

Financial Result for 1Q of FY08/3 and Prospect for Whole FY08/3

July 2007



Summary of 1Q for FY08/3

1) Revenues Increased by 15%, **Rec. Profit Doubled**

(Billions of Yen)

		Revenues		Ope. Profit		Rec. Profit		Net Income	
1Q FY07/3		524.8		22.5		22.3		12.4	
1Q FY08/3		601.4		39.3		44.5		28.6	
Change	%	76.6	15%	16.8	75%	22.2	99%	16.3	132%

2) Shipping Div. : **Rec. Profit Climbed ¥22.0 Bil.**

3) Non Shipping Div. : 3 Major Non Shipping Segments (Logistics /Terminal/Cruise) Increased by ¥1.8 Bil., The Whole 6 Non Shipping Segments (incl. NCA) Remained the Same Level.

4) Exchange Rate/Bunker Oil Price (Comparison Ave.Figures between 1Q FY08/3 vs 1Q FY07/3)

Exchange Rate : ¥5.14 Yen Depreciation (¥114.71 ¥119.85)

Bunker Oil Price : \$6.55/MT Decrease (\$336.82/MT \$330.27/MT)

Analysis of Change in Rec. Profit between 1Q FY08/3 and 1Q FY07/3

(Billions of Yen)

Yen Depreciation	1.9	¥ 119. <u>85</u> / Depreciated by ¥ 5. <u>14</u>
Bunker Oil Price	0.5	\$ 330. <u>27</u> / Decreased by \$ 6. <u>55</u>
Market Effects etc	15.8	
Non Shipping Segments	0.3	Exclusive of New Consolidation/¥ 0.5 Bil.
Cost Reduction	2.8	Shipping ¥ 2.5Bil., Non Shipping ¥ 0.3Bil.
New Consolidation	1.5	Shipping ¥ 1.0Bil., Non Shipping ¥ 0.5Bil.
Total	22.2	

Sensitivity against Recurring Profit (Whole Year)

Exchanging Rate **¥1.5 Billion Increase per ¥1/\$ Depreciation**

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

Comparison of Financial Results between 1Q FY08/3 and 1Q FY07/3 by Industrial Segments

(Billions of Yen)

Revenues	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
1Q FY07/3	146.2	188.7	110.7	30.0	11.2	24.4	2.8	43.7	32.9	524.8
1Q FY08/3	155.1	232.7	127.7	37.9	13.0	22.4	2.7	45.2	35.5	601.4
Change	9.0	44.1	17.0	7.9	1.8	1.9	0.1	1.5	2.6	76.6

Rec. Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
1Q FY07/3	3.9	23.5	3.3	1.1	1.2	4.0	1.0	0.1	0.0	22.3
1Q FY08/3	2.5	39.2	3.5	1.7	2.2	5.7	1.0	0.2	0.0	44.5
Change	6.4	15.6	0.2	0.6	1.0	1.7	0.1	0.1	0.0	22.2

(Revenues)	1Q FY08/3	1Q FY07/3	Change
Bulk and Specialized Carriers	201.2	159.8	41.4
Tankers	31.5	28.9	2.6
Total	232.7	188.7	44.1

Performance against the Original Prospect for 1H 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
1H FY08/3 Prospect	295.0	382.0	269.0	68.0	26.0	50.0	5.5	90.0	75.5	1,110.0
1Q FY08/3 Result	155.1	232.7	127.7	37.9	13.0	22.4	2.7	45.2	35.5	601.4
Performance	53%	61%	47%	56%	50%	45%	50%	50%	-	54%
Balance	139.9	149.3	141.3	30.1	13.0	27.6	2.8	44.8	-	508.6

Rec. Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
1H FY08/3 Prospect	0.5	53.0	8.5	3.2	4.9	9.0	1.7	0.2	0.0	62.5
1Q FY08/3 Result	2.5	39.2	3.5	1.7	2.2	5.7	1.0	0.2	0.0	44.5
Performance	497%	74%	41%	51%	45%	-	58%	-	-	71%
Balance	-	13.8	5.0	1.6	2.7	-	0.7	-	-	18.0

(Revenues)	1Q FY08/3 Result	1H FY08/3 Prospect	Balance	Performance
Bulk and Specialized Carriers	201.2	326.0	124.8	62%
Tankers	31.5	56.0	24.5	56%
Total	232.7	382.0	149.3	61%

Summary of Revised Prospect for Whole FY08/3

1) Revised Business Prospect against Original Budget:

Revenues / ¥2.41Tri. (+¥170.0Bil./+7.6%)

Rec. Profit / ¥155.0Bil.(+¥25.0Bil./+19%)

2) Shipping Div. : Rec. Profit Raised by ¥3.0Bil. in Liner Segment by Firm Cargo Movement, and ¥26.0Bil. in Other Shipping Segment by the Upward Revision of the Market Assumption

3) Non Shipping Div. : Profit Growth Continued in 3 Major Segments, but Revised the Prospect for NCA Downward by ¥3.5Bil. due to Weak Market in/out Japan

4) Exchange Rate/Bunker Oil Price

Exchange Rate 2Q : ¥120/1\$, 2H : ¥115/1\$

Bunker Oil Price 2Q – 4Q : \$370/MT

5) Cash Dividend(Prospect) : Annual Dividend of ¥18/Share

(¥9/Share of Interim and ¥9/Share of Year-End)

Prospect for Whole FY08/3

(Billions of Yen)

	Original Prospect			Revised Prospect			Change Whole
	1H	2H	Whole	1H	2H	Whole	
Revenues	1,110.0	1,130.0	2,240.0	1,210.0	1,200.0	2,410.0	170.0 8%
Operating Profit	66.0	71.0	137.0	76.0	77.0	153.0	16.0 12%
Recurring Profit	62.5	67.5	130.0	80.0	75.0	155.0	25.0 19%
Net Income	40.0	42.0	82.0	52.0	48.0	100.0	18.0 22%

Exchange Rate	¥115.00	¥115.00	¥115.00	¥119.92	¥115.00	¥117.46	¥2.46
Bunker Oil Price	\$330.00	\$330.00	\$330.00	\$350.14	\$370.00	\$360.07	\$30.07

FY08/3 Exchange Rate : 2Q : ¥120/\$, 2H : ¥115/\$
 FY08/3 Bunker Oil Price : 2Q - 4Q : \$370/MT

Comparison of Financial Prospects for Whole FY08/3



(Original vs Revised) by Industrial Segments

(Billions of Yen)

Revenues	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
FY08/3 (Original)	592.0	773.0	553.0	133.0	47.0	104.0	11.0	181.0	154.0	2240.0
FY08/3 (Revised)	645.0	895.0	553.0	142.0	47.0	100.0	11.0	189.0	172.0	2410.0
for 1H (Revised)	318.0	465.0	268.0	74.0	26.0	46.0	5.5	94.0	86.5	1210.0
for 2H (Revised)	327.0	430.0	285.0	68.0	21.0	54.0	5.5	95.0	85.5	1200.0
Change	53.0	122.0	0.0	9.0	0.0	4.0	0.0	8.0	18.0	170.0

Rec. Profit	Liner (Container)	Other Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
FY08/3 (Original)	2.0	109.0	21.0	6.5	5.0	15.5	3.0	1.0	0.0	130.0
FY08/3 (Revised)	5.0	135.0	21.0	6.5	5.0	19.0	3.5	2.0	0.0	155.0
for 1H (Revised)	4.0	70.0	8.5	3.5	4.9	11.5	1.9	1.2	0.0	80.0
for 2H (Revised)	1.0	65.0	12.5	3.0	0.1	7.5	1.6	0.8	0.0	75.0
Change	3.0	26.0	0.0	0.0	0.0	3.5	0.5	1.0	0.0	25.0

(Revenues)	Revised	Original	Change
Bulk and Specialized Carriers	775.5	658.0	117.5
Tankers	119.5	115.0	4.5
Total	895.0	773.0	122.0

Overview of Each Industrial Segment

1. Shipping Division – 1)

Container : Firm Cargo Movement in Asia-Europe, Asia-Central/South America Trade

Container Lifting Result/Prospect (1,000TEU)

	06/4-6 (Result)	07/4-6 (Result)	Change	(%)	06/4-9 (Result)	07/4-9 (Prospect)	Change	(%)	FY07/3 (Result)	FY08/3 (Prospect)	Change	(%)
Asia	177	180	3	1.5%	367	391	23	6.4%	704	799	95	13.5%
North America												
(Utilization)	84%	85%			88%	88%			85%	88%		
Asia Europe	118	129	12	9.9%	234	269	35	15.1%	466	570	104	22.3%
(Utilization)	93%	92%			93%	93%			93%	93%		

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

Car Carriers : Market Growth Continues

Car Transportation Result/Prospect (10,000Cars)

	06/4-6 (Result)	07/4-6 (Result)	Change	(%)	06/4-9 (Result)	07/4-9 (Prospect)	Change	(%)	FY07/3 (Result)	FY08/3 (Prospect)	Change	(%)
All Trade	78	80	2		156	161	5		318	331	13	4.1%

* Results for FY07/3 are Restated due to the Change of Accounting Methods.

Overview of Each Industrial Segment

1. Shipping – 2)

Trend of Shipping Market for Other Shipping (Index)

	FY07/3			FY08/3			
	1H (Result)	2H (Result)	Whole (Result)	1Q (Result)	1H (Prospect)	2H (Prospect)	Whole (Prospect)
Capesize Bulkers	63	105	84	147	126	106	116
Handysize Bulkers	81	104	92	126	111	96	104
VLCC	67	47	57	48	43	54	48

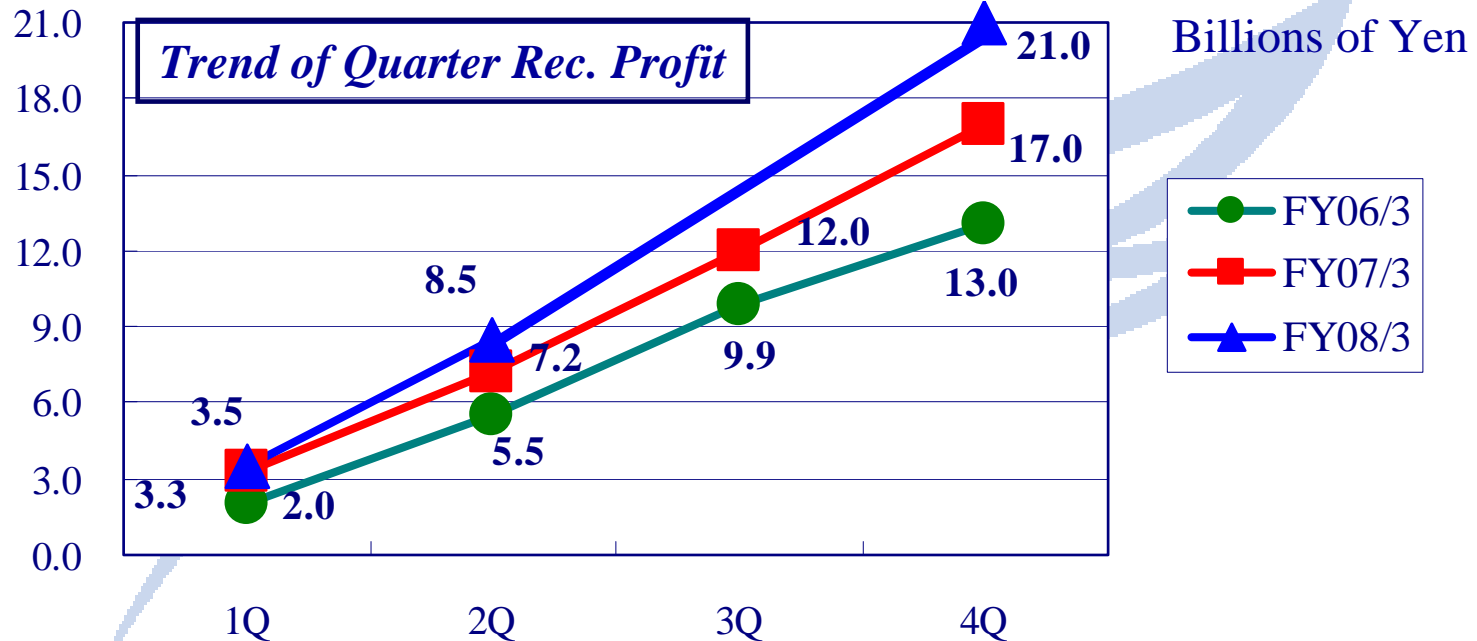
* Indexes for FY05/3 = 100

**Bulkers : Upward Revision of Drybulk Market Assumption
by Reflecting the Boom during 1Q**

**Tanker : Result for 1Q was the Expected Level, but Revised
the Market Assumption Downward Slightly**

Overview of Each Industrial Segment

2. Logistics Segment : Profit Growth Continues in Line with the Mid-Term Management Plan



FY08/3 Rec. Profit Prospect	1Q(Result)	1H(Prospect)	2H(Prospect)	Whole(Prospect)
NYK Logistics	1.3	3.8	5.7	9.5
Air Forwarding	2.2	4.7	6.8	11.5
Total	3.5	8.5	12.5	21.0

3. Terminal and Harbor Transport Segment

- 1) YTI (Los Angeles)/ CTI (Ceres in N.America) :
Handling Volume Exceeded the Result of the Same Period Last Year in North America.
- 2) CTE (Ceres in Amsterdam) :
Handling Volume Achieved Target, Profit Increased.

4. Cruise Segment

- 1) *Asuka* Keeping High Cabin Load Factor/Freight Rate
- 2) *Crystals* Profit Increased by Stronger Luxury Market in North America than Our Expectation.

Air Cargo Transportation(NCA)

1) Comparison between Original and Revised Prospects for FY08/3

(Billions of Yen)

	FY08/3 Original Prospect			FY08/3 Revised Prospect			
	1H	2H		1Q	1H	2H	
Revenues	50.0	54.0	104.0	22.4	46.0	54.0	100.0
Rec. Profit	9.0	6.5	15.5	5.7	11.5	7.5	19.0
MOPS	\$75			\$84	\$85	\$85	

- Weak Cargo Movement in Japan In/Out Trade
- Jet Oil Price Hike
- Process of Setting Up Own Operation in Line

Air Cargo Transportation(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	46.0	54.0	100.0	112.7	130.0
Rec. Profit	18.1	11.5	7.5	19.0	6.3	1.0
MOPS	\$80.35	\$84.50			\$75.00	\$75.00

Keep the Target to Achieve Break Even in the 2nd Half of FY09/3, Turn Profitable in FY10/3, by Moving Forward with Fleet Replacement Plan and Cost Cutting by the Establishment of Own Operation

Air Cargo Transportation(NCA)

3) Trade-wise Load Factor Trend

	FY08/3 Original Prospect	FY08/3 Revised Prospect			
		1Q(Result)	1H(Prospect)	2H(Prospect)	
Asia NA	98%	98%	99%	96%	97%
NA Asia	79%	80%	80%	81%	81%
Asia Europe	100%	97%	99%	101%	100%
Europe Asia	95%	85%	89%	98%	94%
Japan Asia	71%	69%	66%	69%	68%
Intra Asia					
Asia Japan	79%	72%	72%	78%	75%
Ave. of All	83%	80%	79%	82%	81%

Asia-NA Trade Includes Japan-NA Trade

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

Air Cargo Transportation(NCA)

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			
Total	12	11	12	13	15	18	18	21	24

(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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