

# Financial Results for Whole FY07/3 and Prospect for Whole FY08/3

May 2007



# Summary of Whole FY07/3

## 1) Revenues Exceeded ¥2 Tril. for the First Time, but Profits Declined

(Billions of Yen)

		Revenues		Ope. Profit		Rec. Profit		Net Income	
Whole FY06/3		1,929.3		140.5		140.5		92.1	
Whole FY07/3		2,164.3		104.9		107.5		65.0	
Change	%	235.0	12%	35.5	-25%	32.9	-23%	27.0	-29%

## 2) Shipping Div. : Rec. Profit Decreased by ¥31.1 Bil.

## 3) Non Shipping Div. : **3 Major Non-Shipping Segments (Logistics/ Terminal/Cruise) Marked ¥12.2 Bil. Increase** in Rec. Profit, but the 5 Non-Shipping Segments as a Whole Showed ¥1.8 Bil. Decrease

## 4) Exchange Rate/Bunker Oil Price : (Comparison of Average Figures between FY06/3 and FY 07/3)

Exchange Rate : ¥3.82 Yen Depreciation (¥113.09    ¥116.91)

Bunker Oil Price : \$35.69/MT Increase (\$283.08/MT    \$318.77/MT)

# Analysis of Change in Recurring Profit between Whole FY07/3 and FY06/3

(Billions of Yen)

<b>Yen Depreciation</b>	<b>5.3</b>	FY07/3 ¥ 116. <u>91</u> /Depreciated by ¥ 3.82/\$
<b>Bunker Oil Price</b>	<b>10.7</b>	FY07/3 \$318. <u>77</u> / Increased by \$35. <u>69</u>
<b>Market Effects etc</b>	<b>40.2</b>	
<b>Non Shipping Segments</b>	<b>6.8</b>	Exclusive of NCA
<b>Cost Reduction</b>	<b>12.5</b>	Shipping ¥ 10.0 Bil., Non-Shipping ¥ 2.5 Bil.
<b>New Consolidation</b>	<b>6.6</b>	NCA ¥ 11.0 Bil.
<b>Total</b>	<b>32.9</b>	

## Sensitivity against Recurring Profit (Whole Year)

**Exchanging Rate      ¥1.4 Billion Increase per ¥1/\$ Depreciation**

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

# Comparison of Financial Results between Whole FY07/3 and FY06/3 by Industrial Segments

(Billions of Yen)

Revenues	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Other	Elimination/ Unallocation	Consolidated
Whole FY06/3	539.2	677.7	426.4	111.5	40.8	12.5	234.3	113.1	1,929.3
Whole FY07/3	574.0	783.3	482.7	126.9	44.1	11.6	275.2	133.5	2,164.3
Change	34.8	105.6	56.3	15.4	3.4	0.9	40.9	20.5	235.0

Rec. Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Other	Elimination/ Unallocation	Consolidated
Whole FY06/3	17.5	108.2	13.0	2.2	0.2	3.4	3.7	0.0	140.5
Whole FY07/3	9.7	104.3	17.0	5.6	4.6	3.6	17.9	0.0	107.5
Change	27.2	3.9	4.0	3.4	4.8	0.2	14.2	0.0	32.9

(Revenues)	FY07/3	FY06/3	Change
Bulk and Specialized Carriers	664.4	564.1	100.2
Tankers	118.9	113.6	5.3
<b>Total</b>	<b>783.3</b>	<b>677.7</b>	<b>105.6</b>

# Whole FY07/3 Result against Previous Prospect (as of Feb. 2007) by Industrial Segment

(Billions of Yen)

Revenues	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Other	Elimination/Unallocation	Consolidated
Previous Prospect	557.0	765.0	477.0	124.0	45.4	11.5	276.6	134.5	2,122.0
<b>Result</b>	<b>574.0</b>	<b>783.3</b>	<b>482.7</b>	<b>126.9</b>	<b>44.1</b>	<b>11.6</b>	<b>275.2</b>	<b>133.5</b>	<b>2,164.3</b>
Performance	103%	102%	101%	102%	97%	101%	99%	-	102%
Change	17.0	18.3	5.7	2.9	1.3	0.1	1.4	-	42.3

Rec. Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Real Estate	Other	Elimination/Unallocation	Consolidated
Previous Prospect	10.5	108.0	17.6	5.3	4.0	3.5	18.0	0.0	110.0
<b>Result</b>	<b>9.7</b>	<b>104.3</b>	<b>17.0</b>	<b>5.6</b>	<b>4.6</b>	<b>3.6</b>	<b>17.9</b>	<b>0.0</b>	<b>107.5</b>
Performance	-	97%	96%	106%	115%	103%	-	-	98%
Change	0.8	3.7	0.6	0.3	0.6	0.1	0.1	-	2.5

(Revenues)	FY07/3 Result	FY07/3 Previous Prospect	Balance
Bulk and Specialized Carriers	664.4	651.5	12.9
Tankers	118.9	113.5	5.4
<b>Total</b>	<b>783.3</b>	<b>765.0</b>	<b>18.3</b>



# Prospect for Whole FY08/3

(Billions of Yen)

	FY 07/3(Result)			FY 08/3(Prospect)			Change Whole
	1H	2H	Whole	1H	2H	Whole	
Revenues	1,053.6	1,110.6	2,164.3	1,110.0	1,130.0	2,240.0	75.7 3%
Operating Profit	47.1	57.8	104.9	66.0	71.0	137.0	32.1 31%
Recurring Profit	48.9	58.6	107.5	62.5	67.5	130.0	22.5 21%
Net Income	29.6	35.5	65.0	40.0	42.0	82.0	17.0 26%

Exchange Rate	¥115.26	¥118.56	¥116.91	¥115.00	¥115.00	¥115.00	¥-1.91
Bunker Oil	\$336.04	\$301.50	\$318.77	\$330.00	\$330.00	\$330.00	\$11.23

FY08/3 Exchange Rate : ¥115/\$  
 FY08/3 Bunker Oil Price : \$330/MT

# Comparison of Financial Results/Prospects of FY07/3 and FY08/3 by Industrial Segments

(Billions of Yen)

Revenues	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/ Unallocation	Consolidated
FY07/3(Result)	574.0	783.3	482.7	126.9	44.1	-	11.6	275.2	133.5	2,164.3
FY08/3(Prospect)	592.0	773.0	553.0	133.0	47.0	104.0	11.0	181.0	154.0	2,240.0
1H(Prospect)	295.0	382.0	269.0	68.0	26.0	50.0	5.5	90.0	75.5	1,110.0
2H(Prospect)	297.0	391.0	284.0	65.0	21.0	54.0	5.5	91.0	78.5	1,130.0
Change	18.0	10.3	70.3	6.1	2.9	104.0	0.6	94.2	20.5	75.7

Rec. Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/ Unallocation	Consolidated
FY07/3(Result)	9.7	104.3	17.0	5.6	4.6	-	3.6	17.9	0.0	107.5
FY08/3(Prospect)	2.0	109.0	21.0	6.5	5.0	15.5	3.0	1.0	0.0	130.0
1H(Prospect)	0.5	53.0	8.5	3.2	4.9	9.0	1.7	0.2	0.0	62.5
2H(Prospect)	1.5	56.0	12.5	3.3	0.1	6.5	1.4	0.8	0.0	67.5
Change	11.7	4.7	4.0	0.9	0.4	15.5	0.6	17.0	0.0	22.5

(Revenues)	FY08/3 (Prospect)	FY07/3 (Result)	Change
Bulk and Specialized Carriers	658.0	664.4	6.4
Tankers	115.0	118.9	3.9
Total	773.0	783.3	10.3

# Overview of Each Industrial Segment

## 1. Shipping Division –1)

### Container : Freight Restoration Proceeds in NE Trade

Container Lifting Result/Prospect

(1,000TEU)

	FY06/3 (Result)	FY07/3 (Result)	Change	(%)	FY08/3 (Prospect)	Change	(%)
Asia North America	702	704	2	0.3%	827	123	17.4%
(Utilization)	86%	85%			87%		
Asia North Europe	403	466	63	15.6%	524	58	12.4%
(Utilization)	90%	93%			93%		

\*For Asia to Europe Trade, Figures are Restated to Exclude Intra Europe Trade from FY07/3 Result.

### Car Carrier : Market Growth Reposes

Car Transportation Result/Prospect

(10,000Cars)

	FY06/3 (Result)	FY07/3 (Result)	Change	(%)	FY08/3 (Prospect)	Change	(%)
All Trade	286	324	38	13.3%	333	9	2.8%

# Overview of Each Industrial Segment

## 1. Shipping Division – 2)

### Shipping Market Forecast(Index)

	FY06/3 (Result)	FY07/3 (Result)			FY08/3(Prospect)		
		1H	2H	Whole	1H	2H	Whole
Capesize Bulkers	63	63	105	84	78	63	71
Handysize Bulkers	68	81	104	92	86	77	82
VLCC	71	67	47	57	47	60	54

\* Indexes for FY05/3 = 100

**Bulkcarrier : Drybulk Market for FY08/3 Expected to Decline Toward the 2<sup>nd</sup> Half, but Still at High Level.**

**Tanker : Same Market Level Expected with Previous Year**

# Overview of Each Industrial Segment

## 2 Logistics Segment(Earth/Air)

### 1) NYK LOGISTICS (Earth) :

	FY07/3(Result)			FY08/3(Prospect)		
	1H	2H	Whole	1H	2H	Whole
Rec. Profit	¥2.1 Bil.	¥4.4 Bil.	¥6.5 Bil.	¥3.5 Bil.	¥6.0 Bil.	¥9.5 Bil.
Change	¥0.5 Bil.	¥2.4 Bil.	¥2.8 Bil.	¥1.4 Bil.	¥1.6 Bil.	¥3.0 Bil.

### 2) YAS(Air Forwarding) :

	FY07/3(Result)			FY08/3(Prospect)		
	1H	2H	Whole	1H	2H	Whole
Rec. Profit	¥5.1 Bil.	¥5.3 Bil.	¥10.4 Bil.	¥5.3 Bil.	¥6.1 Bil.	¥11.4 Bil.
Change	¥1.2 Bil.	¥-0.2 Bil.	¥1.0 Bil.	¥0.2 Bil.	¥0.8 Bil.	¥1.0 Bil.

\* Above is NYK's Consolidated Accounting Figures, Which is Different from the YAS's Individual Accounting Results.

# Overview of Each Industrial Segment

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## 3. Terminal and Harbour Transport Segment

- 1) YTI(Los Angeles)/CTI(Ceres Terminal in N.America) :  
Profits Increased Despite the Decline in Handling Volume
- 2) CTE(Ceres Terminal in Europe) :  
Handling Volume Increased Owing to GA Vessels Calling  
through the Whole Year

## 4. Cruise Segment

- 1) *Asuka* Cabin Load Factor Improved Despite Capacity  
Increase
- 2) **Crystals** Improved Both Cabin Load Factor and Freight-  
Rate by Down Sizing to 2 Vessels-Fleet, **Achieved Profit  
Increase**

## 1) Change in Prospects and Result for FY07/3

(Billions of Yen)

	FY06/3 Result	FY07/3 Original Prospect <small>As of May 2006</small>	FY07/3 Revised Prospect <small>As of Nov. 2006</small>	FY07/3 Result		
				1H	2H	Whole
Revenues	103.6	110.0	102.6	48.0	49.0	97.0
Rec. Profit	10.4	0.2	10.8	8.5	9.6	18.1
MOPS	\$72.34	\$74.00	\$86.34	\$85.68	\$75.01	\$80.35

- Disappointing Cargo Volume during Peak Season, Over Supply of Space in Japan / China Trade
- Decrease in Operating Days, Increase in Maintenance Costs due to Break Down of Classic Aircrafts
- Higher Jet Oil Price : ¥0.3Bil. Rec. Profit Decrease per \$1/BBL Increase Annually
- Temporary Double Costs Situation due to Setting Up Own Operations

# Air Cargo Transportation Segment(NCA)

## 2) Prospect for FY08/3 and Phoenix Project 2.0 (Phase-1)

(Billions of Yen)

	NCA Phoenix Project 2.0 (Phase-1)				(Phase-2)	
	FY07/3 Result	FY08/3 Prospect			FY09/3 Prospect	FY10/3 Prospect
		1H	2H	Whole		
Revenues	97.0	50.0	54.0	104.0	112.7	130.0
Rec. Profit	18.1	9.0	6.5	15.5	6.3	1.0
MOPS	\$80.35	\$75.00			\$75.00	

- Seeking for Setting Up Own Operation as Soon as Possible
- Upgrading the Aircrafts of its Fleet from B747-200F to B747-400F
- Development of the Basis of Global Business (Enhance Network/4RHQ+GHQ)
- Financial Accounts to Balance in the 2<sup>nd</sup> Half of FY09/3, Turn Profitable in FY10/3

## 3) Tradewise Load Factor Trend

	Phoenix Project (Phase-1)			(Phase-2)
	FY07/3 Result	FY08/3 Prospect	FY09/3 Prospect	
Asia NA	97%	98%	97%	Average of All Trade  79%
NA Asia	74%	79%	78%	
Asia Europe	99%	100%	100%	
Europe Asia	90%	95%	93%	
Japan Asia	59%	71%	63%	
Intra Asia				
Asia Japan	82%	79%	82%	
Ave. of All	79%	83%	81%	

Asia-NA Trade Includes Japan-NA Trade

L/F = Gross Chargeable Weight/ACL (Available Cabin Load)

## 4) Phoenix Project 2.0 Fleet Expansion Plan

(No. of Fleet)	FY06/3	Phase-1			Phase-2				Phase-3
		FY07/3	FY08/3	FY09/3	FY10/3	FY11/3	FY12/3	FY13/3	FY16/3
B747-200F	10	5	3						
B747-400F	2	4	6	10	10	10	10	10	10
B747-8F					2	5	8	11	14
Purchased Capacities		2	2.5	3	3	3			
<b>Total</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>18</b>	<b>18</b>	<b>21</b>	<b>24</b>

### (NCA Fleet)

Average Age	16.1	11.4	7.8	1.9	2.4	2.8	3.3	3.7	6.2
Ave. Working Hours/Day	12.2	11.1	11.4	12.6	12.0	12.8	13.2	13.2	13.2

### (Operation Efficiency)

Op. Cost/ATK	100	113	108	92	85	80	76	75	72
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## 5) Financial Plan for Phoenix Project 2.0 Phase-2/3

(Billions of Yen)

	Phase-2				Phase-3
	FY10/3	FY11/3	FY12/3	FY13/3	FY16/3
Revenues	130.0	165.0	200.0	235.0	300.0
Rec. Profit	1.0	10.0	19.0	26.0	35.0

- Phase-2 (FY10/3 ~ FY13/3) - Period to Take Off**  
 Taking the Chance of the Expansion of Narita / Haneda Airports,  
 Enhance Global Business, and Pay Off the Accumulated Losses
- Phase-3 (FY14/6 ~ FY16/3) - Period to Further Grow**  
 Enhance Global Network by Utilizing the Advanced B747-8F Fleet

# Fleet Expansion Result/Plan(Vessels)

	FY07/3	FY08/3		FY09/3-FY11/3	
	Operating Vessels by March 2007		Operating Vessels by March 2008		Operating Vessels by March 2011
Bulkcarriers, Tankers, LNGs, etc	447	(48)	485	(125)	600
(Released in Nov. 2006)			484	(127)	599
Car Carriers	115	(9)	118	(30)	140
(Released in Nov. 2006)			110	(28)	135
Container Vessels, etc	180	(22)	193	(37)	210
(Released in Nov. 2006)			193	(37)	198
Total	742	(79)	796	(192)	950
(Released in Nov. 2006)			787	(192)	932

\*The Numbers in Parentheses are Those of Newly Assigned Vessels for the Period.  
But They Do Not Include Chartered Vessels Less Than 5 Years.)