Announcement regarding supervisory sanctions

Yusen Logistics Co., Ltd. hereby announces that it received supervisory sanctions from Japan Customs in Tokyo, Nagoya, Osaka, and Hakodate as of March 23 as stated below.

We would like to express our profound apologies for causing our customers and other stakeholders significant inconvenience and concern.

The circumstances leading to the imposition of sanctions this time are as stated in “Announcement regarding administrative sanctions” disclosed on January 11, 2017. The inaccurate declarations we had made were found to contravene the Customs Brokerage Act and, as a result, supervisory sanctions have been imposed on us.

We recognize the gravity of the series of sanctions and will endeavor to ensure this state of affairs is not repeated. It is our intention to unite as a Group, work hard to strengthen our compliance systems, and do our utmost to rebuild the trust of our customers. The details are as follows:

1. Details of sanctions

   Suspension of all customs clearance operations in Japan
   - Duration: April 6 to June 15, 2017 (71 days in total)
   - Scope: Customs clearance offices in Narita, Tokyo (2 sites), Hamamatsu, Numazu, Centrair, Kansai International Airport, Nanko and Chitose (9 sites in total)

2. Impact on business results

   At present, the impact on our business results has been negligible.
   Customs clearance operations will continue to be provided by a Yusen Logistics Group company during the period of sanctions.
   Please note that we have voluntarily surrendered our certification as an authorized customs broker under the Authorized Economic Operator (AEO) system.

3. Voluntary return of management compensation

   We recognize the gravity of the series of sanctions and related management offered to return the rights to receive part of their compensation to clarify the responsibility.

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