

# Financial Results for 3Q ended 05/12 and Prospect for Whole FY06/3

## February 2006

# Summary of 9 Months Results ended 05/12

- 1) Compared with 04/12, Revenue (+20%), Operating Profit ( -2%),  
Recurring Profit (+4%), Net Profit (+44%)

(Billion Yen)

		Revenue		Ope. Profit		Rec. Profit		Net Income	
9months ended 05/12		1,423.8		120.0		120.9		76.1	
9months ended 04/12		1,188.8		122.4		116.7		52.7	
Change	%	235.0	20%	-2.4	-2%	4.2	4%	23.4	44%
Prospect for 2H		940.5		74.5		70.8		43.6	
3months ended 05/12		524.3		39.5		41.7		27.7	
Achievement Ratio		56%		53%		59%		64%	

- 2) Profit Slightly Decreased in Shipping Division owing to Downturn in Liner Segment
- 3) Profit Improvement Continued in 3 Major Non-Shipping Segments i.e. Logistics, Terminal & Cruise
- 4) Exchange Rate / Bunker Oil Price (9 Months Average 04/12 vs 05/12)

Exchange Rate : ¥ 3.11/\$ Depreciation (¥108.55/\$ ¥ 111.66/\$)

Bunker Oil Price : \$81.77/MT Increase (\$192.15/MT \$273.92/MT)

# Analysis of Change in Recurring Profit 9 Months ended 05/12 against 04/12

(Billion Yen)

<b>Yen Depreciation</b>	<b>4.0</b>	3Q @ ¥ 111. <u>66</u> / Depreciated by ¥ 3. <u>11</u>
<b>Bunker Oil Price</b>	<b>18.4</b>	3Q @\$273. <u>92</u> / Increased by \$81. <u>77</u>
<b>Market Effects</b>	<b>5.1</b>	Freight Rate / Lifting effects etc
<b>Improvement of Non-Shipping Division</b>	<b>6.0</b>	Total of 5 Non-Shipping Segments
<b>Cost Reduction</b>	<b>8.5</b>	Shipping ¥ 6.3B., Non-Shipping ¥ 2.2B.
<b>New Consolidation</b>	<b>1.0</b>	Shipping ¥ -0.1B., Non-Shipping ¥ -0.9B.
<b>Total</b>	<b>4.2</b>	

## Sensitivity against Recurring Profit (Whole Year)

**Exchanging Rate**      ¥1.7 Billion Decrease per ¥1/\$ Appreciation

**Bunker Price**            ¥0.3 Billion Decrease per \$1/MT Increase



# Financial Information by Industrial Segments

## 9 Months ended 05/12 against 04/12

(Billion Yen)

Revenue	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Others	Elimination/Unallocation	Consolidated
9 months ended 04/12	343.0	420.6	261.1	82.3	25.9	9.3	107.2	60.6	1,188.8
9 months ended 05/12	403.0	500.9	315.2	84.8	32.3	9.2	158.7	80.3	1,423.8
Change	60.1	80.2	54.2	2.5	6.5	0.1	51.5	19.8	235.0

Recurring Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Others	Elimination/Unallocation	Consolidated
9 months ended 04/12	36.0	72.7	6.6	0.5	2.9	2.6	1.2	0.0	116.7
9 months ended 05/12	20.1	85.5	9.9	1.7	1.3	2.8	0.2	0.0	120.9
Change	16.0	12.8	3.3	1.2	4.1	0.1	1.4	0.0	4.2

Revenue	05/12	04/12	Change
Bulk and Specialized Carriers	417.2	342.3	74.9
Tankers	83.7	78.3	5.4
<b>Total</b>	<b>500.9</b>	<b>420.6</b>	<b>80.3</b>



# 3 Months Results ended 12/05 against 2H Prospect (as of Nov. 2005) by Industrial Segment

(Billion Yen)

Revenue	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Others	Elimination/ Unallocation	Consolidated
2H prospect ending 06/3	258.5	318.4	211.0	56.4	16.8	6.6	137.9	65.0	940.5
3 months result ended 05/12	142.5	177.7	116.1	28.8	8.9	2.9	76.9	29.7	524.3
Acheivement Ratio	55%	56%	55%	51%	53%	44%	56%		56%

Recurring Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Others	Elimination/ Unallocation	Consolidated
2H ended 06/3 (Prospect as of	15.4	49.2	6.3	0.9	2.4	1.6	0.3	0.0	70.8
9 months result ended 05/12	3.9	32.9	4.3	0.9	1.1	0.9	0.1	0.0	41.7
Acheivement Ratio	25%	67%	69%	97%	46%	54%	30%		59%

Revenue	05/12	04/12	Ratio
Bulk and Specialized Carriers	264.4	146.7	55%
Tankers	54.0	31.0	57%
Total	318.4	177.7	56%

# Revised Prospects for FY 06/3

(Billion Yen)

	1H Result	Original Prospect		Revised Prospect		Change	
		2H	FY	2H	FY	2H	FY
Revenue	899.5	940.5	1,840.0	1,010.5	1,910.0	70.0 7%	70.0 4%
Operating Profit	80.5	74.5	155.0	59.5	140.0	15.0 -20%	15.0 -10%
Recurring Profit	79.2	70.8	150.0	58.8	138.0	12.0 -17%	12.0 -8%
Net Income	48.4	43.6	92.0	36.6	85.0	7.0 -16%	7.0 -8%

Exchange Rate	¥109.39	¥110.00	¥109.70	¥115.61	¥112.50	¥5.60	¥2.80
Bunker Price	\$259.84	\$285.00	\$272.42	\$306.04	\$282.94	\$21.04	\$10.52

Exchange Rate : 3Q Actual ¥116.21/\$, 4Q Assumption ¥115/\$  
 Bunker Oil Price : 3Q Actual \$302.08/MT, 4Q Assumption \$310/MT

# Revised Prospects for FY06/3 by Industrial Segments

(Billion Yen)

Revenue	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Others	Elimination/ Unallocation	Consolidated
Original	519.0	641.5	410.1	112.4	40.2	12.8	219.7	115.6	1,840.0
Revised	537.0	667.6	428.5	111.4	38.4	12.2	232.4	117.4	1,910.0
<i>for 1H</i>	260.5	323.1	199.1	56.0	23.4	6.3	81.8	50.7	899.5
<i>for 2H</i>	276.5	344.4	229.4	55.4	14.9	6.0	150.6	66.7	1,010.5
Change	18.0	26.1	18.4	1.0	1.9	0.5	12.7	1.8	70.0

Rucurring Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Others	Elimination/ Unallocation	Consolidated
Original	31.6	101.8	11.8	1.7	0.0	3.5	0.4	0.0	150.0
Revised	17.1	108.0	12.0	1.7	0.3	3.5	4.0	0.0	138.0
<i>for 1H</i>	16.2	52.6	5.5	0.8	2.4	1.9	0.1	0.0	79.2
<i>for 2H</i>	0.9	55.5	6.5	0.9	2.7	1.6	3.9	0.0	58.8
Change	14.5	6.2	0.2	0.0	0.3	0.0	3.6	0.1	12.0

Revenue	Revised	Original	Change	%
Bulk and Specialized Carriers	568.1	543.9	24.2	4%
Tankers	99.6	97.6	2.0	2%
Total	667.6	641.5	26.2	4%

# Cash dividend for FY 06/3

## 1. NYK's Policy for Cash Dividend

- \* Maintain Stable Cash Dividend
- \* **Minimum 20% Payout Ratio** against the Consolidated Net Income

## 2. Prospect for Cash Dividend for FY 06/3

- \* Year-End Cash Dividend of ¥9/Share Planned to Maintain Annual Dividend at ¥18/Share Together with Interim Dividend of ¥9/Share

Change in Pay Out Ratio	FY 05/3 (Actual)	FY 06/3 (Prospect)
Cash Dividend per Share	¥16 + ¥2(Anniv.)	¥ 18
Consolidated Net Profit	¥ 71.3Billion	¥ 85.0Billion
Pay Out Ratio	31%	26%

# Overview of Each Industrial Segments

## 1. Shipping Division – 1)

**Container : Cargo Movement Recovered after Dec. 2005 in NA Trade, Maintain High Utilization in NE Trade.**

Number of Containers Transported (1,000 TEU)

	9 monhs ended 04/12 (Result)	9 months ended 05/12 (Result)	growth	FY05/3 (Result)	FY06/3 (Prospect)	growth
Asia	484	521	7.5%	656	699	6.5%
North America						
Utilization	90%	85%		89%	85%	
Asia Europe	265	298	12.5%	355	395	11.2%
Utilization	91%	90%		91%	89%	

**Car Carrier : Tight Space Condition Continued in Spite of the Addition of New Building Tonnages.**

Number of Cars Transported (10,000 Cars)

	9 monhs ended 04/12 (Result)	9 months ended 05/12 (Result)	growth	FY05/3 (Result)	FY06/3 (Prospect)	growth
All Trade	191	214	12.0%	256	281	9.8%

# Overview of Each Industrial Segments

## 1. Shipping Division – 2)

### Market Index by Major Type Bulkers & Tankers

	FY 05/3	FY 06/3 (Original Assumption)	Result & Prospect for FY 06/3			Points Changed
			9 months ended 05/12 (Result)	3 months ending 06/3 (Prospect)	(Prospect)	
Cape Size Bulkers	100	90	67	44	61	29
Handy Size Bulkers	100	90	74	65	72	18
VLCC	100	75	68	83	71	4

**Bulkers : Instead of Weaker Market, Kept Positive Result by Fleet Expansion Mainly with Long-Term Contracts**

**Tankers : Both the Market & the Result of VLCC were as We Expected.**

# Overview of Each Industrial Segments

## 2. Logistics (Land-Based & Air Forwarding)

### 1) NYK Logistics (Land-Based) :

Steady Improvement of Income in Line with “New Horizon 2007“, and Expect to be **Profitable Throughout FY 06/3**.

	3 months ended 04/12 (Actual)	3 months ended 05/3 (Actual)	FY 05/3 (Actual)	3 months ended 05/12 (Actual)	3 months ended 06/3 (Prospect)	FY 06/3 (Prospect)
Recurring Profit	¥-0.1 Billion	¥0.0 Billion	¥-1.3 Billion	¥1.6 Billion	¥0.1 Billion	¥3.3 Billion
Change				¥1.7 Billion	¥0.1 Billion	¥4.6 Billion

### 2) YAS (Air Forwarding) :

Expect to Achieved Profit Target for FY 06/3, even without the Unusual Demand due to Port Congestion at USWC.

	3 months ended 04/12 (Actual)	3 monthsh ended 05/3 (Actual)	FY 05/3 (Prospect)	3 months ended 05/12 (Actual)	3 months ended 06/3 (Prospect)	FY 06/3 (Prospect)
Recurring Profit	¥3.7 Billion	¥1.4 Billion	¥9.7 Billion	¥2.7 Billion	¥2.1 Billion	¥8.7 Billion
Change				¥-1.0 Billion	¥0.7 Billion	¥-1.0 Billion

# Overview of Each Industrial Segments

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## 3. Terminal

**Yusen Terminal in Los Angeles Showed Significant Recovery in Profit**, as There were No Port Congestion during this Peak Season, in Addition to Improved Efficiency in its Operations.

## 4. Cruise Division

Crystal Cruise (USA) Reduced its Fleet from Three to Two Cruise Ships. **Strong Sales Continues, even in the Off-Season of Cruise Market.**

# NCA's Financial Prospect for FY 06/3

## 1. Revised Prospect for FY 06/3

Revised the Prospect for FY 06/3 owing to Severe Increase in Jet Oil Price, and Carry Over of the Sale of One Aircraft to Next Year.

(Billion Yen)

		Original Prospect	Revised Prospect			Change
			9 months ended 05/12 (Actual)	3 months ending 06/3 (Prospect)	Whole	
Effect to NYK's Consolidated Result	Revenue	56.0	30.3	25.4	55.7	0.3
	Rec. Profit	2.8	2.9	3.8	6.7	3.9
NCA	Revenue	104.0	78.3	25.4	103.7	-
	Rec. Profit	6.5	6.6	3.8	10.4	-

## 2. Financial Prospect for FY 07/3

Endeavoring to Turn Profitable in FY 07/3.

# EXHIBIT



# Trend of Interest-Bearing Debt

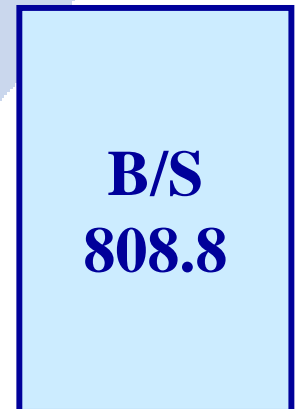
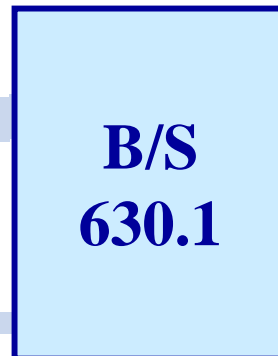
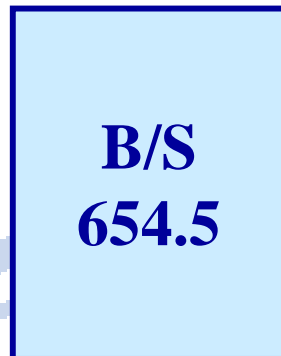
(Billion Yen)

**FY 03/3**  
**@¥ 120**

**FY 04/3**  
**@¥ 106**

**FY 05/3**  
**@¥ 107**

**3Q ended 05/12**  
**@¥ 112**



**FY 99/3**  
**B/S**  
**984.6**  
**D/E 3.9**

**36.9**  
**Decrease**

**24.4**  
**Decrease**

**178.7**  
**Increase**

**D/E Ratio 2.4**

**1.8**

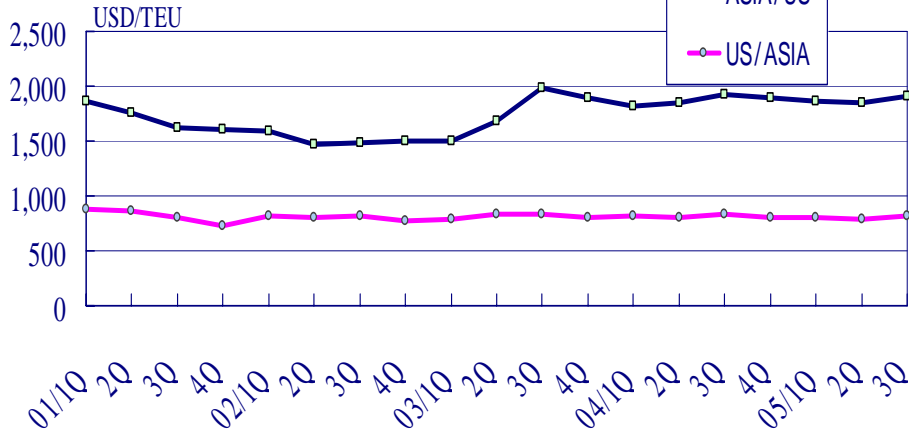
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**1.5**

# Container Market

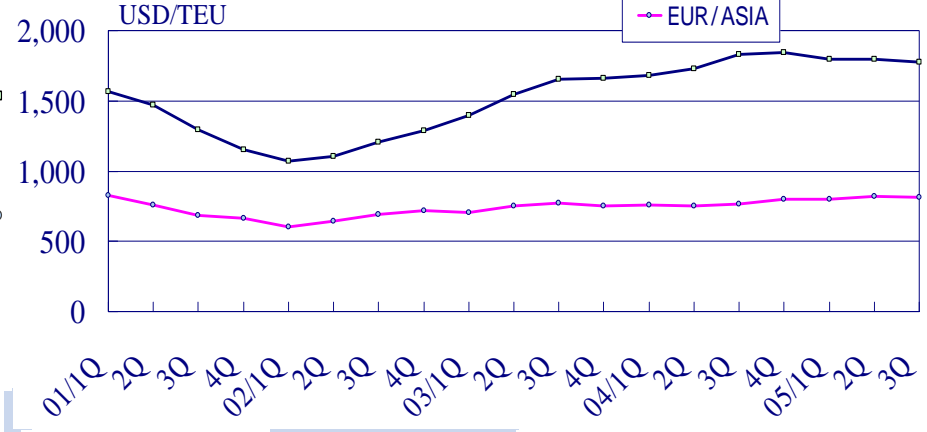
## Freight Rate Index

### Asia-USA



Index	04/3Q	1923	05/3Q	1906	-17(-1%)
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### Asia-Europe



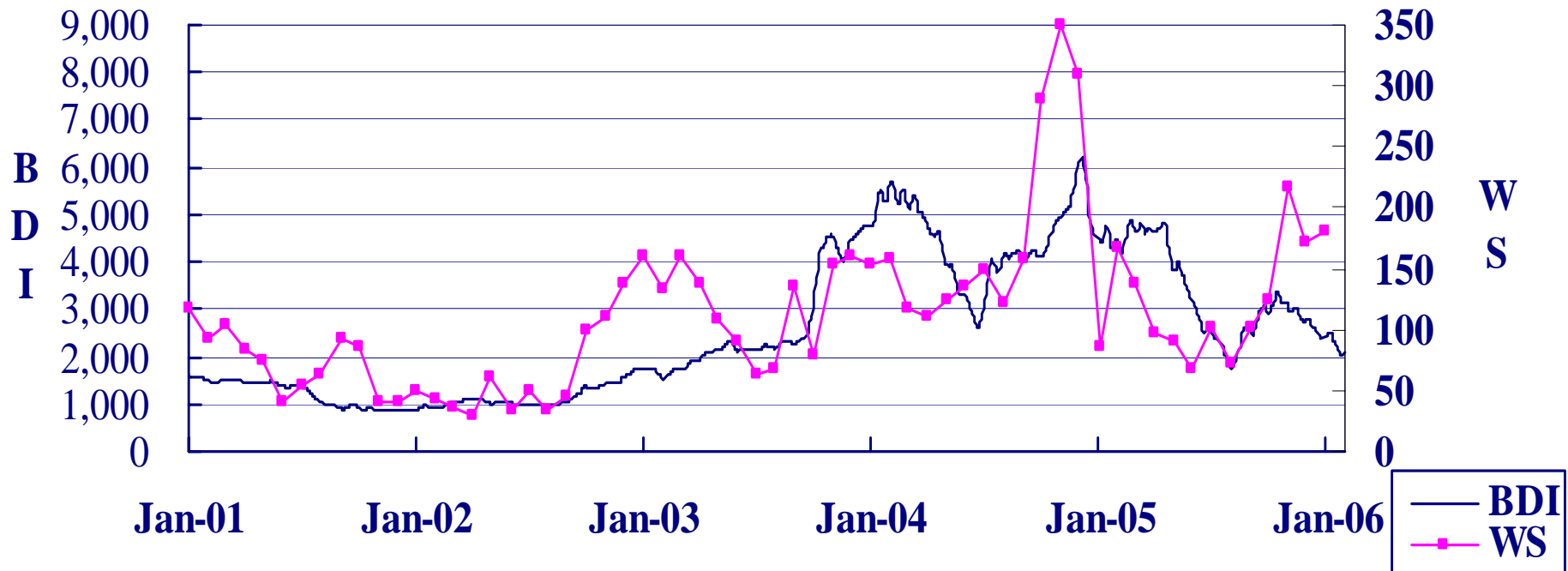
Index	04/3Q	1830	05/3Q	1778	-52(-3%)
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## Number of Containers NYK Transported

		East Bound (From Asia to North America)									West Bound (From Asia to Europe)									(1,000TEU)
		Slot			Lifting			Utilization			Slot			Lifting			Utilization			
		Q	Half	TTL	Q	Half	TTL	Q	Half	TTL	Q	Half	TTL	Q	Half	TTL	Q	Half	TTL	
FY2004	1Q	171	355	171	154	325	154	90%	92%	90%	96	192	96	89	180	89	93%	93%	93%	
	2Q	184		355	172	325	154	94%	92%	92%	97	192	192	91	180	180	94%	93%	93%	
	3Q	181	381	536	159	330	484	88%	87%	90%	98	199	290	85	176	265	87%	88%	91%	
	4Q	200		736	172	330	656	86%	89%	89%	102	199	392	90	176	355	89%	88%	91%	
	Total	736	736		656	656		89%	89%		392	392		355	355		91%	91%		
FY2005	1Q	194	401	194	163	349	163	84%	87%	84%	101	214	101	91	193	91	91%	90%	91%	
	2Q	207		401	186	349	163	90%	87%	87%	113	214	214	102	193	193	91%	90%	90%	
	3Q	212	212	612	172	172	521	81%	81%	85%	119	119	333	104	104	298	88%	88%	90%	
	4Q																			
	Total	612	612		521	521		85%	85%		333	333		298	298		90%	90%		

(At the End of January 2006)

## Trends of Freight Index (BDI/WS)



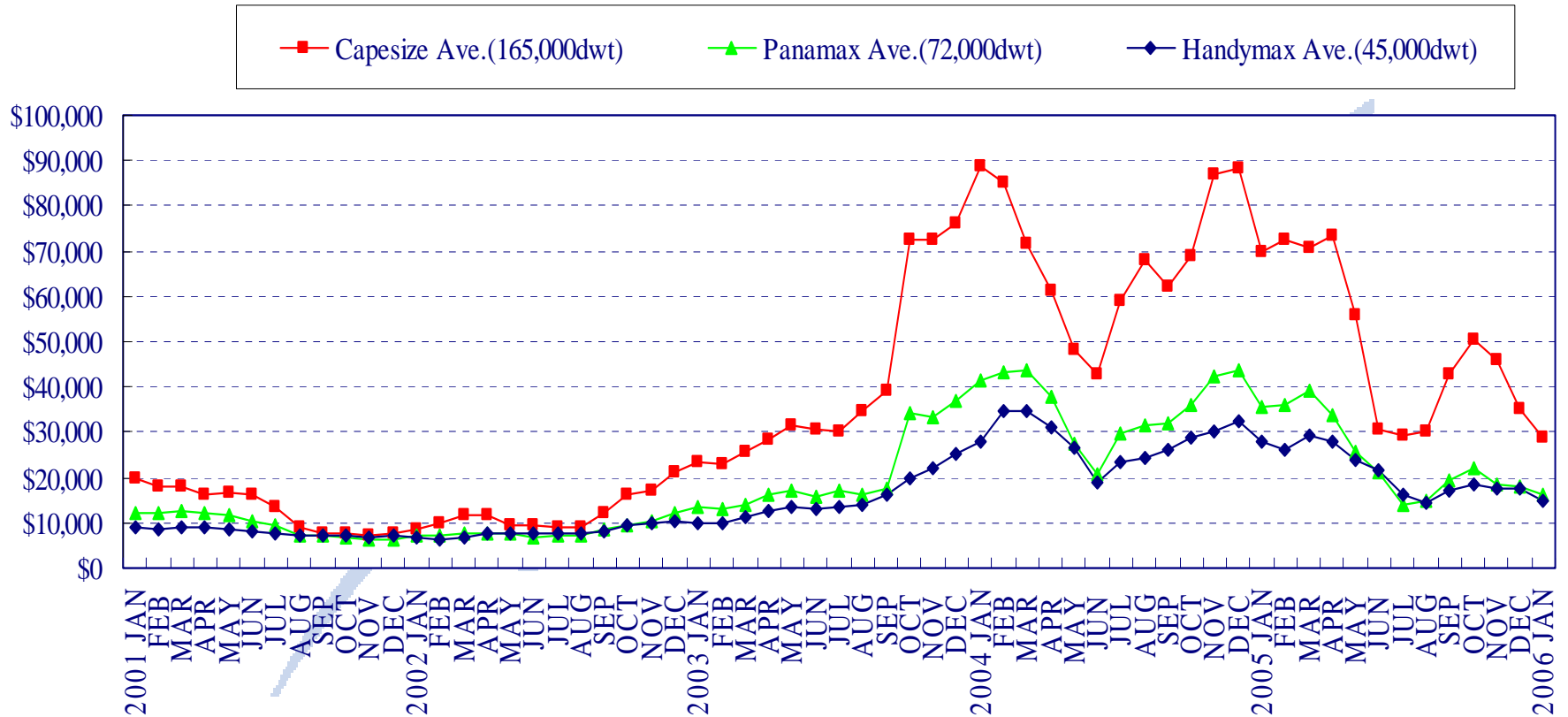
### Average of BDI and WS

	04/12	05/12	Change	
WS	194.06	116.00	78.06	-40%
BDI	4,253	2,962	1,291	-30%

# Dry Bulk Market Trends

## (1 Year T/C Rate)

(At the End of January 2006)



Period : January 2001- January 2006