a ramp way and a vehicle deck so that vehicles can move on and off using their own power. This structure allows direct loading and unloading without the use of cranes.

2 Major inspection

Ship inspections by “major oil companies,” the giants who cover every stage of the oil industry



CSR > Together with Stakeholders
→ Together with Investors

Social contribution activities

The NYK Group is proactively engaged in efforts to address social issues, and makes use of *monohakobi* resources and expertise wherever possible. In this section, we outline some of the transportation cooperation that we have provided around the world to assist disaster areas and developing countries.

Principles and action guidelines of social contribution activities

NYK is committed to proactively addressing the challenges that confront the world, and through a diverse array of activities, the company is making every effort to enhance corporate values and thus benefit society as a benevolent, sustainable, and socially responsible corporate citizen.

- [Activity policies]
- 1 Promotion of employee involvement in volunteer activities
 - 2 "Investment" in our future global society
 - 3 Promotion of mutual prosperity and harmony with local communities



©JADE / JPF

1 | Pakistan flooding

Transported from/to: **Japan → Pakistan**

Transported one forklift

Transported from/to: **Australia → Pakistan**

Transported medical and sanitary supplies, etc.



2 | Qinghai Earthquake

Transported from/to:

Lanzhou → Xining
(Gansu Province) (Qinghai Province)
Onshore transport of six SUVs



3 | Japan Earthquake and Tsunami

Transported from/to:

Kobe → Hachinohe (Aomori Prefecture)
Yokohama → Sendai (Miyagi Prefecture) and
Takizawa (Iwate Prefecture)

Transported food, baby goods, sanitary items, etc.

* We made use of the group transportation network to provide a wide range of assistance.

Major social contribution activities

① Free Transport Assistance

🚲 JOICFP: ¹ FY 2010 bicycle transportation

🎒 JOICFP: FY 2010 school backpack transportation

📖 SVA: ² FY 2010 picture book transportation

② Disaster relief activities

Using our resources to provide transportation assistance and donations; collecting donations from group executives and employees

③ NYK Nature Fellowship

Dispatches university students and NYK Group staff members to overseas maritime environmental research sites

④ Open facilities

NYK Maritime Museum, *NYK Hikawamaru*, container terminal (open to tours for elementary and junior high school students)

⑤ Internal initiatives

"Table For Two" boxed lunches for meetings, sales of fair trade merchandise, vending machines that make automatic donations

⑥ Support of Swan Bakery to foster independence of the disabled

Baked goods at company sales events, and boxed lunches for meetings



©ICA / JPF

5 | Chile Earthquake



Transported from/to: **Japan → Chile**

Transported sanitary supplies, blankets, construction equipment, clothing, gauze, masks, etc.



6 | Chile Earthquake



Transported from/to: **United States → Chile**

Transported three boom trucks



©ADRA Japan / JPF

4 | Haiti Earthquake



Transported from/to: **Japan → Dominican Republic**

Transported 10,000 pairs of sandals

NYK Maritime Museum and *NYK Hikawamaru*

NYK Maritime Museum



NYK Hikawamaru

The cargo-passenger ship *NYK Hikawamaru*, which was used on the company's Seattle line both before and after World War II, has been renovated and is now moored in Yokohama as a museum ship. This ship, along with the NYK Maritime Museum, which occupies an historic 1936 building that used to house NYK's Yokohama branch, provides visitors with a rich introduction into Japan's maritime past. In addition to the exhibits, NYK also provides opportunities for local junior high school students to experience work on *NYK Hikawamaru*, and for elementary school students to participate in picture contests themed on the ocean and ships. NYK will continue to contribute to the local community as an historic part of the Yokohama waterfront.

■ Free transportation for NPOs in FY 2010

1 JOICFP

Japanese Organization for International Cooperation in Family Planning

🚲 Overseas Reconditioned Bicycle Donation Program

Delivered to	Total
Tanzania and more than 60 other countries	2,670*

*Total since FY 2000: 27,834

🎒 School Backpack Supplies for Afghan School Children

Delivered to	Total
Afghanistan	14,855*

*Total since FY 2004: 73,085

2 SVA

Shanti Volunteer Association

📖 Campaign to Deliver Picture Books

Delivered to	Total
Cambodia, Laos, and Thailand [Myanmar (Burma) refugee camps]	23,264*

*Total since FY 2004: 129,416

■ Assistance during FY 2010 and after Japan earthquake and tsunami

Disaster	Amount (Yen)
April 2010 Qinghai Earthquake (China)	1,131,764 yen
March 2011 Japan Earthquake and Tsunami	87,073,555 yen (as at the end of May 2011)

Total corporate donations, matching gifts, and NYK Group employee donations. In addition, domestic and international group companies provided 130 million yen in donations and financial assistance (as at the end of May 2011).

■ FY 2010 admissions

Name of facility	Visitors
NYK Maritime Museum	26,836
<i>NYK Hikawamaru</i>	231,349



CSR > Social Contribution

- Joint Project with NPOs/NGOs
- Community Interaction
- Disaster Aid Activities
- Staff Members Activities

Together with all staff members in the NYK Group

Outline of FY 2010 CSR Activity Programs (excerpts)

FY 2010 targets and challenges	Initiatives and progress	Future plans
■ Protection of human rights	<ul style="list-style-type: none"> ■ Human rights training <ul style="list-style-type: none"> ➔ Human rights training at the NYK Business College, new employee orientation, and group companies (eight of ten times) 	<ul style="list-style-type: none"> ■ Eight human rights training sessions at NYK Business College, new employee orientation and group companies
■ Maintenance of work/life balance	<ul style="list-style-type: none"> ■ Implementation of programs to adapt to the Law for Measures to Support the Development of the Next Generation <ul style="list-style-type: none"> ➔ Encouragement of male employees to take parental leave (four employees) 	<ul style="list-style-type: none"> ■ Five or more male employees taking parental leave ■ Work/life balance seminars ■ Encouragement for children to understand the workplace

HR philosophy

Continually develop diverse talent at all group companies across global fields

The NYK Group operates in a wide range of fields, and its employees come from an extensive and diverse range of countries. Our human resources (HR) philosophy was formulated in 2005 to encourage all employees to maximize their potential.

Our training of the next generation emphasizes the following:

- 1 Flexibility and liberality (tolerance) to understand different cultures and heterogeneous ways of thinking;
- 2 Leadership to lay out clear visions and goals, and to encourage others to achieve the established goals; and
- 3 A management mindset and skills that encompass people management, specialist knowledge, and the ability to look at things from a broader perspective.

Creating satisfying workplaces onshore

Enhancements to training programs

The NYK Business College (NBC)¹ is a training program for onshore staff in the NYK Group. Each year, its content is enhanced. During FY 2010, we conducted more than 70 varieties of training, with the participation of more than 3,200 NYK Group employees. We established the NYK Accounting School to help employees master accounting and improve their skills. We also work in collaboration with YPC Professional College, the training system used by Yusen Logistics Co. Ltd., to boost sales capacity. Our theme for FY 2011 is “Strengthening the Total Capacity of NYK Group Staff Members,” and we continue to improve and enhance our offerings, tailoring them to the qualities and skills required by our stakeholders.

Global NYK Week

Since 2002, we have held “Global NYK Week” as an event for mid-level employees at international group companies. The focus of the event is on helping the NYK Group to be a company that people are glad to be a part of. During the week, participants have the opportunity for direct dialogue with the president, attend receptions, and do group work before making presentations to management and hearing their opinions. “Global NYK Week” is an important opportunity for NYK Group employees throughout the world to learn our corporate philosophy and share the NYK Group Values and business strategy.



Global NYK Week

NYK-Point

1 NBC

NYK Business College
Training programs for NYK Group employees



CSR > Together with
Stakeholders > Together
with all staff members in
the NYK Group

➔ Working on Land

Operations Meister Program

The purpose of the **Operations Meister Program**² is to improve ship operation skills throughout the company. It marked its second year in FY 2010 with the addition of two more group companies and a new “Platinum” certification category. By improving general operational levels, we hope to see gains in both safety and efficiency.



“Platinum” certification awards

Internships

NYK began offering internships in FY 2010 as an opportunity for students to experience the marine transport and distribution industries and gain a better understanding of them. Shipboard assignments are an opportunity to board a large NYK ship and experience operations firsthand. We look forward to continuing this approach to training the next generation of human resources.

Promotion of work/life balance

Since FY 2009, the primary focus of the **Work/Life Balance Promotion Committee**³ has been implementation of the NYK WLB Project action plan, which centers on activities to “change attitudes.” As Phase II of the project, we conducted four programs during FY 2010: 1) established numerical targets for overtime hours and holidays at the group level and monitored achievement; 2) created better company announcements to encourage workers to go home early; 3) proposed ways to reduce meetings; and 4) conducted trials of a “leave on time” program.

Respect for human rights

Respect for human rights is one of the most fundamental, universal values, and the NYK Group recognizes it as the first step in corporate social responsibility. “Human rights training” is part of annual new employee training, new team manager training, training for employees assigned overseas, and CSR training. During FY 2010, a total of four CSR training sessions were held for 125 employees. The purpose of these sessions is to increase awareness of human rights issues among employees, focusing on subjects like the rights of the disabled and harassment. Emphasis on human rights helps to create workplaces where all can work with confidence.

Comment from participant in personnel exchange

Providing optimized services with cross-sectoral cooperation

I have spent 18 months working at NYK Container Line on a personnel exchange as part of the Comprehensive Logistics Strategy. When I was at Yusen Air and Sea Service Co. Ltd., I was responsible for imports, and I am now on the export side, working with European and Pacific route containerships. The market is unstable, which makes it difficult to earn and maintain customer trust and satisfaction, but I have greater opportunities for interaction with other group companies, and it has been a valuable experience for me, both in enhancing my career and

in broadening my network. I am confident that, as a member of the NYK Group, with its operations throughout the world, I will be able to offer customers services that are optimized to their needs.

Seiji Akita

Europe and Oceania Export Dept.
No. 1 Sales Division
NYK Container Line Ltd.

*Seconded from Yusen Logistics Co. Ltd.



NYK-Point

2 Operations Meister Program

An internal certification for ship operators providing support from the shore. There are four ranks — Silver, Gold, Platinum, and Meister — depending on experience and ability. The highest level, Meister, requires that candidates have medium and long-term perspectives that encompass such areas as sales, safety, and environment, and are also up-to-date with international rules. During the program's first year, 75 people were certified.

Operations Meister certifications

Rank	FY 2009	FY 2010
Meister	—	—
Platinum	—	6
Gold	32	16
Silver	43	22

Total: 119

NYK-Point

3 Work/Life Balance Promotion Committee

A committee composed of labor-management committee members and general manager class third parties to examine and implement programs to promote work/life balance, including monitoring of overtime hours and holidays.

Work/life balance programs (excerpt)

• Parental leave

Available until the child reaches 26 months of age

• Family care leave

Up to a total of one year. Can be divided in two if within two years of the leave commencement date.

• Parental and family care flextime and shortened work hours

1) Flextime system — Offered to employees who are pregnant, caring for children up to the sixth grade, or providing nursing care to family members 2) Shortened working hours (up to two hours per day) — Available to employees caring for children up to the first grade or providing nursing care to family members.

• Spouse transfer leave

Up to two years available if a spouse is reassigned overseas or to a location in Japan more than 130 kilometers away. (For domestic transfers, limited to three years from 2010).

• Yusen Childcare (in-house childcare service)

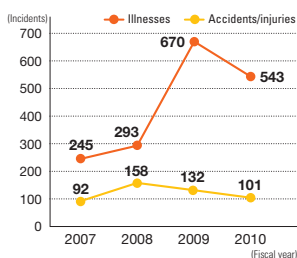
Began in April 2002. Staffing above statutory requirements. Laundry facilities and other conveniences provided.



CSR > Together with Stakeholders > Together with all staff members in the NYK Group

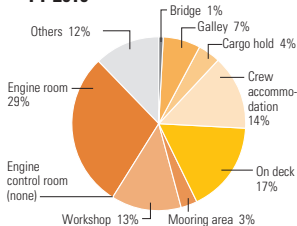
→ Working on Land

Reported crew member injuries and illnesses



The number of reported illnesses increased in FY 2009 because of an expansion in the survey coverage and more rigorous reporting requirements.

Location of crew accidents in FY 2010



NYK collects and analyzes accident and sickness data to monitor the status of its seafarers, verify the effectiveness of its activities, and design further improvements.

1 Cadet

Officer candidate. A trainee who is on ship to master the skills required for certification as an officer or engineer.

2 OJT

On-the-Job Training
Education and training in the work environment.

See the dialogue



p. 39-41

Operating our own merchant marine academy to train high quality seafarers



CSR > Together with Stakeholders > Together with all staff members in the NYK Group
Working at Sea

Outline of FY 2010 CSR Activity Programs (excerpts)

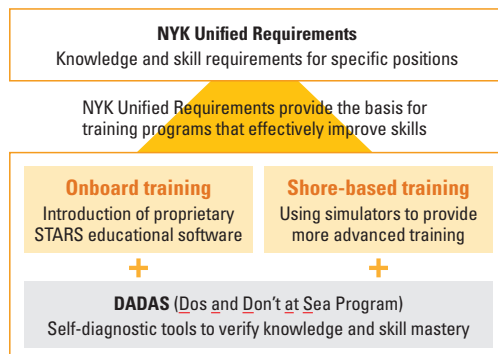
FY 2010 targets and challenges	Initiatives and progress	Future plans
Review of securing seafarers	Consolidation of manning sources To secure high quality seafarers, consolidated main manning source from Croatia, Romania, India, and the Philippines	Continued consolidation of manning sources to recruit high quality seafarers
Creation of new training scheme for Japanese seafarers	Use of Cadet ship Cadet ship to be used for newly joined Japanese seafarers	Improving and enhancing employee training with a combination of ordinary and cadet ships

Creating satisfying workplaces on ships

Recruiting and training non-Japanese seafarers

NYK hires graduates of maritime academies throughout the world as **cadets**¹ and uses five cadet training ships to train them. These programs help us to achieve greater safety and efficiency in operations and enable cadets to develop the skills they will need as future senior officer candidates.

Conceptual diagram of NYK Maritime College



Crew education program

The NYK Maritime College (NMC), which is NYK's unique education system, was formulated using the NYK Unified Requirements. These requirements define the knowledge and skills required for individual positions and ranks. All training centers and manning offices follow these requirements to train seafarers by local instructors using unified training materials and curricula. Captains, chief engineers, and other senior officers also receive advanced training using highly equipped simulators. While on ships, we have proprietary educational software that makes use of 3D images and videos for more effective **OJT**.²



Training

Comment from a user of the family onboard program

Voices

I understood how tough it is to work on a ship

My husband is an engineer, which means he is away from home for long periods of time. I worry about him, so I decided to take advantage of the family onboard program by boarding the LNG carrier *Doha* with my husband and spending the next month with him while the ship sailed between Japan and Qatar. Even during off hours and at night, my husband would often be running to the engine room if there were problems with the machinery. I saw his work and sweat firsthand and understood just how tough it can be to be on the ship. It was a long trip, and there

are many worries, but everyone on board was friendly and I had many valuable experiences: watching dolphins in the wild, viewing skies full of stars, and seeing the sun set below the horizon. It has given me greater respect for my husband's job, and I think it helped us both learn how to cooperate better.

Yuka Tsuda

on *Doha* (LNG carrier) with husband, Tatsuya, a 1st engineer currently serving as part of the Marine HR Team in the Human Resources Group

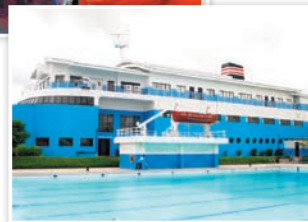




Stakeholder dialogue

Operating our own merchant marine academy to train high quality seafarers

International marine transport carries materials that are essential for life, often over long distances and in large quantities. It is crucial that seafarers have high degree of expertise and professionalism if the industry is to discharge its duties to maintain safe operations and protect the environment. We spoke with experts about ways to alleviate the seafarer shortage and train seafarers, focusing on the education provided by NYK Line at its merchant marine academy in the Philippines.

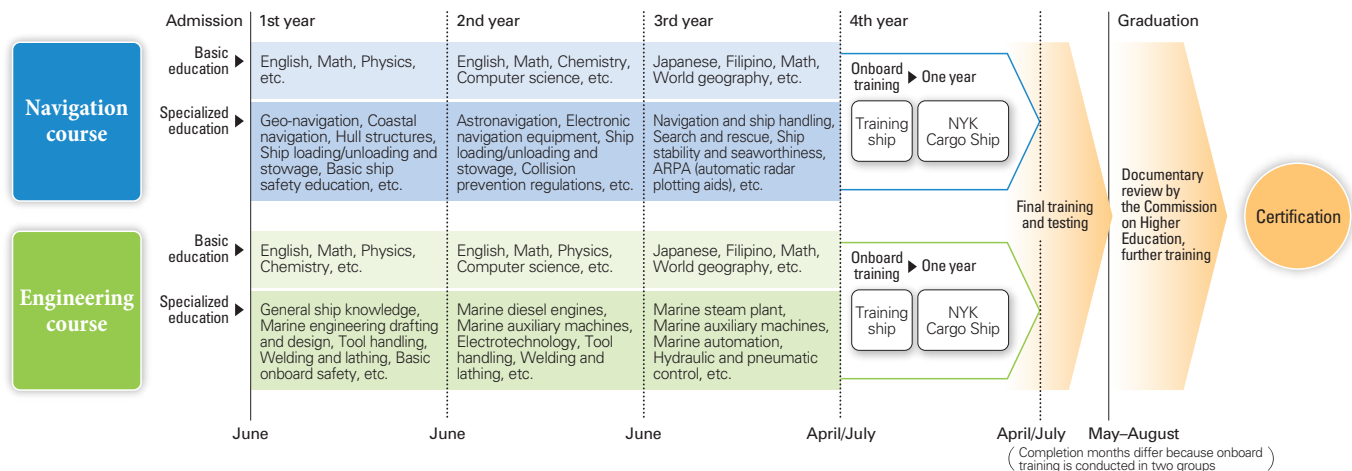


From non-Japanese to Japanese, and from Japanese to Filipinos

Tsugane: I was a member of an Institution for Transport Policy Studies study group that analyzed the future supply and demand of seafarers around the world and potential countermeasures, and we found that there would be imbalances in the supply and demand of seafarers, especially for officers and engineers. Our report concluded that it would be particularly important to find ways to overcome the shortage. This is more of a global issue than a local one. As economies develop, vessels sail throughout the global network.

Akamine: NYK's fleet is steadily growing, and each time we add another vessel, we must add more seafarers. In 1970, the fleet numbered a bit less than 300, and we employed a bit more than 4,000 Japanese seafarers. Today, we operate over 800 vessels, and we have approximately 600 Japanese seafarers who work with a rapidly rising number of non-Japanese seafarers. We are keenly aware that the training of non-Japanese seafarers will be an important factor in the competitiveness of any marine transport company. NYK has trained and employed seafarers from the Philippines for roughly 30 years, and this led to establishing our own merchant marine academy, [NTMA](#),¹ so that we could provide our own education. When Iwasaki Yataro established the Mitsubishi Nautical School (now Tokyo University of Marine

Figure 1: Outline of NTMA curriculum



Prof. Masanori Tsugane

Professor of Navigation Course
Department of Navigation
School of Marine Science and
Technology, Tokai University

Science and Technology) in 1875, he wanted to train Japanese seafarers for international services. The aim of the program was to switch “from non-Japanese to Japanese seafarers,” and this is what laid the foundations for NYK Line. Now, roughly 130 years later, we have embarked on crew education that aims to switch “from Japanese to non-Japanese.”

Kamei: NTMA is a four-year school that accepted its first class of 120 students (60 in the navigation course and 60 in the engineering course) in June 2007. Today we

have 457 students studying there. The first three years are spent in the classroom, where the curriculum provides a combination of specialized education and basic academic skills like Math and English. In the fourth year, students board vessels for onboard training. Our first class started its onboard training in April 2010. The education we provide aims to prepare students to become senior-rank officers after they graduate. The first class will graduate in September 2011. [See Figure 1 above.]

Tsugane: What was the reason for deciding on the Philippines as the location for a merchant marine academy?

Akamine: The NYK Group has approximately 32,000 seafarers, and roughly 70 percent of them are Filipinos, so our emphasis is on training in the Philippines. There are several reasons for the large numbers of Filipino seafarers: (1) they speak English very well, (2) the country has a large workforce, (3) social conditions are stable, and (4) Filipinos tend to get along well with Japanese. This makes Filipinos extremely competitive as seafarer resources.

Tsugane: In the past, NYK Line trained non-Japanese seafarers through group companies, but the establishment of NTMA would seem to indicate a change in direction. I would think that provid-

ing your own seafarer training would help you to produce seafarers that are loyal to NYK Line and make it easier to recruit crew even for types of vessels that are difficult to operate.

Kamei: The rationale for establishing the school was that NTMA would provide us with a stable supply of quality seafarers, which in turn contributes to safe ship operation.

Akamine: NYK places safe ship operation and environmental protection at the very core of its business. Systems and manuals are important components in this, but the most important is the “people” who actually operate the ships. NTMA is at the core of this training.

Solid basic education makes excellent officers

Tsugane: There are other merchant marine academies in the Philippines established by the government and unions. It would have been possible to support seafarer education by providing their students with *cadet*² opportunities and scholarships. What made NYK Line decide to educate students directly?

Akamine: The primary reason was to provide a more basic education. Basic education in the Philippines is on the 6/4 system, which is two years shorter than the 6/3/3 system in Japan. As a result, basic academic skills tend to be low, and not many seafarers are suited to senior positions on high-risk ships like LNGs, VLCCs, and large containerships. Our experiences indicated that these seafarers had excellent growth potential when they had basic academic skills, and we decided to



Koichi Akamine

Managing Corporate Officer
(Responsible for Marine Group)



Hitoshi Kamei

Captain,
Resident Representative at NTMA

establish NTMA so that we could be part of the very foundation of their basic education.

Kamei: We can see the results of better basic education in scores on the uniform test for maritime academies (MSAP)³ administered in the Philippines. This test covers both specialized knowledge and basic education. We had our second class take it in 2010, and out of a total of 11,500 students sitting for the exam, the top 50 were all from the navigation course and engineering course at NTMA. In

2011, a total of 17,000 students took the test, and almost everyone in the top 40 was from NTMA navigation course or engineering course. NTMA is an institution for the education of seafarers who want to work globally, and these results indicate at the very least that what we are doing is working. As we go forward, our emphasis will be on bringing students up to even higher levels.

Tsugane: It's important to have external assessments that indicate where you are. Producing the top scores on a test that covers both basic education and specialized knowledge shows that the curriculum is helping to improve levels overall. If you have solid basic education, your students are able to adapt and apply what they have learned. I think we can look forward to even higher-level seafarers in the future.

Akamine: NTMA is a new school, and it still seems to lack recognition in the Philippines. However, it was one of the reasons that "Lloyd's List," a trade journal for the marine transport sector, selected NYK for its 2010 Training Award. This is very encouraging to us, and it also drives home the importance of maintaining our levels.

Broadening crew education and the challenges for NTMA

Akamine: In terms of employment, we also have NYK-FIL Ship Management in the Philippines in addition to NTMA. The company has a 22-year track record in employment creation, which was recognized by former President Arroyo in the form of the country's Presidential Award. We also operate four manning offices around the world and work with agencies in China, Russia, Vietnam, and Ukraine. Meanwhile, in Japan we began hiring female seafarers in 2004 and now have 12 who are active officers and engineers. Also, in 2006 we began to recruit from ordinary universities in Japan and now have 32 seafarers who are university graduates.

Tsugane: To operate vessels so broadly throughout the world, diversification of human resources is vital. I think your initiatives in this respect have been excellent. I hope that you will maintain the present policy. I would think, however, that education after hiring

would also be important to maintaining high quality operations and safe marine transport.

Akamine: In terms of training, we have DADAS⁴ for OJT while at sea, a program that gives seafarers a way to check their mastery of specific subjects and skills. We also have the NYK-STARs⁵ e-learning tool. On land, our training centers in Singapore and the Philippines are equipped with ship handling simulators for advanced training, and we also have the NYK Maritime College (see p. 38) system to provide training to local seafarers around the world.

Tsugane: So your curriculum covers not only students but also extends to seafarers training. As someone involved in education, I think it's important that we clearly state our educational philosophies and plans. I'd like to hear what you think.

Kamei: I tell NTMA cadets to "be fair," "be adaptable," and "be just." Today's world requires very high degree of compliance. I want students to be good people, not just technically proficient.

Akamine: I hope that NTMA will adopt the NYK Group Values of "Integrity, Innovation, and Intensity." I think these words encompass everything that is required for seafarers to operate vessels safely and efficiently. NTMA is off to a great start and will graduate its first class later this year. There is much that is still to come. After they graduate, students will obtain their licenses and board ships as officers and engineers, gradually gaining experience and eventually becoming captains and chief engineers. On land, they will work in the same way as the Japanese staff. True success comes from the accumulation of these "success stories." This is something that we need to approach from a very long-term, very future-oriented vantage point.

Tsugane: I hope that NYK Line, as a leading company in the international marine transport sector, from a fair and neutral position, will take upon itself the responsibility for providing seafarer education. I hope that it will see itself as being the key player in maintaining motivation and improving the quality of seafarers around the world. I encourage you to continue with these initiatives and make them more broadly known.

1 NTMA

NYK-TDG Maritime Academy. Merchant marine academy run jointly by NYK and the Transnational Diversified Group.

2 Cadet

Officer candidate. A trainee who is on ship to master the skills required for certification as an officer or engineer.

3 MSAP

Maritime School Assessment Program. Uniform test of basic and professional education for 92 maritime schools in the Philippines.

4 DADAS

Dos and Don't at Sea Program

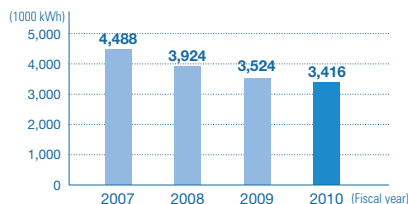
5 NYK-STARs

NYK-Shipboard Training and Assessment Record System. Available in many different forms suited to specific purposes and types of ship, for example, "Cadet STARs" for cadets and "PCC STARs" for car carriers.

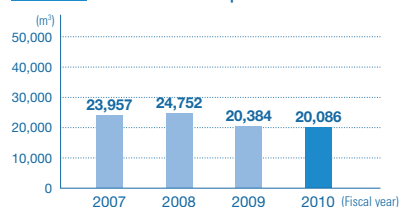
Environmental performance data

NYK

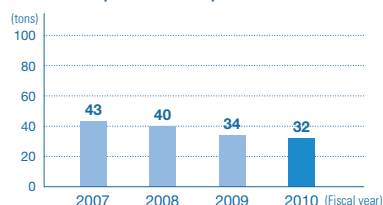
input Power consumption



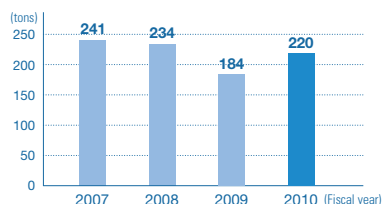
input Water consumption



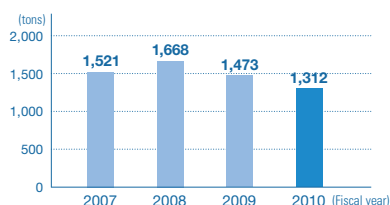
input Paper consumption



output Waste



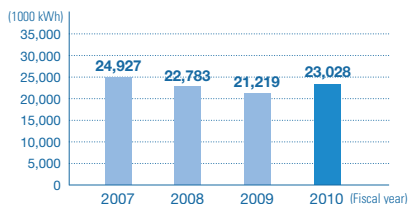
output CO2 emissions



Three NYK-owned container terminals in Japan

(Tokyo, Yokohama, and Kobe)

input Power consumption



input Fuel consumption

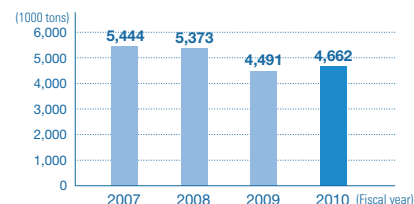


output CO2 emissions

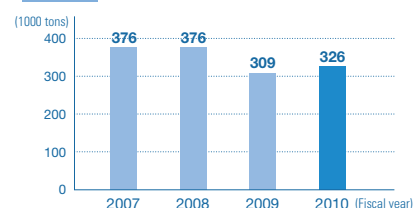


NYK fleet

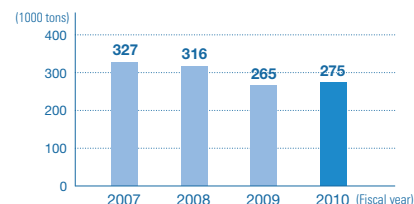
input Fuel consumption



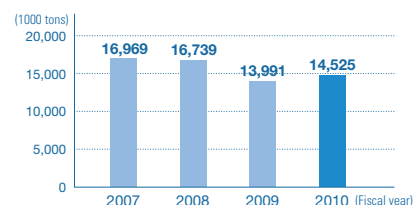
output NOx emissions



output SOx emissions



output CO2 emissions



Changes in the figures

In addition to energy-conservation activities, we have also installed ESCO services to improve the operation of building infrastructure and reduce electric power consumption. CO2 emissions are calculated from electric power consumption using the coefficient of 0.384kg-CO2/kWh provided by Tokyo Electric Power Co., Ltd. (FY 2009 actuals). Waste volume includes 183 tons recycling, for a recycling rate of 83 percent.

CO2 emissions from electric power are based on coefficients provided by the power suppliers for each terminal; CO2 emissions from fuel are based on the coefficients found in the Law Concerning the Promotion of the Measures to Cope with Global Warming. There was year-on-year growth in CO2 emissions because of an increase in handling volumes.

This data is calculated on the basis of coefficients found in IMO Guidelines and the fuel volume supplied to the fleet of NYK Line (parent company only, subsidiaries not included). There was growth in CO2 emissions because of additions to the fleet in FY 2010.

Environmental accounting

The basic concept behind NYK's environmental accounting is to correctly capture the expenses required for the protection of the environment and repeatedly review our findings so that we can engage in appropriate environmental conservation as a part of our business activities.

■ FY 2010 summary

During FY 2010 we emphasized the development of innovative technologies and programs to protect the global environment. As a result, there has been a significant increase in the cost of deploying technologies that address global

warming and air pollution. The environmental protection impact from efforts to prevent global warming has increased with better fuel efficiency activities like "slow" voyages.

■ Comparison of all costs and resultant savings related to environmental activities

(Unit: millions of yen)

	FY 2009		FY 2010	
	Environmental protection cost	Year-on-year savings	Environmental protection cost	Year-on-year savings
Reduction of accidents through safety promotion activities	982	1,445	740	-778
Prevention of global warming and air pollution, conservation of marine environments, conservation of resources, and deployment of environmental technologies	3,272	10,843	3,483	14,843
Total	4,254	12,288	4,223	14,065

■ Comparison of all costs and resultant savings related to environmental activities

*Reduction in accident rate from safety promotion activities calculated as year-on-year value. Effect compared to FY 1996 (company's base year) was 3,771 million yen.

■ NYK's in-house classifications

(Unit: millions of yen)

Environmental policies	Objectives	Items	Environmental protection cost
1. Continual improvement	Maintenance of environment management systems	Construction, operation, certification (including personnel costs)	199
2. Complying with laws and regulations	Restorative work in response to environmental degradation	Restorative work in response to marine pollution, etc.	0
3. Ensuring safe operations	Reducing accidents and trouble	NAV9000 and other safety promotion activities (including personnel costs)	541
4. Prevention of global warming and air pollution, protecting ocean environments, saving natural resources	Preventing global warming and air pollution	Use of fuel additives to improve combustion; underwater cleaning; propeller polishing, etc.	695
	Preventing marine pollution	Use of corrosion-resistant steel in VLCC cargo tanks, etc.	5
	Conservation of natural resources	Environmentally conscious purchases ¹	0
5. Use of environment-friendly technologies	Preventing global warming and air pollution	Installation of electronically controlled engines; installation of shoreside electric power units; adoption of a ship design that reduces wind resistance; and installation of propulsion improvement units	2,101
	Preventing destruction of the ozone layer	Ship air-conditioners, refrigerators/freezers, etc.	0
	Preventing marine pollution	NYK bilge treatment system	242
	R&D expenses	Development of international voyage management system, development of systems to monitor ship performance, etc.	407
6. Environment education	Raising environmental awareness and promoting our Green Policy	Environmental e-learning, environmental protection campaigns, etc.	6
7. Community activities to promote environmental awareness	Environmental information disclosures, social contributions, etc.	Expenses for CSR report, sponsorship of environmental organizations, etc.	27
Total			4,223

■ NYK's in-house classifications

1 The company uses FSC-certified paper, but the price difference is not substantial and is thus recorded as zero

■ Calculation methodology

- The period is from April 1, 2010, to March 31, 2011 (The calculation period for activities to reduce ship fuel consumption is from January 1, 2010, to December 31, 2010)
- The scope is primarily business activities associated with the headquarters and branch offices, NYK-operated terminals, fleet, and ancillary activities in Japan (Expenses to maintain ISO14001 certifications are included for certified group companies in North America, Europe, South Asia, and East Asia)
- The Ministry of Environment's FY 2005 Environmental Accounting Guidelines were used
- Investment amount refers to cost for depreciable environment-related facilities acquired during the term
- Expenses include maintenance and management of facilities for the purpose of environmental protection and associated personnel costs, but do not include depreciation
- Cost calculations do not include costs to comply with legal requirements and the like, and cover only voluntary environmental protection activities
- Results are noted only to the extent that impact can be quantified

■ Classification according to the Ministry of the Environment's Environmental Accounting Guidelines

(Unit: millions of yen)

Environmental protection costs		
Classification	Investment	Expenses
(1) Cost within NYK business activities		
a. Pollution prevention cost	317	0
b. Global environmental protection cost	2,041	685
c. Recycling cost	0	0
(2) Upstream and downstream cost	0	0
(3) Management activity cost		
a. Operation and maintenance of environmental management systems	0	740
b. Environmental information disclosure, environmental advertising	0	5
c. Environmental education and training	0	6
d. Expenses for environmental improvement	0	0
(4) R&D cost		
Environmental-load reduction	0	407
(5) Social contribution activities cost		
Social contribution activities	0	22
(6) Environmental damage response cost		
	0	0
Total	2,358	1,865

Human resources data (NYK)

(As of March 31, 2011)

*This data is for NYK employees (office workers and seafarers). Seafarers include those who currently work in the office.
 *Figures are for the full year or as at the end of the fiscal year.

Employee demographics

Long-term employees			
	Male	Female	Total
Office worker	736	275	1,011
Seafarer currently working in the office	233	1	234
Seafarer	348	11	359
Total	1,317	287	1,604

Newly hired employees <small>*Includes recent graduates and mid-career hires</small>			
	Male	Female	Total
Office worker	24	7	31
Seafarer	20	3	23
Total	44	10	54

Definite-term employees			
	Male	Female	Total
Office worker	61	25	86
Seafarer	4	0	4
Total	65	25	90

Employees under age 30 that left the company		
	Male	Female
Office worker	0	1
Seafarer	0	0

Average period of employment in the company <small>*Seafarers include those who currently work in the office (Unit: Year)</small>		
	Male	Female
Office worker	17.9	15.7
Seafarer	16.2	3.0

Members of management and employees in management positions <small>*Excludes seafarers and employees currently seconded to other companies *Includes two outside directors (a male and a female) in the data from FY 2008</small>						
	2008		2009		2010	
	Male	Female	Male	Female	Male	Female
Directors, Corporate Officers	37	1	39	2	31	2
General Managers	37	2	38	1	36	0
Managers or higher	131	18	126	17	123	20
Total employees	451	194	472	189	455	189

Occupational accidents

Number of occupational accidents and lost time caused by the occupational accidents <small>*Excludes accidents that occurred while commuting to work</small>			
	2008	2009	2010
Office worker	1	1	1
Seafarer	1	2	2

Lost time caused by occupational accidents <small>*Lost time of one day or longer (Unit: Day)</small>			
	2008	2009	2010
Office worker	0	0	0
Seafarer	0	0	0

Number of fatalities			
	2008	2009	2010
Office worker	0	0	0
Seafarer	0	0	0

Employee support system

Average amount of paid leave taken <small>*Excludes seafarers and employees currently seconded to other companies *Includes paid summer holidays (Unit: Day)</small>		
2008	2009	2010
13.1	13.5	13.9

Number of employees that have utilized the maternity leave program <small>*Total users, excluding those who have left the company</small>		
2008	2009	2010
7	7	19

Number of employees that have utilized the parental leave program <small>*Total users, excluding those who have left the company</small>					
2008		2009		2010	
Male	Female	Male	Female	Male	Female
0	11	1	8	3	19

Percentage of eligible female employees that have utilized the parental leave program		
2008	2009	2010
100%	100%	100%

Employees making use of shorter working hours for parents <small>*Total users, excluding those who have left the company</small>					
2008		2009		2010	
Male	Female	Male	Female	Male	Female
1	20	0	15	0	10

Number of working mothers <small>*Mothers with children in compulsory education or younger *Excludes mothers on maternity or parental leave</small>		
2008	2009	2010
37	35	28

Number of employees that have utilized the family-care leave program <small>*Total users, excluding those who have left the company</small>					
2008		2009		2010	
Male	Female	Male	Female	Male	Female
0	0	0	1	0	1

Percentage of employees with disabilities		
2008	2009	2010
2.41%	2.14%	2.28%

Education

Average number of days participating in training programs (Unit: Day)			
	2008	2009	2010
Office worker	5.7	6.3	5.3
Seafarer	19.5	20.2	20.6

Average expenditure on education and training programs (Unit: Yen)			
	2008	2009	2010
Office worker	244,630	243,571	255,352
Seafarer	744,826	475,830	473,208

Long-term study; training abroad (examples)

- MBA program abroad (two years; one person selected every two years)
- Short-term study-abroad program (four weeks; five to ten people selected each year)

Human resources data (employees hired through group companies)

(As of March 31, 2010)

Employee demographics (excluding NYK)

Number of employees (six months to permanent) *Excludes non-Japanese seafarers			
	Male	Female	Total
Office worker	19,527	10,103	29,630
Seafarer currently working in the office	70	6	76
Seafarer	1,200	47	1,247
Total	20,797	10,156	30,953

Number of employees (contracts for less than six months)			
	Male	Female	Total
Office worker	378	373	751

Newly hired employees			
	Male	Female	Total
Office worker, seafarer	2,521	2,001	4,522

Occupational accidents (excluding NYK)

Number of fatalities	
	2009
Office worker	10

Employee support system (excluding NYK)

Number of employees that utilized the parental leave program			
	Male	Female	Total
Office worker	92	338	430

*Overseas employees on leave caring for children under one year of age, and employees in Japan who utilized the parental leave program

*The data above indicates numbers for Japan-based and international consolidated subsidiaries, equity-method affiliates, and other companies important to operations and meeting certain requirements in terms of number of employees.

Regional breakdown of all employees in the NYK Group (including NYK)

Number of office workers *Includes Japanese seafarers assigned to onshore duties and employees seconded from outside the group								
Country	Japan	Europe	South Asia	North America	East Asia	Oceania	Latin America	Total
Number of companies	86	50	58	16	29	6	10	255
Number of office workers	9,134	5,326	9,186	2,960	3,589	950	631	31,776

Seafarers *Excludes seafarers currently working in the office					
	NYK	Japan-based group companies	International group companies	Seafarers of chartered vessels	Total
258 vessels under management	369	206	9,396	—	9,971
521 chartered vessels	—	—	—	12,056	12,056
All 779 vessels	369	206	9,396	12,056	22,027

Total number of NYK Group employees (office workers and seafarers)	53,803
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Outside opinion



Sachiko Kishimoto

Executive Director
Center for Public Resources Development

The Great East Japan Earthquake of March 11, 2011 was an event that helped the Japanese people to reaffirm the value of safety, security, and life and the importance of continuity. It is imperative that your basic philosophy of enriching lives through safe and certain *monohakobi* become more widely known.

I'm very impressed by your speedy response to the crisis and the needs of communities. Immediately after the earthquake, you established a task force, and you sent the *Yamatai* module vessel to provide marine transport and container trailers to provide onshore transport in support of relief efforts. Please, I urge you to continue to use your business and its resources to provide support. When you do this, having your employees participate in relief activities will give them an opportunity to take pride in their work in the logistics industry and better understand its significance to society. I suspect that many of your employees have few opportunities for contact with ordinary consumers and local communities.

This is the second time I have been asked to provide an outside opinion; I wrote one last year as well. In my comments, I talked about strengthening compliance, better ensuring safety, and training core global resources. I am pleased to see that you have taken initiatives in all those regards, and you have my deep respect for doing so. It is also pleasing to note the progress that has been made with other aspects of CSR, for example, the establishment of the Global Compact Promotion Committee and the Fair Trade Promotion Group.

Going forward, I hope to see you incorporate the concepts

outlined in ISO 26000, the international guidance document on CSR, into your own CSR framework.

The message from management in this new CSR report talks about the new medium-term management plan, "More Than Shipping 2013," and comments on the importance of Asia as a driver of growth throughout the world. It also discusses the need for global companies to promote CSR. One of the things that sets ISO 26000 apart is its identification of a "scope of influence" for companies, encouraging "stakeholder engagement" in which companies initiate dialogue with their stakeholders, through which they identify key issues and establish priorities. Companies are also expected to integrate and reflect the issues identified into their corporate activities. NYK is a leading global CSR company and has set a strategy for itself of "More Than Shipping." This will impact both the environment and communities, and I encourage you to open up a discussion with stakeholders that will identify specific impacts and incorporate them into a medium-term CSR plan.

I also anticipate that rebuilding from the earthquake will have significant impacts on Japan's energy policy, supply chains, and regional structures. Your "slow steaming" transportation technology, the idea of "carrying large volumes of cargo slowly," will be more necessary than ever. The overhaul of energy policy also has the potential to produce at least a temporary upswing in the demand for LNG and marine oil field services, which are components in your growth strategy. I look forward to seeing you propose ways in which NYK, as one of Japan's leading companies, can use its logistics expertise to rebuild Japan.

Response to outside opinion



Naoya Tazawa

Representative Director
Senior Managing
Corporate Officer
Chief Executive of
General Affairs, CSR
Headquarters

Thank you for your evaluation of our NYK Group and the valuable opinions you have expressed. Support for the areas affected by the Great East Japan Earthquake has reconfirmed for us the vital role that the NYK Group plays in people's lives. The entire group looks forward to continuing to assist in the recovery and rebuilding efforts.

This report contains information on the new medium-term management plan and a feature that discusses the development of technologies to reduce CO₂ emissions and other initiatives on the operational side. The dialogue focuses on the merchant marine academy established in the Philippines, providing expert opinions and also confirming the role to be played by the NYK Group in addressing the global shortage of seafarers and the challenges in crew education. Your comments have been useful and will be incorporated as we develop our activities. We look forward to strengthening our CSR initiatives as a global company and to further evolving safe and certain *monohakobi* that is friendly to the environment.

Awards and recognitions received from the general public during FY 2010

April 2010

- *Crystal Serenity* cruise ship given the environmental Venice Blue Flag Award by the Port of Venice in Italy for the third year [[Crystal Cruises](#)]



- Named to the Ethisphere Institute's 2010 World's Most Ethical Companies for the third year
- Selected for the eighth consecutive year for inclusion in the FTSE4Good Global Index, an index of socially-responsible investment
- Selected for the Presidential Award of Excellence by former President Arroyo in recognition of ongoing contributions to expanding jobs for international workers from the Philippines [[NYK-FIL Ship Management](#)]

May 2010

- Selected for the FY 2010 fourth Chairman's Award from the Japan Marine Equipment Association in recognition of the development of "Mente-san," equipment to inspect inside the cargo holds of bulk carriers [[Monohakobi Technology Institute](#)]

June 2010

- Selected for the Japan Society of Naval Architects and Ocean Engineers Award (Inventions and Concept) in recognition of the development of "Mente-san," equipment to inspect inside the cargo holds of bulk carriers [[Monohakobi Technology Institute](#)]

July 2010

- Named the World's Best Large-Ship Cruise Line in a reader survey conducted by U.S. travel magazine Travel + Leisure for the 15th consecutive year [[Crystal Cruises](#)]

- Selected for the Environment Award from the UK Warehouse Association [[NYK Logistics \(UK\)](#)]

September 2010

- "Container Logistics Theory and Practice: The Historical Development of Container Transportation in Japan," by MTI visiting researcher Hiroyuki Goda (jointly authored with Shinji Ishihara) awarded the FY 2010 Japan Logistics Society Prize. Achieved a Triple Crown with the Toshiro Kitami Prize from the Japan Port Economics Association and the Sumita Marine Prize from the Japan Shipping Exchange [[Monohakobi Technology Institute](#)]
- *Shiramizu* bulk carrier recognized by Port Waratah Coal Services for the ship's historical record as No. 1 in cargo loading/unloading at the port of Newcastle, Australia
- Received the Training Award in the Global Awards 2010 from professional maritime journal Lloyd's List

October 2010

- Captain Ko Shindo, who was sent to work as a Merchant Navy Liaison Officer with European Union forces, given an award of service by the British Chamber of Shipping and Oil Companies International Marine Forum

November 2010

- Selected for the eighth consecutive year for inclusion in the Dow Jones Sustainability World Index
- Selected for the Best Large-Ship Cruise Line Award for the 17th time via the readers of travel magazine Condé Nast Traveler [[Crystal Cruises](#)]

December 2010

- Energy-efficient aircraft hangar selected by the Chiba Prefecture Architectural Cultural Award Selection Committee for the Chiba Prefecture Architectural Cultural Award [[Nippon Cargo Airlines](#)]

January 2011

- Selected for the fifth consecutive year for inclusion in the Global 100 Most Sustainable Corporations in the World

February 2011

- Crystal Cruises selected as Best in Luxury by the U.S. travel magazine Travel Weekly. Numerous awards also received from travel magazines and travel agencies in other countries [[Crystal Cruises](#)]
- *Noshiro Maru* a long-term carrier for Tohoku-Electric Power granted special citizenship by the city of Noshiro to commemorate the transfer of registration from Panama to Noshiro



- Yusen Building selected for the Kanto Bureau of Economy, Trade and Industry Director-General's Award (Ministry of Economy, Trade and Industry) for excellence in energy management
- Selected for the Minister of Land, Infrastructure and Transport Award in the 20th Global Environment Awards sponsored by the Fujisankei Communications Group

March 2011

- Selected for the second consecutive year for the "Silver Class" in CSR ratings by SAM (Switzerland). Only company in the Japanese transportation industry selected
- Masaharu Akamine, the first captain of the *Mirai* oceanographic research vessel (currently, Deputy Director, NYK Maritime Museum), given a merit award in hydrography by the Japan Hydrographic Association



Corporate data (As of March 31, 2011)

Name: Nippon Yusen Kabushiki Kaisha (NYK Line)
Head office: 3-2, Marunouchi 2-chome
 Chiyoda-ku, Tokyo 100-0005, Japan
Commencement of business: October 1, 1885
Capital: ¥144.3 billion
Number of consolidated companies:
 Consolidated subsidiaries: 687
 Equity-method affiliates: 112

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NYK's shares have been selected for inclusion in the SRI portfolios of a number of ratings agencies and other institutions.



This CSR report was created using environment-friendly waterless printing that does not produce toxic fluids. We selected vegetable oil ink and used FSC-approved paper produced from appropriately managed forests to create this report.

