

Financial Results for 1H ended 07/9 and Revised Prospect for Whole FY 08/3

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NYKLINE
NIPPON YUSEN KAISHA

Summary of 1H ended 07/9

- 1) Achieved **Record-High Interim Revenues and Rec. Profit**, Increase by 19% and 91% each Compared with 06/9

(Billions of Yen)

		Revenues		Operating Profit		Recurring Profit		Net Income	
1H ended 06/9		1,053.6		47.1		48.9		29.6	
1H ended 07/9		1,256.7		90.7		93.2		55.0	
Change	%	203.0	19%	43.5	92%	44.3	91%	25.4	86%

- 2) Shipping Div. : **Rec. Profit Rose by ¥46.1 Bil.**
- 3) Non Shipping Div.: Three Major Non-Shipping Segments (Logistics/Terminal/Cruise) Attained ¥3.7 Bil. Rec. Profit Increase, Whole 6 Segments incl. NCA Declined by ¥1.8 Bil
- 4) Exchange Rate/Bunker Oil Price (Comparison Ave. Figures between 06/9 vs 07/9)

Exchange Rate : ¥4.38 Yen Depreciation (¥115.26 ¥119.64)

Bunker Oil Price : \$13.85/MT Increase (\$336.04/MT \$349.89/MT)

Analysis of Change in Rec. Profit between 1H ended 07/9 and 06/9

(Billions of Yen)

Yen Depreciation	4.4	¥ 119. <u>64</u> / Depreciated by ¥ 4. <u>38</u>
Bunker Oil Price	2.4	\$349. <u>89</u> / Increased by \$13. <u>85</u>
Market Effects etc	35.3	
Non Shipping Div.	2.1	Exclusive of New Consolidation/¥ 0.3Bil.
Cost Reduction	6.4	Shipping ¥ 5.2Bil., Non Shipping ¥ 1.2Bil.
New Consolidation	2.7	Shipping ¥ 2.4Bil., Non Shipping ¥ 0.3Bil.
Total	44.3	

Sensitivity against Rec. Profit (Whole Year)

Exchange Rate **¥2.0 Billion Increase per ¥1/\$ Depreciation**

Bunker Price **¥350 Million Decrease per \$1/MT Increase**

Comparison of Financial Results between 1H ended 07/9 and 06/9 by Industrial Segments

(Billions of Yen)

Revenues	Liner	Bulk Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
1H ended 06/9	290.6	370.6	227.8	62.2	24.2	48.6	5.8	90.3	66.5	1,053.6
1H ended 07/9	331.0	488.8	260.8	76.9	26.3	49.4	5.5	93.5	75.5	1,256.7
Change	40.4	118.2	33.0	14.6	2.0	0.8	0.3	3.2	9.0	203.0

Recurring Profit	Liner	Bulk Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
1H ended 06/9	4.8	46.6	7.2	2.4	3.9	8.5	2.0	0.1	0.0	48.9
1H ended 07/9	7.7	80.1	7.9	4.1	5.1	14.0	2.0	0.2	0.0	93.2
Change	12.6	33.5	0.7	1.7	1.3	5.5	0.0	0.1	0.0	44.3

(Revenues)	1H 07/9	1H 06/9	Change	%
Bulk and Specialized Carriers	424.3	312.6	111.7	36%
Tankers	64.5	58.0	6.5	11%
Total	488.8	370.6	118.2	32%

Comparison between Previous Prospect and Result for 1H ended 07/9 by Industrial Segments

(Billions of Yen)

Revenues	Liner	Bulk Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
1H 07/9 Prospect	318.0	465.0	268.0	74.0	26.0	46.0	5.5	94.0	86.5	1,210.0
1H 07/9 Result	331.0	488.8	260.8	76.9	26.3	49.4	5.5	93.5	75.5	1,256.7
Performance	104%	105%	97%	104%	101%	107%	100%	99%	-	104%
Change	13.0	23.8	7.2	2.9	0.3	3.4	0.0	0.5	-	46.7

Recurring Profit	Liner	Bulk Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
1H 07/9 Prospect	4.0	70.0	8.5	3.5	4.9	11.5	1.9	1.2	0.0	80.0
1H 07/9 Result	7.7	80.1	7.9	4.1	5.1	14.0	2.0	0.2	0.0	93.2
Performance	193%	114%	93%	118%	105%	-	104%	-	-	116%
Change	3.7	10.1	0.6	0.6	0.2	2.5	0.1	1.4	-	13.2

(Revenues)	1H 07/9 Result	1H 07/9 Prospect	Balance	Performance
Bulk and Specialized Carriers	424.3	406.0	18.3	105%
Tankers	64.5	59.0	5.5	109%
Total	488.8	465.0	23.8	105%

Summary of Revised Prospect for Whole FY08/3

- 1) Whole Year Prospect : Expect **Historic-High Performance**
Revenues ¥2.54Tri. (+¥130.0Bil./+5% from Previous Prospect)
Rec. Profit ¥180.0Bil. (+¥25.0Bil./+16% from Previous Prospect)
- 2) Shipping Div. : Rec. Profit Increased by **¥3.0Bil.** in Liner, **¥27.0Bil.** in Bulk Shipping, Incorporating the Good Result of 1H, and Revising Upward the Assumption for Bulker Market of 2H
- 3) Non Shipping Div. : Profit Growth Continued in 3 Major Segments as Planned, but Revised the Prospect Downward by **¥7.5Bil.** for NCA reflecting the Weak Market and Increasing Fuel Cost
- 4) Exchange Rate/Bunker Oil Assumption for 2H
Exchange Rate : ¥113/1\$ Bunker Oil Price : \$430/MT
- 5) Cash Dividend(Prospect) : Annual Dividend of **¥24 / Share**
(¥12/Share of Interim and ¥12/Share of Year-end)
¥6 / Share Increase from Previous Prospect of ¥18 / Share

Revised Prospect for Whole FY08/3

(Billions of Yen)

	Previous Prospect			Revised Prospect			Change Whole
	1H	2H	Whole	1H	2H	Whole	
Revenues	1,210.0	1,200.0	2,410.0	1,256.7	1,283.3	2,540.0	130.0 5%
Operating Profit	76.0	77.0	153.0	90.7	91.3	182.0	29.0 19%
Recurring Profit	80.0	75.0	155.0	93.2	86.8	180.0	25.0 16%
Net Income	52.0	48.0	100.0	55.0	56.0	111.0	11.0 11%

Exchange Rate	¥119.92	¥115.00	¥117.46	¥119.64	¥113.00	¥116.32	¥-1.14
Bunker Oil Price	\$350.14	\$370.00	\$360.07	\$349.89	\$430.00	\$389.95	\$29.88

FY08/3 2nd Half Exchange Rate : ¥113/\$
 FY08/3 2nd Half Bunker Oil Price : \$430/MT

Comparison of Financial Prospects for Whole FY08/3 (Previous vs Revised) by Industrial Segments

(Billions of Yen)

Revenues	Liner	Bulk Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
FY08/3 (Previous)	645.0	895.0	553.0	142.0	47.0	100.0	11.0	189.0	172.0	2,410.0
FY08/3 (Revised)	660.0	990.0	548.0	146.0	50.0	100.0	11.0	191.0	156.1	2,540.0
1H Result	331.0	488.8	260.8	76.9	26.3	49.4	5.5	93.5	75.5	1,256.7
2H Prospect	329.0	501.2	287.2	69.1	23.7	50.7	5.5	97.5	80.6	1,283.3
Change	15.0	95.0	5.0	4.0	3.0	0.0	0.0	2.0	15.9	130.0

Rec. Profit	Liner	Bulk Shipping	Logistics	Terminal	Cruise	Air Cargo Transportation	Real Estate	Other	Elimination/Unallocation	Consolidated
FY08/3 (Previous)	5.0	135.0	21.0	6.5	5.0	19.0	3.5	2.0	0.0	155.0
FY08/3 (Revised)	8.0	162.0	20.5	8.0	5.5	26.5	3.5	1.0	0.0	180.0
1H Result	7.7	80.1	7.9	4.1	5.1	14.0	2.0	0.2	0.0	93.2
2H Prospect	0.3	81.9	12.6	3.8	0.3	12.5	1.6	1.2	0.0	86.8
Change	3.0	27.0	0.5	1.5	0.5	7.5	0.0	1.0	0.0	25.0

(Revenues)	Revised	Prospect	Change
Bulk and Specialized Carriers	866.0	775.5	90.5
Tankers	124.0	119.5	4.5
	990.0	895.0	95.0

Overview of Each Industrial Segment

1. Shipping – 1)

Container Lifting/Car Transportation Result and Prospect

Container Lifting Result/Prospect (1,000TEU)

	06/4-9 (Result)	07/4-9 (Result)	Change	07/4-9 (Prospect)	07/4-9 (Result)	Change	FY07/3 (Result)	FY08/3 (Prospect)	Change
Asia	367	390	6.2%	391	390	-0.2%	704	799	13.5%
North America									
(Utilization)	88%	88%		88%	88%		85%	88%	
Asia Europe	234	267	13.9%	269	267	-1.0%	466	570	22.2%
(Utilization)	93%	92%		93%	92%		93%	93%	

*Asia to Europe Trade's Figures are restated to exclude intra Europe trade from FY07/3 results.

Car Transportation Result/Prospect (10,000Units)

	06/4-9 (Result)	07/4-9 (Result)	Change	07/4-9 (Prospect)	07/4-9 (Result)	Change	FY07/3 (Result)	FY08/3 (Prospect)	Change
All Trade	156	168	7.7%	161	168	4.3%	318	346	8.8%

*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 Bulkers and Tankers (Index)

	FY 07/3			FY 08/3				
	1H (Result)	2H (Result)	Whole (Result)	1Q (Result)	2Q (Result)	1H (Result)	2H (Prospect)	Whole (Prospect)
Capesize Bulkers	63	105	84	147	177	162	181	172
Handysize Bulkers	81	104	92	126	151	139	149	144
VLCC	67	47	57	48	38	43	57	50

* Indexes for FY 05/3 = 100

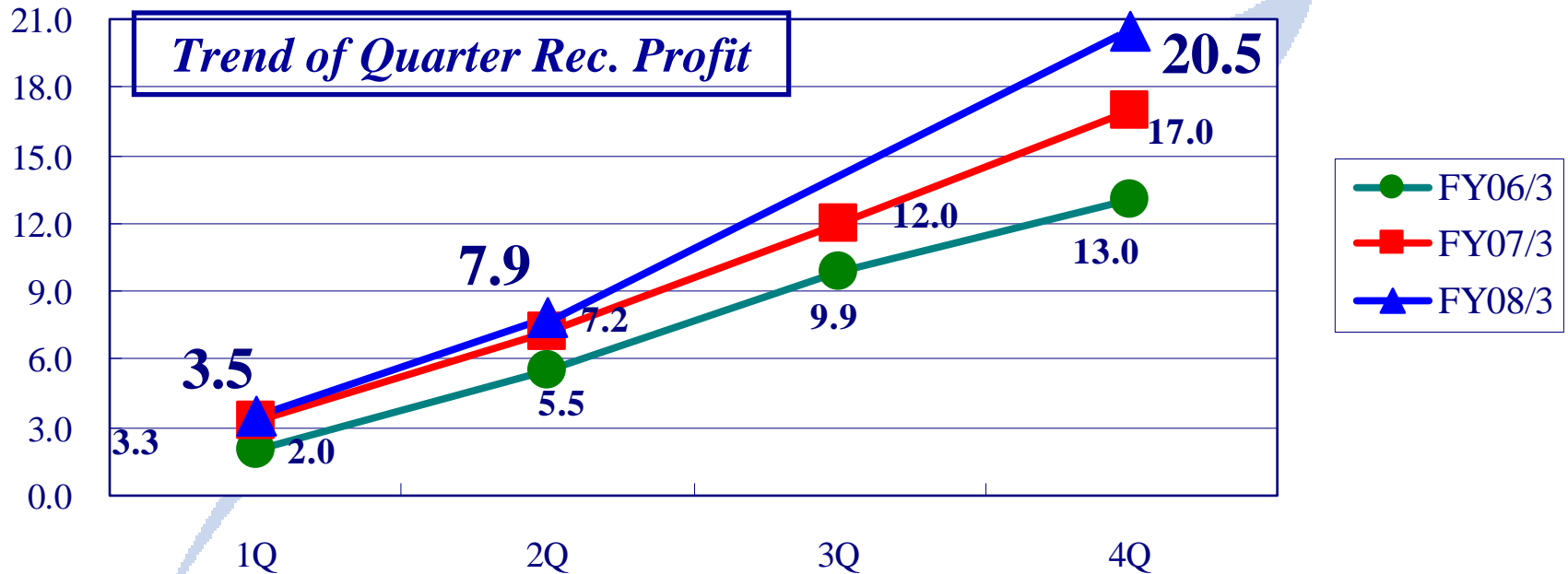
**Bulkers : Revised Upward the Bulker Market Assumption
for 2H**

Tankers : Maintained Our Original Market Assumption

Overview of Each Industrial Segment

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

(Billions of Yen)



(Billions of Yen)

FY08/3 Rec. Profit Prospect	1Q(Result)	2Q(Result)	1H(Result)	2H(Prospect)	Whole(Prospect)
NYK Logistics	1.3	1.6	2.8	5.9	8.7
Air Forwarding	2.2	2.9	5.1	6.7	11.8
Total	3.5	4.4	7.9	12.6	20.5

Overview of Each Industrial Segment

3. Terminal and Harbor Transport Segment

- 1) **YTI(Los Angeles)/ CTI(Ceres in North America) :**
Generally Favorable, Handling Volume Exceeded the 1H Result of Last Year for Both Subsidiary
- 2) **CTE(Ceres in Amsterdam) :**
Growth in Handling Volume Continued, and Over Performed the 1H Result of Last Year

4. Cruise Segment

- 1) ***Asuka* Kept Favorable Cabin Load Factor and Freight Rate**
- 2) ***Crystals* Expanded the Profit by Rising Freight Rate**

1) Comparison between Previous and Revised Prospects for FY 08/3

(Billions of Yen)

	FY 08/3 Previous Prospect			FY 08/3 Revised Prospect				
	1H	2H		1Q	2Q	1H	2H	
Revenues	46.0	54.0	100.0	22.4	27.0	49.4	50.6	100.0
Rec. Profit	11.5	7.5	19.0	5.7	8.3	14.0	12.5	26.5
MOPS	\$84	\$85	\$85	\$84		\$100	\$92	

- Japan Market Hit the Bottom, but Revised the Assumption of Yield/Lifting Downward for 2H to Reflect Current Market
- MOPS Assumption for 2H Increased to \$100/BBL
- Fleet Replacement and the Set up of Own Operation are in Line

Air Cargo Transportation(NCA)

2) Trade-wise Load Factor Trend

	FY 08/3 Previous Prospect	FY 08/3 Revised Prospect				
		1Q(Result)	2Q(Result)	1H(Prospect)	2H(Prospect)	
Asia NA	97%	98%	100%	99%	96%	97%
NA Asia	81%	80%	83%	82%	78%	80%
Asia Europe	100%	97%	103%	98%	98%	98%
Europe Asia	94%	85%	100%	91%	95%	93%
Japan Asia Intra Asia	68%	72%	72%	72%	64%	68%
Asia Japan	75%	69%	69%	69%	73%	71%
Ave. of All	81%	80%	81%	80%	78%	79%

Asia-NA Trade Includes Japan-NA Trade

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

Air Cargo Transportation(NCA)

3) 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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