

INFORMATION

The documents following this cover sheet exist solely to provide English translations of selected information contained in the original Japanese text of the documents attached to the Notice of Ordinary General Meeting of Shareholders for reference only.



“Leveraging our international network covering sea, earth and air to become the world’s leading global logistics and megacarrier group.”

120th NYK Group Annual Report Fiscal 2006

120th Fiscal Year
Report

From April 1, 2006,
to March 31, 2007

Greetings from the President

As a global logistics integrator covering sea, earth and air, NYK Group keeps striving to realize our mission to support people's lives through safe and dependable "monohakobi (transportation)".

Dear Shareholders:

We achieved consolidated revenues for the consolidated fiscal year of ¥2,164.2 billion, operating income of ¥104.9 billion, income before extraordinary items of ¥ 107.5 billion and net income of ¥ 65 billion. We recorded increased revenues over the previous term due to increases in transport volume, expansion of fleet scale, the depreciation of the yen, an increase in logistics business sales, and the effect of Nippon Cargo Airlines Co., Ltd., which became a consolidated subsidiary in fiscal 2005. Logistics, Terminal and Harbor Transport and the Cruise Business continue to show profit increases; however, due to the sharp rise in the bunker oil price, depreciation liner freights and the declining profits of Nippon Cargo Airlines Co., Ltd., the firm recorded a fall in profits compared to the previous term. The bunker price still remains at a high level, therefore we are continuously waging a campaign to reduce consumption, and against the backdrop of the brisk trend in freight, we are making efforts to recover liner freight charges. Moreover, we are working on improvement of earnings of Nippon Cargo Airlines Co., Ltd., as an urgent task.

In our medium-term management plan called "New Horizon 2007," we carried out a reevaluation in November last year, based on fluctuations of conditions including the bunker oil price and Forex. We have been steadily executing the following three basic strategies:

For our first strategy to "Expand Shipping Segment," in our container transportation division, we develop high-quality services with other alliance networks and delivery of new-built vessels. We promote investment in the fleet of the bulk/energy resources transportation division as well.

For our second strategy to "Evolve into a Logistics Integrator," we deploy as logistics integrator covering all of the transportation modes of sea, earth and air. We promote a comprehensive logistics strategy that integrates business divisions organically "SEA-LIP (Sea-Earth-Air Logistics Integrator Program)," and during this term we have forged an alliance that includes both business and capital partnerships with Yamato Holdings Co., Ltd., and a business alliance with general logistics company Panalpina Group headquartered in Switzerland.

For the third strategy to "Enhance our Corporate Fundamentals," taking into consideration the importance of CSR (corporate social responsibility), we put first priority to safety and environmentally-friendly measures. We have established departments to be in charge solely of risk management, compliance and internal controls, and have advanced preparations of a system in response to the Financial Instruments and Exchange Law. Moreover, we introduced an "Advisory Board" made up of six outside experts to reflect the external opinions to management.

Fiscal 2007 is the final year of "New Horizon 2007." We will make great efforts to achieve our targets. For the fiscal year ending March 2008, we intend to maintain the same level of dividend payments, ¥9.00 for both the interim and year-end dividends, for an annual total payment of ¥18.00 per share, by making comprehensive assessment of our financial standing and business outlook.

We do appreciate our shareholders' continued support and understanding.

June 2007



Koji Miyahara
President

The 120th Ordinary General Meeting of Shareholders
Documents attached to the Notice of Ordinary General Meeting of Shareholders

Business Report (From April 1, 2006 to March 31, 2007)

Note: Amounts and number of shares in this Business Report are indicated after rounding down fractions less than one unit

1. Overview of Operations for NYK Group

(1) Business Progress and Results

(i) Business Progress and Results for Current Fiscal Year

The world economy during the current fiscal year continued to expand, with the growth rate of major countries almost the same as in the previous year. Despite slowing down in the second half, the U.S. economy recorded a growth rate in the 3% range, while the European economy was above the previous year, with a growth rate in the upper 2% range, and China's growth rate was in the 10% range. The world's trade volume and sea transport grew at a rate that exceeded the previous year. The Japanese economy also continued to recover, due to increases in capital investment and exports, and improvements in the employment situation.

NYK Group's business suffered from surging bunker oil prices and a steep rise in other transportation costs; however, we made every effort to reduce costs in all segments. As a result, we achieved consolidated revenues of ¥2,164.2 billion (12.2% increase over the previous year), operating income of ¥104.9 billion (25.3% decrease over the previous year), income before extraordinary items of ¥107.5 billion (23.4% decrease over the previous year), and net income for the current term at ¥65 billion (29.4% decrease over the previous year), and thus our consolidated revenues exceeded 2 trillion yen for the first time, and we recorded increased revenues; however we underperformed the previous year's results in profits.

(ii) Overview of the Business Segments

● Liner trade

The freight rate standard did not reach the targeted level despite our efforts for recovery, however, due to solid cargo traffic, we achieved our revenue target for the fiscal year. Bunker oil prices, which had been surging, decreased temporarily; however, due to increased transport costs and other matters, income undershot the target and significantly underperformed the previous fiscal year. The overview by route is as follows.

Cargo volume on the North American route remained strong, however, the freight rate remained at a low level. Cargo traffic on the European route showed steady growth supported by the strong Euro, however the freight rate only recovered up to a certain level. Cargo volume and freight fees on the Australian route progressed steadily, with support from strong cargo traffic. On the Asian intraregional routes operated by Tokyo Senpaku Kaisha, Ltd., in response to the expansion of demand, route networks were enhanced, including the commencement of direct voyage services between Japan and India. On the Central and South American and African routes, new entries made the competition hard and caused management tough and we worked hard at improving the balance by adding in ships of the optimal types and reorganizing our services. On the conventional liner routes operated by NYK-Hinode Line, Ltd., thanks to strong cargo traffic, we outperformed the income target due to the effects such as of adding in newly-built ships.

- Other Shipping

- ▶ Car Carrier Transportation

The worldwide market for car carriers continued to perk up and our cargo volume outperformed that of the previous year. We made efforts toward stable transportation through efficient allocation and placement of six newly-built ships, and achieved our income targets for the fiscal year. In the car-related logistics segment, we actively developed our business by acquiring new terminal business for manufacturers' cars in Europe and South-East Asia, etc., in addition to the existing business in China.

- ▶ Bulk/Energy Resources Transportation

<Bulk Carriers> Market conditions for bulk carriers maintained an upswing trend supported by the increasing demand for iron ore and coal, etc., and through expansion of business categories such as new contracts with customers in China and Europe, and domestic customers, we achieved our targets for the year, outperforming the previous year. Regarding wood chip carriers, domestic and foreign long-term contracts yielded certain income, and, with the upswing in market conditions for free carriers, we resulted in surpassing our targets. Operating handysize bulk carriers, NYK Global Bulk Corporation achieved operating income in excess of target through solid cargo transportation for steel products, raw materials, salt, etc. Saga Shipholding (Norway) Ltd., which operates Box Shape ships for wood pulp, lumber, etc., failed to achieve the target due to the failure of cargo traffic to meet projections. NYK Reefers Ltd., which operates reefer carriers, and Shinwa Kaiun Kaisha, Ltd., which runs raw material and bulk cargo transport, both of them achieved their targets, supported by solid cargo traffic.

<Tanker> We recorded an increase in revenue in our crude oil tanker business by steadily renewing long-term contracts; however, from the effects of the stagnation of market conditions due to the warm winter, we ended with a decrease in income. The petroleum products carrier business also underperformed the targets due to a lack of increase in demand in the winter; however, the LPG tanker business achieved its targets with stable income through long-term contracts.

In the LNG carrier business, we added four new-built vessels to our fleet during the year, and the 39 carriers in total owned by NYK or its investing companies were operating smoothly. In addition to our new domestic and foreign business, we established ship management companies in Japan and England to strengthen safe transportation management.

Kyoei Tanker Co., Ltd., which primarily operates tanker transport, and Taiheiyo Kaiun Co., Ltd., which engages in the transport of raw materials and fuel, ensured stable income through steady operation of long-term chartered carriers.

- Logistics

NYK Logistics segment (Logistics Segment excluding the Air Forwarder division) outperformed the revenue targets. Although operating income failed to reach the target, it outperformed previous year's results, and has stably supplied profits together with the air forwarder segment led by Yusen Air & Sea Service Co., Ltd. In North America and Europe, it recorded a greatly improved balance through operational efficiency improvements, and the business expanded worldwide to meet customer demand in the manufacturing industry. In Japan, NYK Logistics Japan Co., Ltd. continued to record a surplus. For the air forwarder division, results were mostly as planned both in revenues and income. In May 2006, we formed a strategic alliance, including both a business and a capital partnership, with Yamato Holdings Co., Ltd., to provide high quality services to customers by taking full advantage of the management resources.

- Terminal and Harbor Transport

Supported by a stable freight market and improved cargo handling charges, the terminal and harbor transport business showed increased revenues and profits. NYK Group is in the process of new business expansion in China and other Asian countries.

- Cruises

As for the cruise business, the favorable embarkation ratio in the U.S. market continued throughout the year and surpassed the income target. In the Japanese market, it was the first year for year-round

operations by Asuka II, and by enjoying new demand through improved recognition and through the advantage of Scale, results surpassed the target in both revenue and income.

- Real Estate and Other

In the real estate business, we made efforts toward increased rents, occupancy rate improvements and cost reductions in the midst of vigorous office demand, and achieved the income targets. In other segments, trading achieved an increase in both revenue and income supported by the strong sales of ship chandlery and machinery, while agency businesses recorded a similar level of revenue and income, and manufacturing and processing recorded a decrease in revenue and an increase in income.

Nippon Cargo Airlines Co., Ltd. (NCA) is in the process of sequentially replacing existing aircraft with newly-built aircraft, and, this temporary reduction of transportation scale accompanying and sluggish trend of cargo volume in the Asia region, made the revenue not to meet. Affected by the surging bunker oil prices, repair costs for deteriorated equipment, and increases in initial costs accompanying the move to self-reliance in transportation and maintenance, an increased deficit was posted. In May 2006, by short-form merger, we consolidated Global Logistics Investments Co., Ltd., which is the holding company for NCA and NYK's wholly-owned subsidiary, and succeeded to all of the shares of NCA owned by the relevant company.

(iii) Revenues and Operating Income by Segment

Industry Segment	Revenues	Change from the previous fiscal year	Operating income	Change from the previous fiscal year
	(100 millions of yen)	(%)	(100 millions of yen)	(100 millions of yen)
Liner Trade	5,739	6.5	(98)	(259)
Other Shipping	7,832	15.6	1,046	(17)
Logistics	4,827	13.2	161	33
Terminal and Harbor Transport	1,268	13.8	79	6
Cruises	441	8.3	50	45
Real Estate	116	(7.1)	29	1
Other	2,751	17.5	(224)	(170)
[Elimination]	[(1,335)]	—	[5]	—
Total	21,642	12.2	1,049	(335)

Note: From this fiscal year, tugboat business, which was previously included in "other business" is included in the "terminal and harbor transport business." This change has only a minor impact on the segment.

(iv) Safety and Environment

NYK Group gives first priority to safe operation of vessels, etc. As for vessels, we implemented safe quality assurance activities based on our own safety environmental standards of NAV9000, and acquired international standard ISO9001:2000 authentication as to these activities. In environmental activities, we introduced an environmental management index management system for reinforcement of target management. Moreover, our seawater pollution preventative measure efforts, etc. were highly regarded and NYK was presented with the "Global Environment Award (Award of Minister of Land, Infrastructure and Transportation)," which is given to companies that contribute to environmental conservation activities.

(v) Challenges involving New Technologies

In vessel development, NYK Group sees the important task for corporate management to be to work toward safer and more efficient operations and to engage in research on environmental damage reduction. For improving transportation quality, we developed and practically implemented the Lashing system for large container ships, and for long-term quality retention of vessels and to increase their environmental endurance capabilities, it decided on wholesale application of pitting-resistance steel plate to newly-built

large crude oil tankers. At MTI (Monohakobi Technology Institute Co., Ltd.), we carried out R&D on ship annexation for energy cutting and environmental measures, and on logistics service models by electronic tagging.

(2) Financing Activities

Funds required by NYK Group for the current fiscal year were covered by our own financial assets, loans from financial institutions, issuance of domestic ordinary bonds and convertible bonds with acquisition rights, and issuance of commercial paper.

(3) Capital Investment Activities

NYK Group implemented an overall investment in equipment of ¥271.9 billion by focusing on the liner trade and other shipping business.

In the liner trade and other shipping business, we made investment in equipment of ¥70.5 billion and ¥129 billion, respectively, primarily for building ships, ¥6.3 billion for construction of warehouses in the logistics business, and ¥7.7 billion for terminal equipment in the terminal and harbor transport business. In other segments, we made investment in equipment of ¥3.4 billion in the cruises business, ¥0.3 billion in the real estate business and ¥54.4 billion for aircraft in other businesses.

(4) Management Perspectives

We are steadily carrying out the three strategies set forth in the “New Horizon 2007” medium-term management plan and are taking on the following tasks.

Regarding the first strategy to “Expand Shipping Segment,” we will promote investment in ships with a focus on the bulk/energy resources transportation segment to meet the increasing demand for natural resources transport. As for the container transportation division, we will attempt a recovery of freight charges against the backdrop of vigorous cargo traffic. Although bunker oil prices are hovering at high levels, NYK Group will continue the fuel consumption reduction program.

As for the second strategy to “Evolve into a Logistics Integrator,” to make Nippon Cargo Airlines Co., Ltd. profitable, we will attempt to reduce fuel consumption through introduction of new aircrafts and cost reductions, including reduction of maintenance costs, and, in addition we will make efforts to enhance sales capacity, including construction of a global four-pole system. We will promote an integrated logistics strategy “SEA-LIP (Sea-Earth-Air Logistics Integrator Program)” and work toward deepening the alliances with Yamato Holdings Co., Ltd. and Panalpina Group.

With respect to the third strategy to “Enhance our Corporate Fundamentals,” we will work on safety and environment measures under the recognition that CSR is the foundation for the existence of NYK Group. For enhancing technological capabilities and fostering global human resources, we will establish an organization overseas for education of seamen. In addition, we will make active efforts to improve our business efficiency using IT. Moreover, we will make continued efforts to promote construction of internal control systems and reinforce compliance, and promote effective functioning of corporate governance in response to the Corporation Law, Financial Products Transaction Law and other related laws.

(5) Financial Position and Results of Operation

(i) Consolidated Financial Position and Results of Operation

(In millions of yen)

	The 117th term FY2003	The 118th term FY2004	The 119th term FY2005	The 120th term (current term) FY2006
Revenue	1,398,320	1,606,098	1,929,302	2,164,279
Income before extraordinary items	74,663	154,803	140,451	107,534
Net income	34,810	71,326	92,058	65,037
Net income per share	28.27 (yen)	58.12 (yen)	75.04 (yen)	52.99 (yen)
Total Assets	1,376,664	1,476,226	1,877,440	2,135,441
Net Assets	358,044	427,770	575,366	700,717
Net Assets per share	292.88 (yen)	350.10 (yen)	471.05 (yen)	534.90 (yen)

Notes: 1. Net income per share is calculated based on the average number of shares outstanding in each fiscal year, and net assets per share is calculated based on the total number of shares outstanding at each term end.

2. NYK Group adopted "Accounting Standard on Presentation of Net Asset in the Balance Sheet" (Financial Accounting Standards No. 5) and the "Guidance on Accounting Standard on Presentation of Net Asset in the Balance Sheet" (Financial Accounting Standards Implementation Guidance No. 8) from this consolidated fiscal year.

117th fiscal year

We achieved increased revenues due to overall increase in cargo volume and recovery of freight rates in the shipping business as well as expansion of the logistics business and terminal and harbor transport business on which we focus as core business. We also posted increased income through continued efforts to cut costs, reduced interest expenses and a large decrease on loss on devaluation of investment securities.

118th fiscal year

Despite surging bunker oil prices and a higher yen, the shipping market remained strong following the previous fiscal year. We achieved increased revenues due to higher cargo volume and freight rate, and increased revenues in the logistics business. Revenues and income reached record highs as we kept down the increase in costs in sales and selling, general and administrative expenses through continued cost reduction efforts.

119th fiscal year

As for liner trade, in spite of the continuous solid cargo traffic, we recorded increased revenues but underperformed income compared to the previous year, due to surging bunker oil prices and increased North American inland transport costs. In other shipping, we recorded increased revenues and income by advantage of expansion of fleet scale. In the logistics, terminal and harbor transport businesses and the cruise business, we improved our results beyond the targets. As a whole, although we recorded a decrease in income before extraordinary items, operating revenues and net income exceeded the previous year and renewed record highs.

120th fiscal year

Conditions in the current fiscal year are described in the preceding "Overview of Operations for NYK Group" (on pages 2-5).

(ii) Non-consolidated Financial Position and Results of Operation

(In millions of yen)

	The 117th term	The 118th term	The 119th term	The 120th term (current term)
	FY2003	FY2004	FY2005	FY2006
Revenue	749,174	841,137	962,857	1,070,180
Income before extraordinary items	60,132	106,641	82,018	52,430
Net income	27,590	53,116	53,458	38,172
Net income per share	22.52 (yen)	43.41 (yen)	43.64 (yen)	31.10 (yen)
Total Assets	853,032	939,085	1,101,991	1,237,635
Net Assets	317,083	365,578	462,891	494,085
Net Assets per share	259.49 (yen)	299.34 (yen)	379.11 (yen)	402.20 (yen)

Notes: 1. Net income per share is calculated on the basis of the average number of shares outstanding in each fiscal year, and net assets per share is calculated on the basis of the total number of shares outstanding at each term end.

2. NYK adopted "Accounting Standard on Presentation of Net Asset in the Balance Sheet" (Financial Accounting Standards No. 5) and the "Guidance on Accounting Standard on Presentation of Net Asset in the Balance Sheet" (Financial Accounting Standards Implementation Guidance No. 8) from this fiscal year.

117th fiscal year

Despite soaring bunker oil prices and the strong yen trend, we achieved increased revenues and income owing to favorable performances in the shipping business supported by solid cargo traffic in the container transportation segment and continued good market conditions in the bulk/energy resources transportation segment, as well as cost reduction efforts in all segments.

118th fiscal year

Although bunker oil prices and the yen continued to surge, almost all of the segments in the shipping business remained strong. At the same time, we strove to stabilize income and expand business through long-term contracts in the bulk/energy resources transportation segment, and consequently revenues and income increased.

119th fiscal year

Supported by solid market conditions in the shipping business, we outperformed the previous fiscal year's revenues, but saw a decrease in income before extraordinary items, affected by continued surging bunker oil prices.

120th fiscal year

Supported by solid market conditions in the shipping business, we achieved the highest of operation revenue in the past. However, income before extraordinary items underperformed the previous results, affected by the continued surging bunker oil prices, etc.

(6) Principal Business of the Consolidated

Liner trade, other shipping, logistics, terminal and harbor transport, cruises, real estate, and other including air cargo transportation

(7) Principal Business Offices (as of March 31, 2007)**(i) NYK**

	Location
Head Office	(Yusen Bldg.) 3-2, Marunouchi 2 Chome, Chiyoda-ku, Tokyo
Branch Offices	Sapporo Branch Office (Sapporo City), Yokohama Branch Office (Yokohama City), Nagoya Branch Office (Nagoya City), Kansai Branch Office (Kobe City), Kyushu Branch Office (Fukuoka City) and Taipei Branch Office (Taiwan)
Local offices	Tomakomai, Muroran, and Kushiro
Overseas resident and representative offices	Sao Paulo, Buenos Aires, Johannesburg, Dubai, Doha, Jedda, Hanoi, Beijing, London and Moscow

(ii) Principal subsidiaries

Name of company	Location of head office or country
NYK Global Bulk Corporation	Chiyoda-ku, Tokyo
Tokyo Senpaku Kaisha, Ltd.	Chiyoda-ku, Tokyo
Nippon Cargo Airlines Co, Ltd.	Minato-ku, Tokyo
Hachiuma Steamship Co., Ltd.	Kobe city
NYK-Hinode Line, Ltd.	Chiyoda-ku, Tokyo
NYK Cruises Co., Ltd.	Chiyoda-ku, Tokyo
YUSEN Air & Sea Service Co., Ltd.	Chuo-ku, Tokyo
NYK Trading Corporation	Minato-ku, Tokyo
UNI-X Corp.	Shinagawa-ku, Tokyo
NYK Group Americas Inc.	U.S.A.
NYK Group Europe Ltd.	U.K.
NYK Group South Asia Pte., Ltd.	Singapore
NYK Group Oceania Pty. Ltd.	Australia

(8) Status of Principal Lenders of NYK (as of March 31, 2007)

Lender	Outstanding Balance (Millions of yen)
Meiji Yasuda Life Insurance Co.	57,871
Nippon Life Insurance Co.	45,671
Development Bank of Japan	30,560
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	27,322
Sumitomo Life Insurance Co.	26,173
Mizuho Corporate Bank, Ltd.	21,557
The Dai-ichi Mutual Life Insurance Co.	19,235
Mitsubishi UFJ Trust & Banking Corp.	12,058
Sumitomo Mitsui Banking Corp.	8,089
Mitsui Sumitomo Insurance Co., Ltd.	6,053

(9) Employees (as of March 31, 2007)**(i) Employees of the Consolidated**

Segment	Number of employees (persons)	Year-on-year change (persons)
Liner Trade	3,577	634
Other Shipping	1,432	282
Logistics	16,097	2,126
Terminal and Harbor Transport	5,314	1,428
Cruises	350	(51)
Real Estate	58	(11)
Other	2,729	(332)
Company-wide (common)	284	33
Total	29,841	4,109

Note: From this fiscal year, tugboat business, which was previously included in "other business" is included in the "terminal and harbor transport business." This change has only a minor impact on the segment.

(ii) Employees of the Non-Consolidated

Segment	Number of employees (persons)	Year-on-year change (persons)
Employees on land duty	1,279	10
[seamen on land out of above]	[268]	[4]
Employees on sea duty		
Officers	354	(25)
Ratings	36	(6)
Sub-total	390	(31)
Total	1,669	(21)

(10) State of Vessels of the Consolidated (as of March 31, 2007)**(i) Details of vessels in service**

Type of vessel	Number of vessels	K/T (dwt)
Container ships (including semi-container ships)	141	5,060,630
Bulk carriers (Capesize)	115	16,414,219
Bulk carriers (Panamax & Handy size)	161	7,390,512
Wood Chip carriers	48	2,268,511
Car carriers	115	1,724,406
Reefer carriers	26	244,675
Tankers	73	12,347,425
LNG carriers	24	1,705,469
Cruise ships	3	21,577
Other	36	415,339
Total	742	47,592,763

(ii) Details of vessels in possession

Type of vessel		Number of vessels	K/T (dwt)
Container ships (including semi-container ships)	(In possession)	27	947,663
	(Shared)	1	21,813
Bulk carriers (Capesize)	(In possession)	43	6,233,016
	(Shared)	5	329,045
Bulk carriers (Panamax & Handy size)	(In possession)	41	1,803,320
Wood Chip carriers	(In possession)	12	521,020
Car carriers	(In possession)	36	554,211
	(Shared)	2	12,942
Reefer carriers	(In possession)	12	118,766
Tankers	(In possession)	24	4,417,111
	(Shared)	17	1,404,191
LNG carriers	(Shared)	23	666,605
Cruise ships	(In possession)	2	13,417
Other	(In possession)	16	194,115
	(Shared)	3	5,025
Total	(In possession)	213	14,802,639
	(Shared)	51	2,439,621

Note: Weight tonnage of shared vessels denotes the holding of NYK Group.

(11) Status of Major Business Combination (as of March 31, 2007)**(i) Changes and results of business combinations**

NYK Group is engaged in business in seven segments consisting of liner trade and other shipping as its core businesses, logistics, terminal and harbor transport, cruises, real estate, and other services. NYK Group has 632 consolidated subsidiaries and 41 equity-method companies as of March 31, 2007.

For business progress and results of NYK Group, see the preceding "Business Progress and Results" (on pages 2-5) and "Financial Position and Results of Operation" (on page 6-7).

(ii) Status of principal subsidiaries

Company Name	Paid-in Capital	NYK's Voting Rights (%)	Main Operations
NYK Global Bulk Co.	¥4,150 million	100.00	Marine transportation business
Tokyo Senpaku Kaisha, Ltd.	¥1,899 million	100.00	Marine transportation business
Nippon Cargo Airlines Co, Ltd.	¥30,574 million	83.98	Air cargo transportation business
Hachiuma Steamship Co., Ltd.	¥500 million	68.76	Marine transportation business
NYK-Hinode Line, Ltd.	¥2,100 million	100.00	Marine transportation business
NYK Cruises Co., Ltd.	¥2,000 million	100.00	Ownership and operation of cruise ships
YUSEN Air & Sea Service Co., Ltd.	¥4,301 million	59.89	Air freight forwarding business, etc.
NYK Trading Co.	¥1,246 million	78.18	Sales of petrochemical products, etc.
UNI-X Corp.	¥934 million	78.17	Harbor transportation business
NYK Group Americas Inc.	US\$4,000,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in North and South American area
NYK Group Europe Ltd.	£71,400,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in Europe
NYK Group South Asia Pte., Ltd.	SP\$12,800,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in Southern Asian area
NYK Group Oceania Pty. Ltd.	A\$8,400,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in Oceania areas
Adagio Maritima S.A. 391 other companies	US\$171,970,000 (total of 128 companies) ¥24,143 million (total of 264 companies)	100.00 (all companies)	Ship owning and chartering

Notes: 1. Percentage of voting rights includes indirect holdings.

2. ADAGIO MARITIMA S.A. and 391 other companies are consolidated subsidiaries that are fully owned by NYK Group and are incorporated in Panama, Singapore and Liberia, etc. for the purpose of owning and chartering vessels. Vessels periodically chartered from the said companies by NYK Group constitute an important part of the fleet of ships operated by NYK Group.

(iii) Status of principal affiliates

Company Name	Paid-in Capital	NYK's Voting Rights (%)	Main Operations
Kyoei Tanker Co.,Ltd.	¥2,850 million	30.01	Marine transportation business
Shinwa Kaiun Kaisha, Ltd.	¥8,100 million	27.00	Marine transportation business
Taiheiyo Kaiun Co., Ltd.	¥2,750 million	22.81	Marine transportation business

Note: Percentage of voting rights includes indirect holdings

(12) Other significant matters on operations for NYK Group

None to be mentioned.

2. Status of Shares (as of March 31, 2007)

- (1) Total number of shares authorized to be issued 2,983,550,000
- (2) Number of shares issued 1,228,466,502
(excluding treasury stock 1,721,571 shares)
- (3) Number of shareholders 120,369
(decreased by 19,735 from the preceding term)

(4) Major shareholders (Top 10)

Name	Number of shares held (in thousands)
The Master Trust Bank of Japan, Ltd. (Trust account)	80,892
Japan Trustee Services Bank, Ltd. (Trust account)	77,219
State Street Bank and Trust Co.	63,858
Tokio Marine & Nichido Fire Insurance Co., Ltd.	57,275
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Ltd. account (Retirement Allowance Trust Account))	54,717
Meiji Yasuda Life Insurance Co.	38,899
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	36,978
Mizuho Corporate Bank, Ltd.	22,867
Japan Trustee Services Bank, Ltd. (Trust account 4)	21,619
Trust & Custody Services Bank, Ltd. (Trust Account)	19,795

(5) Treasury Stock

Shares purchased in the current term		
	Common Stock	453,386
Less-than-One-Unit Share Purchased	Total price of acquisition	366,336,441 (yen)
Shares disposed in the current term		
	Common Stock	49,715
Less-than-One-Unit Share Sold	Total price of disposition	39,537,268 (yen)
Allocation to Yamato Holdings Co., Ltd. (May 31, 2006)	Common Stock	8,368,000
	Total price of disposition	5,999,856,000 (yen)
Shares lapsed in the current term		
Shares held as of the end of the fiscal term	Common Stock	1,721,571

3. Status of share purchase warrants, etc. (as of March 31, 2007)

Following is the status as of the end of this fiscal year of corporate bonds with stock acquisition rights issued under the Corporation Law.

Euro Yen Contingent Conversion Zero Coupon Convertible Bonds with Acquisition Rights due 2026 (issued September 20, 2006)

Outstanding amount of bonds with stock acquisition rights (millions of yen)	55,000
Number of stock acquisition rights (units)	11,000
Class of shares subject to the stock acquisition rights	Common stock
Number of shares subject to stock acquisition rights (shares)	65,243,179
Paid-in value at exercise of stock acquisition rights (yen)	843 yen per share (note)
Exercise period of stock acquisition rights	October 4, 2006 to September 10, 2026
Issue price and capitalization amount in case shares are issued by exercise of stock acquisition rights (yen)	Issue price 843 Capitalization amount 422

► Conditions precedent to the exercise of the Stock Acquisition Right

- (1) No Stock Acquisition Right may be exercised in part only.
- (2) Up to September 30, 2025, a Bondholder may exercise its Stock Acquisition Rights on and after the first day of any calendar quarter and until the end of such quarter only if the Closing Price of the Shares for any 20 Trading Days (as defined below) in a period of 30 consecutive Trading Days ending on the last Trading Day of the immediately preceding calendar quarter was more than 120 per cent. of the Conversion Price in effect on the last Trading Day of such calendar quarter. For the avoidance of doubt, no such preceding calculation will be made in respect of the calendar quarter ending September 30, 2025. On or after October 1, 2025, a Bondholder may exercise its Stock Acquisition Rights at any time after the Closing Price of the Shares on any Trading Day falling on or after October 1, 2025 is more than 120 per cent. of the Conversion Price in effect on such Trading Day; provided, however, that such condition precedent to the exercise of the Stock Acquisition Rights set forth in this (2) shall not be applied to the periods set forth in (i), (ii) and (iii) below:
 - (i) (a) during any period in which any of the Company's long term issue rating (or, where such rating is not available, the Company's issuer rating; hereinafter the same) or the rating assigned to the Bonds with Stock Acquisition Rights (if rated; hereinafter the same) by Rating and Investment Information, Inc. or its successors (together, "R&I") is A- or lower, or (b) during any period in which any of the Company's long-term issue rating or the rating assigned to the Bonds with Stock Acquisition Rights is no longer assigned by R&I, or (c) during any period in which any of the Company's long-term issue rating or the rating assigned to the Bonds with Stock Acquisition Rights has been suspended or withdrawn by R&I;
 - (ii) during any period after the Company has given notice, to the Bondholders, of early redemption at the option of the Company; or
 - (iii) in case of any Corporate Event of the Company, and unless the exercise of the Stock Acquisition Rights is not prohibited, during any period after the Company has given notice to the Bondholders of such Corporate Event in accordance with the terms and conditions of the Bonds with Stock Acquisition Rights.

In this (2), "Trading Day" shall be any day when the Tokyo Stock Exchange, Inc. is open for business, but does not include any such day when the Closing Price is not reported.

► Assignment of Stock Acquisition Rights

As the Stock Acquisition Rights are attached to convertible bonds with stock acquisition rights, the Stock Acquisition Rights cannot be assigned separately from the Corporate Bonds.

Note: The Conversion Price shall be adjusted in accordance with the following formula, if the Company issues new Shares or disposes of the Shares held by it, after the issuance of the Bonds with Stock Acquisition Rights, at the issue price below the current market price of its Shares. In the following formula, the "Number of issued shares" means the total number of Shares already issued (but excluding those held by the Company).

Conversion Price after adjustment =

$$\text{Conversion Price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of issued or disposed shares} \times \text{Issue price per share}}{\text{Market price per share}}}{\text{Number of issued shares} + \text{Number of issued or disposed shares}}$$

The Conversion Price will also be appropriately adjusted in case of a stock split or consolidation of the Shares, an issue of stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) to acquire the Shares at the price below the current market price of the Shares or in certain other cases.

4. Executives of NYK

(1) Directors and Corporate Auditors (as of March 31, 2007)

Position	Name	Responsibilities and representing status of other corporations, etc. (including status of significant concurrent post)
Chairman, Chairman Corporate Officer	Takao Kusakari	Chairman, Council for Promotion of Regulatory Reform
President, President Corporate Officer	Koji Miyahara	Chief Executive of CSR Management Headquarters, Chairman of Bulk/Energy Resources Transportation Strategy Committee, President of BADAQ LNG TRANSPORT INC., Corporate Director of THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION, Chairman of NIPPON CARGO AIRLINES CO., LTD.
Representative Director, Executive Vice-President Corporate Officer	Tadamasa Ishida	Chief Executive of Global Logistics Headquarters, Vice-Chief Executive of CSR Management Headquarters, IT Strategy Group, Director of NIPPON CARGO AIRLINES CO., LTD.
Representative Director, Executive Vice-President Corporate Officer	Yasushi Yamawaki	Chief Executive of Bulk/Energy Resources Transportation Headquarters, Vice-Chief Executive of CSR Management Headquarters, Chief Compliance Officer (CCO), Director of PACIFIC LNG SHIPPING LTD, Director of PACIFIC EURUS SHIPPING LTD.
Representative Director, Senior Managing Corporate Officer	Takao Manji	Assistant Chief Executive of CSR Management Headquarters, Technical Headquarters, President of TOKYO SEAMEN'S WELFARE ASSOCIATION
Representative Director, Senior Managing Corporate Officer	Hirimitsu Kuramoto	Assistant Chief Executive of CSR Management Headquarters, Bulk/Energy Transportation Headquarters (Dry-Bulk Division) , Human Resources Group, Corporate Communication Group, IR Group
Director, Senior Managing Corporate Officer	Minoru Sato	Europe region, Director of NYK LOGISTICS (DEUTSCHLAND) GMBH., Chairman of NYK LINE (EUROPE) LTD., Director of NYK LOGISTICS (BELGIUM) N.V., Managing Director of NYK GROUP EUROPE LTD., Director of NYK LINE (EUROPE) RORO LTD., Board member of INTERNATIONAL CAR OPERATORS (BENELUX) N.V.
Representative Director, Senior Managing Corporate Officer	Yasumi Kudo	Corporate Planning Division, Car Carrier Division, Director of TAIHEIYO KISEN KAISHA, LTD., Corporate Auditor of MITSUBISHI ORE TRANSPORT CO., LTD.
Representative Director, Senior Managing Corporate Officer	Hiroshi Sugiura	Chief Executive of Global Group Management Headquarters, General Affairs Group, Accounting and Finance Group, Legal and Insurance Group and Cruise Enterprise Group, Executive Chief of Environmental Management (ECEM), Director of MEIYU FUDOSAN CO., LTD.
Director, Managing Corporate Officer	Hiroyuki Shimizu	Logistics Division, Director of YUSEN YAMATO GLOBAL SOLUTIONS CO., LTD.

Position	Name	Responsibilities and representing status of other corporations, etc. (including status of significant concurrent post)
Director, Managing Corporate Officer	Motoo Igawa	Europe region (primarily Bulk/Energy transportation division), Director of NYK REEFERS LTD
Director, Managing Corporate Officer	Masamichi Morooka	Container Trade division, Director of SHANGHAI KAKYAKUSEN KAISHA CO., LTD., Director of SHANGHAI FERRY CO., LTD., Director of JAPAN CHINA FERRY CO., LTD.
Director, Managing Corporate Officer	Susumu Kikuchi	Chief Representative for China
Director, Managing Corporate Officer	Shinji Kobayashi	Chief Executive of Technical Headquarters, President of NYK-HINODE LINE, LTD.
Corporate Auditor (full-time)	Kazuhira Kamiya	
Corporate Auditor (full-time)	Shigeru Shimizu	
Outside Corporate Auditor (Part-time)	Keisuke Kitajima	Outside corporate auditor of NIPPON LIFE INSURANCE CO., Outside Director of DAIWA SECURITIES GROUP, INC., Chairman of CORRECTIONAL ASSOCIATION
Outside Corporate Auditor (Part-time)	Tsuyoshi Miyazaki	Outside corporate auditor of SHIN-ETSU SEMICONDUCTOR CO., LTD.

Notes: 1. As of Mar. 31, 2007, all Directors are concurrently appointed as Corporate Officers. For the responsibilities and principal duties of the Directors concurrently appointed as Corporate Officers as of Apr. 1, 2007, please refer to the Corporate Officer column on page 18.

2. Of Corporate Auditors, Messrs. Keisuke Kitajima and Tsuyoshi Miyazaki are Outside Corporate Auditors as stipulated in Article 2, Item 16, of the Corporation Law.

3. Mr. Kazuhira Kamiya, Corporate Auditor, has experience as director in charge of financial affairs of NYK for many years, and he has considerable expertise in finance and accounting.

4. Retired Directors and newly appointed Directors during the current fiscal year are as follows:

Retirement

Director	Yukio Ozawa	(Retired upon resignation on Jun. 28, 2006)
Director	Michio Tamiya	(Retired at the expiration of his term in office on Jun. 28, 2006)
Director	Takahiro Ota	(Retired at the expiration of his term in office on Jun. 28, 2006)
Director	Koichi Inoue	(Retired at the expiration of his term in office on Jun. 28, 2006)

New appointment

Director, Managing Corporate Officer	Shinji Kobayashi	(Appointed on Jun. 28, 2006)
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5. As of April 1, 2007, Representative Directors and Executive Corporate Officers who also serve as Directors are relocated as follows:

As of March 31, 2007		After relocation
Representative Director, Executive Vice President Corporate Officer	Tadamasa Ishida	Director
Director, Senior Managing Corporate Officer	Minoru Sato	Representative Director, Executive Vice-President Corporate Officer
Director, Managing Corporate Officer	Hiroyuki Shimizu	Representative Director, Senior Managing Corporate Officer
Director, Managing Corporate Officer	Motoo Igawa	Director
Director, Managing Corporate Officer	Susumu Kikuchi	Director

(2) Corporate Officers (For reference) (as of April 1, 2007)

Position	Name	Responsibilities and principal duties
Chairman, Chairman Corporate Officer	Takao Kusakari	
President, President Corporate Officer	Koji Miyahara	Chief Executive of CSR Management Headquarters (CSR Management Headquarters: Corporate Communication Group, IR Group, CSR Coordination Group and Compliance and Risk Management Group), Chairman of Bulk/Energy Resources Transportation Strategy Committee
Representative Director, Executive Vice-President Corporate Officer	Yasushi Yamawaki	Chief Executive of Bulk/Energy Resources Transportation Headquarters (Bulk/Energy Resources Transportation Headquarters: Tramp Co-ordination Group, Capesize Bulker Group, Forest Products Group, Steaming Coal Group, Petroleum Group, Petroleum Product and LPG Group, LNG Group) Vice-Chief Executive of CSR Management Headquarters Oversees IT Strategy Group, Tramp Co-ordination Group, Steaming Coal Group, Petroleum Group, Petroleum Product and LPG Group, LNG Group, Sapporo Branch, Kyushu Branch, India Region and Middle-East Region Chief Compliance Officer (CCO), Chairman of IT Strategy Committee
Representative Director, Executive Vice-President Corporate Officer	Minoru Sato	Chief Executive of Global Logistics Headquarters (Global Logistics Headquarters: Container Trade Management Group, Logistics Group, Car Carrier Group, Auto-Project Group, Harbor Group and Logistics Integrator Group), Vice-Chief Executive of CSR Management Headquarters Oversees Container Trade Management Group, Logistics Group, Logistics Integrator Group, Yokohama Branch, Nagoya Branch and Kansai Branch In charge of Harbor Group, Latin America Region and NYK-HINODE LINE, LTD.
Representative Director, Senior Managing Corporate Officer	Takao Manji	Assistant Chief Executive of CSR Management Headquarters Oversees Human Resources Group (Personnel management of sea employees), Safety Environmental Management Group, Technical Group, Fleet Upkeep Group, Ship Management Group, Seafarer Planning Group
Representative Director, Senior Managing Corporate Officer	Hiromitsu Kuramoto	Assistant Chief Executive of CSR Management Headquarters Oversees Corporate Human Resources Group, Communications Group, IR Group, CSR Coordination Group, Compliance and Risk Management Group, Capesize Bulker Group and Forest Products Group, Box Shape Ship related matters, Reefer related matters Assists Director who oversees Tramp Co-ordination Group and Petroleum Group In charge of Research Group, Corporate History Chamber, Petroleum Group, Sapporo Branch, Kyushu Branch, India Region and matters related to NYK GLOBAL BULK CORPORATION

Position	Name	Responsibilities and principal duties
Representative Director, Senior Managing Corporate Officer	Yasumi Kudo	Oversees Management Coordination Group, Corporate Planning Group, Car Carrier Group and Auto-Project Group
		In charge of Nagoya Branch, Middle-East Region and matters related to MTI (Monohakobi Technology Institute)
		Assists Director in charge of Container Trade Management Group (division of duties on Latin America Region)
Representative Director, Senior Managing Corporate Officer	Hiroshi Sugiura	Chief Executive of Global Group Management Headquarters (Global Group Management Headquarters: Global Management Strategy Group and Corporate Affiliate Management Group)
		Oversees General Affairs Group, Secretary Group, Legal and Insurance Group, Internal Audit Chamber, Global Management Strategy Group, Corporate Affiliate Management Group, Accounting Group, Internal Control Project Chamber, Finance Group and Cruise Enterprise Group
		Executive Chief of Environmental Management (ECEM), deputy CCO
Representative Director, Senior Managing Corporate Officer	Hiroyuki Shimizu	In charge of Container Trade Management Group Logistics Group, Logistics Integrator Group, Yokohama Branch, and Kansai Branch, and matters related to TOKYO SENPAKU KAISHA, LTD., and NYK LINE JAPAN CO., LTD.
		Assists Director in charge of Harbor Group
Director, Managing Corporate Officer	Masamichi Morooka	Managing Director of NYK GROUP EUROPE LTD.
Director, Managing Corporate Officer	Shinji Kobayashi	Chief Executive of Technical Headquarters (Technical Headquarters: Safety and Environmental Management Group, Technical Group, Fleet Upkeep Group and Ship Management Group and Seafarer Planning Group)
		In charge of Technical Group, Fleet Upkeep Group and Ship Management Group President of NYK-HINODE LINE, LTD.
Managing Corporate Officer	Naoki Takahata	In charge of Accounting Group, Internal Control Project Chamber, Finance Group, Chief Financial Officer (CFO), and matters related to NYK ACCOUNTING CO. LTD.
Managing Corporate Officer	Makoto Igarashi	In charge of Corporate Communication Group, IR Group, CSR Coordination Group and Compliance and Risk Management Group (CSR Management Headquarters)
Managing Corporate Officer	Masahiro Kato	In charge of Car Carrier Group and Auto-Project Group
Managing Corporate Officer	Hidernori Hono	In charge of Capesize Bulker Group, Forest Products Group, and Steaming Coal Group, and matters related open hatch bulker
Managing Corporate Officer	Yuji Semba	In charge of matters related to reefer cargo and NYK BULKSHIP (ATLANTIC) N.V.
Managing Corporate Officer	Hiroshi Hattori	Chief Representative for China, Chairman of NYK LINE (CHINA) CO. LTD. and NYK LOGISTICS (CHINA) CO. LTD.
Managing Corporate Officer	Naoya Tazawa	In charge of General Affairs Group, Secretary Group and Human Resources Group

Position	Name	Responsibilities and principal duties
Managing Corporate Officer	Tadaaki Naito	In charge of Tramp Co-ordination Group, Petroleum Group, Petroleum Product and LPG Group, Deputy Chairman of Bulk/Energy Resources Transportation Strategy Committee
Corporate Officer	Tetsufumi Otsuki	Senior Executive Managing Director of NIPPON CARGO AIRLINES CO., LTD.
Corporate Officer	Takeshi Matsunaga	President of NYK GLOBAL BULK CORP.
Corporate Officer	Takatake Naraoka	President of TOKYO SENPAKU KAISHA, LTD.
Corporate Officer	Masato Katayama	Chairman of NYK LINE DO BRASIL LTDA.
Corporate Officer	Toshinori Yamashita	President of NYK LINE JAPAN CO. LTD.
Corporate Officer	Yasuyuki Usui	In charge of IT Strategy Group, Chief Information Officer (CIO), General Manager of IT Strategy Group
Corporate Officer	Tsutomi Kikuchi	President of NYK GROUP SOUTH ASIA PTE. LTD.
Corporate Officer	Toshiaki Takeda	Director of NYK GROUP EUROPE LTD. (Logistics)
Corporate Officer	Tomoyuki Matsubara	General Manager of Technical Group
Corporate Officer	Hiroshi Sekine	In charge of Safety and Environmental Management Group and Seafarer Planning Group
		Assists the director who is in charge of Fleet Upkeep and Ship Management Group
		General Manager of Safety and Environmental Management Group
Corporate Officer	Masahiko Fukatsu	President of NYK LOGISTICS (JAPAN) CO., LTD.
Corporate Officer	Hiroshi Hiramatsu	In charge of Management Coordination Group, Corporate Planning Group, Global Management, Strategy Group and Corporate Affiliate Management Group
Corporate Officer	Mikitoshi Kai	In charge of Legal and Insurance Group, Internal Audit Chamber and Cruise Enterprise Group
Corporate Officer	Susumu Akeno	In charge of matters related to NYK SHIPMANAGEMENT PTE. LTD.
		General Manager of Fleet Upkeep Group and Ship Management Group
Corporate Officer	Wataru Nakamae	General Manager of Finance Group
Corporate Officer	Tetsuichi Nozaki	President of NYK GROUP AMERICAS INC.
Corporate Officer	Shoji Murakami	General Manager of Logistics Group and Logistics Integrator Group
Corporate Officer	Satoshi Akagi	General Manager of Harbour Group
Corporate Officer	Fukashi Sakamoto	In charge of matters related to NYK BULKSHIP (EUROPE) LTD., and NYK LNG SHIPMANAGEMENT (UK) LTD.
Corporate Officer	Kenji Mizushima	General Manager of Container Trade Management Group
Corporate Officer	Hitoshi Nagasawa	In charge of LNG Group General Manager of LNG Group
Corporate Officer	Peter Keller	President of NYK LINE (NORTH AMERICA), INC.
Corporate Officer	Ian Veitch	Chief Executive Officer of NYK LOGISTICS(UK), LTD.

Notes: 1. Corporate Officers retired as of Mar. 31, 2007 are as follows:
Tadamasa Ishida, Motoo Igawa, Susumu Kikuchi, Yutaka Yasunaga, Mitsutoshi Nawa,
Saburo Yamagata, Takamaru Ishida, and Lanny Vaughn.

2. Corporate Officers newly appointed as of Apr. 1, 2007 are as follows:
Mikitoshi Kai, Susumu Akeno, Wataru Nakamae, Tetsuichi Nozaki, Shoji Murakami, Satoshi Akagi,
Fukashi Sakamoto, Kenji Mizushima, Hitoshi Nagasawa, Peter Keller and Ian Veitch

(3) Remuneration Paid to Executives

Category	Number of persons remunerated	Total Amount of remuneration paid
Directors	14	¥751 million
Corporate Auditors	4	¥86 million
Total	18	¥837 million

- Notes: 1. Amount of remuneration paid to Directors does not include consideration for corporate officers and employees for those who also work as Directors.
2. Amount of remuneration paid to Directors includes 155 million yen in bonus for Directors that is planned to be proposed at the 120th Ordinary General Meeting of Shareholders.

(4) Status of Major Activities of Outside Executives

Name	Status of Attendance and Stating of Opinions
Corporate Auditor (Part-time, outside Corporate Auditor) Keisuke Kitajima	Participated in all 19 meetings of Board of Directors, and all 16 meetings of Board of Corporate Auditors held during this fiscal year, when necessary he made statements mainly from his expert perspective as an attorney at law.
Corporate Auditor (Part-time, outside Corporate Auditor) Tsuyoshi Miyazaki	Participated in all 19 meetings of Board of Directors, and all 16 meetings of Board of Corporate Auditors held during this fiscal year, when necessary he made statements mainly from the perspective of his long and successful carrier in management.

(5) Liability Limitation Agreement with Outside Executives

NYK amended the Articles of Incorporation at the 119th Ordinary General Meeting of Shareholders and established provisions with regard to a liability limitation agreement for outside corporate auditors.

Outline of the liability limitation agreement that NYK has executed with two outside corporate auditors in accordance with the relevant Articles of Incorporation is as follows:

(Article 45 of the Articles of Incorporation Limitation of Liabilities of Outside Corporate Auditors)

The Company may enter into an agreement with each of Outside Corporate Auditors to the effect that any liabilities for damages of such Outside Corporate Auditors as stipulated in Article 423, Paragraph 1 of the Corporation Law shall be limited to the extent permitted by law; provided, however, the limit of the liability thereunder shall be a prescribed amount in advance that is to be twenty million yen or more or an amount set by law, whichever is the greater.

(6) Remuneration Paid to Outside Executives

Category	Number of persons remunerated	Total Amount of remuneration paid
Total amount of remuneration paid to outside executives	2	¥20 million

5. Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu

(2) Compensation paid to Independent Auditor for the fiscal year under review

Compensation paid for the fiscal year under review	75 million yen
Total of cash and other financial profits payable by the company and its subsidiaries to the independent auditor	188 million yen

Notes: 1. The audit agreement entered into by NYK and the Independent Auditor does not clearly distinguish the amount being derived from audit under the Corporation Law and that which is being derived from the audit under the Securities and Exchange Law, therefore, the aforementioned amount includes the amount of compensation, etc., for the audit under the Securities Exchange Law.

2. NYK is paying Internal Control Project Consulting Fee, which is for business other than the business as set forth in Article 2, Paragraph 1 of the Certified Public Accountants Law (non-audit business) to the Independent Auditor.

3. Among our principal subsidiaries, Tokyo Senpaku Kaisha, Ltd., NYK-Hinode Line, Ltd. , UNI-X Corp., NYK Group Americas Inc., NYK Group Europe Ltd., NYK Group South Asia Pte. Ltd. and NYK Group Oceania Pty. Ltd. undergo audits of statutory documents by CPAs or audit corporations other than the Independent Auditor of NYK (including persons who have qualifications equivalent to these qualifications in foreign countries) (limited to audit pursuant to the Corporation Law or Securities and Exchange Law (including foreign laws equivalent to these laws))

(3) Company Policy regarding dismissal or decision not to reappoint the Independent Auditor

Article 340 of the Corporation Law stipulates that the Board of Corporate Auditors shall be entitled to dismiss the independent auditor for reasons stipulated therein. In addition, when it is reasonably recognized that the independent auditor is no longer able to execute its duties in an appropriate manner, NYK, subject to prior consent of, or request from, the Board of Corporate Auditors, will offer a resolution to the Shareholders' Meeting to the effect of dismissal of, or a decision not to reappoint, the independent auditor.

6. Matters on Internal Control System

Under the Corporation Law that went into effect in May 2006, the Board of Directors Meeting is obligated to adopt resolutions with respect to preparation of an internal control system. Accordingly, the Company adopted a resolution at the Board of Directors Meeting on May 10, 2006, and then, based on the progress of preparation of the internal control system thereafter, adopted a new resolution at the Board of Directors Meeting on March 29, 2007 as follows.

The Company will keep making efforts to reexamine the internal control system, and attempt further maintenance and enhancement.

▶ Outlines of Resolutions of Board of Directors

1. Directors of the Company execute duties in compliance with the laws and Articles of Incorporation (the "Laws") in accordance with the clear allocation of authority and procedures. The Company recognizes that fulfillment of social responsibility is fundamental to management, and has determined the NYK Group Mission Statement, the NYK Line Business Credo and Code of Conduct (the "Conduct Guidelines") and Directors take a leading role in observing these Conduct Guidelines. In addition, in order to ensure compliance with the law and proper execution of business by the Directors, the Company has established in-house systems such as the Internal Control Committee and Compliance Committee, etc.
2. Documents and other information relating to execution of duties by the Directors of the Company are stored and managed properly according to in-house rules.
3. As to management of risks of loss, the Company has established sections solely to be in charge of maintaining awareness of company-wide risks, and these track down and evaluate risks on a regular basis and implement proper countermeasures. The Company performs thorough risk management relating to safe operation of vessels and environmental preservation.
4. Directors of the Company are performing efficient duty execution by clear distribution of authorities and decision-making rules, and activation of electronic-decision system.
5. In order to ensure the conformance of duties by employees of the Company with laws, Compliance Committee meetings are held on a regular basis, Compliance Total Check Month has been implemented, a consultation channel has been installed, and Compliance Training has been held regularly.
6. The Company applies NYK Group Mission Statement and Group Value to the overall group. In order to ensure proper operations by the Corporate Group, the Company will instruct each group company to further prepare an internal control system. Additionally, the Company has established a Global Group Management Headquarters, aiming at ensuring sound and efficiency improvements of group companies. Furthermore, an internal audit division has been established and internal audits are being carried out for the Company and group companies.
7. The Company has established a Corporate Auditor's staff Chamber as an assistant for Corporate Auditors, and allocates full-time staff. Personnel evaluation of full-time staff is performed by full-time Corporate Auditors.
8. Board of Directors has prepared an environment in which the Corporate Auditor can conduct effective audits. Corporate Auditors participated in Board of Directors meetings and other major meetings, peruse and examine important documents relating to business execution, and implement proper auditing.
9. Corporate Auditors exchange information with Accounting Auditor and internal audit division, making efforts to collaborate in auditing, and ensure systems to improve the effectiveness and efficiency of each audit.
10. The Company has established a dedicated department as a part of the construction of the internal control system to ensure the properness of financial statements under the Financial Products Transaction Law. This internal control system is to be improved by April 2008.

Consolidated Balance Sheet (As of March 31, 2007)

		(In millions of yen)	
Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	539,971	Current liabilities	697,050
Cash and deposits	92,285	Notes and accounts payable-trade	197,015
Notes and accounts receivable-trade	232,252	Current portion of corporate bonds	21,000
Marketable securities	2,265	Short-term bank loans and current portion of long-term debt payable	285,187
Inventories	38,639	Income taxes payable	25,046
Deferred assets and prepaid expenses	58,142	Deferred tax liabilities	3,877
Deferred tax assets	3,415	Advance received	61,545
Other current assets	118,182	Employees' bonuses accrued	9,576
Allowance for doubtful accounts	(5,213)	Directors' bonuses accrued	520
Fixed assets	1,593,903	Other current liabilities	93,280
Tangible fixed assets	946,328	Long-term liabilities	737,673
Vessels	471,987	Corporate bonds	167,334
Buildings and structures	82,125	Long-term bank loans	417,231
Aircraft	19,764	Deferred tax liabilities	87,503
Machinery, equipment and vehicles	40,778	Reserve for employees' retirement benefits	17,479
Furniture and fixtures	8,026	Reserve for directors' retirement benefits	2,597
Land	64,339	Reserve for periodic dry docking of vessels	3,338
Construction in progress	251,807	Other long-term liabilities	42,188
Other tangible fixed assets	7,498	Total Liabilities	1,434,724
Intangible fixed assets	71,146	Net Assets	
Leaseholds	2,189	Shareholders' equity	497,466
Software	30,731	Common stock	88,531
Goodwill	31,688	Capital surplus	97,188
Other intangible fixed assets	6,537	Retained earnings	312,605
Investments and other assets	576,429	Treasury stock	(858)
Investment securities	454,303	Valuation and translation adjustments	159,622
Long-term loans receivable	17,900	Net unrealized holding gain on available-for-sale securities	136,954
Deferred tax assets	9,244	Deferred gains/losses on hedge	14,361
Other investments, etc.	99,036	Foreign currency translation adjustments	8,307
Allowance for doubtful accounts	(4,055)	Minority interests	43,628
Deferred assets	1,566	Total net assets	700,717
		Total Liabilities and Net Assets	2,135,441
Total Assets	2,135,441		

Consolidated Statement of Income (From April 1, 2006 to March 31, 2007)

Item	Breakdown	(In millions of yen)	
		Amount	
Revenues		2,164,279	
Cost and expenses		<u>1,840,784</u>	
Gross profit		323,495	
Selling, general and administrative expenses		<u>218,553</u>	
Operating income		104,941	
Non-operating profit			
Interest and dividends income	12,000		
Equity in earnings	5,522		
Other non-operating income	<u>8,349</u>	25,872	
Non-operating expenses			
Interest expenses	18,285		
Other non-operating expenses	<u>4,994</u>	23,279	
Income before extraordinary items		107,534	
Extraordinary gains			
Gain on sales of fixed assets	4,001		
Gain on sales of investment securities	11,047		
Other extraordinary gains	<u>4,344</u>	19,393	
Extraordinary losses			
Loss on disposal of fixed assets	1,140		
Provision of allowance for doubtful accounts	2,720		
Operation and maintenance cost additional burden	1,608		
Other extraordinary losses	6,322	11,790	
Income before income taxes and minority interests		115,136	
Income taxes-current	44,171		
Income taxes-deferred	<u>4,430</u>	48,601	
Minority interests		<u>1,496</u>	
Net income		65,037	

Consolidated Statement of Changes in Net Assets (From April 1, 2006 to March 31, 2007)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	88,531	94,427	266,567	(3,770)	445,755
Changes during fiscal year					
Dividends from retained earnings (note)			(10,984)		(10,984)
Dividends from retained earnings			(11,058)		(11,058)
Bonuses to directors (note)			(461)		(461)
Net income			65,037		65,037
Acquisition of treasury stock				(366)	(366)
Disposition of treasury stock		2,761		3,278	6,039
Increase in retained earnings due to increase in consolidated subsidiaries			2,120		2,120
Increase in retained earnings due to changes to financial reporting period at consolidated subsidiaries			87		87
Decrease in retained earnings by increase in consolidated subsidiaries			(14)		(14)
Increase in retained earnings due to increase in equity method investees			503		503
Decrease of retained earnings due to increase in equity method investees			(218)		(218)
Other			1,026		1,026
Net changes other than shareholders' equity during consolidated fiscal year					
Total change during fiscal year	—	2,761	46,037	2,911	51,710
Balance as of March 31, 2007	88,531	97,188	312,605	(858)	497,466

Note: This item is for profit appropriation at the Ordinary General Meeting of Shareholders in June 2006.

(In millions of yen)

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized holding gain on available-for-sale securities	Deferred gains/losses on hedge	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2006	127,756	—	1,854	129,610	35,977	611,343
Changes during fiscal year						
Dividends from retained earnings(note)						(10,984)
Dividends from retained earnings						(11,058)
Bonuses to directors (note)						(461)
Net income						65,037
Acquisition of treasury stock						(366)
Disposition of treasury stock						6,039
Increase in retained earnings due to increase in consolidated subsidiaries						2,120
Increase in retained earnings due to changes to financial reporting period at consolidated subsidiaries						87
Decrease in retained earnings by increase in consolidated subsidiaries						(14)
Increase in retained earnings due to increase in equity method investees						503
Decrease of retained earnings due to increase in equity method investees						(218)
Other						1,026
Net changes other than shareholders' equity during consolidated fiscal year	9,197	14,361	6,452	30,011	7,651	37,663
Total change during fiscal year	9,197	14,361	6,452	30,011	7,651	89,374
Balance as of March 31, 2007	136,954	14,361	8,307	159,622	43,628	700,717

Note: This item is for profit appropriation at the Ordinary General Meeting of Shareholders in June 2006.

(For reference)

Summary of Consolidated Statement of Cash Flow (From April 1, 2006 to March 31, 2007)

	(In millions of yen)
Net cash provided by operating activities	86,229
Net cash used in investing activities	(178,043)
Net cash provided by financing activities	97,363
Effect of exchange rate fluctuations on cash and cash equivalents	2,793
Net increase (decrease) in cash and cash equivalents	8,343
Cash and cash equivalents at beginning of the year	78,487
Increase (decrease) in cash and cash equivalents due to change of consolidation scope	869
Increase (decrease) in cash and cash equivalents due to mergers conducted by consolidated subsidiaries	10
Increase (decrease) in cash and cash equivalents at the beginning of the year due to changes to financial reporting period at consolidated subsidiaries	(1)
Cash and cash equivalents at end of the year	87,709

Note: This statement is not covered by the audit report.

Notes to Consolidated Financial Statements

► Basis of presenting consolidated financial statements

1. Scope of Consolidation

- (1) Number of Consolidated subsidiaries: 632
Name of principal consolidated subsidiaries
NYK Global Bulk Corp., Tokyo Senpaku Kaisha, Ltd., Nippon Cargo Airlines Co., Ltd., Hachiuma Steamship Co., Ltd., NYK-Hinode Line, Ltd., NYK Cruises Co., Ltd., YUSEN Air&Sea Service Co., Ltd., NYK Trading Corporation, UNI-X Corp., NYK GROUP AMERICAS Inc., NYK GROUP EUROPE Ltd., NYK GROUP SOUTH ASIA Pte. Ltd., NYK GROUP OCEANIA Pty. Ltd., ADAGIO MARITIMA S.A. and other 391 companies
- (2) Name of principal non-consolidated subsidiaries
There is no principal non-consolidated subsidiary to be noted.
- (3) Reason for exclusion from the scope of consolidation
Total assets, total sum of revenues and total equity amount out of net income and total equity amount of retained earnings, etc. of non-consolidated subsidiary are all small compared to total assets, total sum of revenues, total equity amount out of net income and total equity amount of retained earnings of consolidated companies, and do not have a material effect on the consolidated statutory report as a whole, and this is why they are excluded from the scope of consolidation.

2. Application of equity method

- (1) Number of affiliates accounted for by the equity method
subsidiaries: 3
affiliates: 38
Name of principal affiliates accounted for by the equity method:
Kyoei Tanker Co., Ltd., Shinwa Kaiun Kaisha, Ltd., Taiheiyo Kaiun Co., Ltd.
- (2) Name of principal non-consolidated subsidiaries and affiliates that are not accounted for by the equity method
There is no principal non-consolidated subsidiary or affiliate to be noted.
- (3) Reason for exclusion of the scope of application of the equity method
Net income and total equity amount of retained earnings, etc. of non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are small compared to net income and total equity amount of retained earnings of consolidated companies and companies that are accounted for by the equity method, and impact on retained earnings, etc., is minor, and as a whole do not have a material effect on the consolidated statutory report, and this is why they are excluded from the scope of application of the equity method.

3. Change of scope of consolidation and scope of application of the equity method

- (1) Consolidation
(New): 104 companies
The following companies are included within the scope of consolidated subsidiaries from this fiscal year respectively due to new establishment in this fiscal year, increase of significance, new acquisition and additional acquisition, etc.
NYK LNG Ship Management Co., Ltd.
Crystal Sports Club Co., Ltd.
Yusen Air & Sea Service (Tsukuba) Co., Ltd.
Yusen Air Loginet Co., Ltd.
Yusen Air & Sea Service Keihin Trans Co., Ltd.
Yusen Air & Sea Service (Kyushu) Co., Ltd.
Yusen Air & Sea Service (Shinshu) Co., Ltd.
Yusen Air & Sea Service (Chugoku) Co., Ltd.
Yusen Air & Sea Service (Tohoku) Co., Ltd.
Yusen Air Logistics (Hamamatsu) Co., Ltd.

Yusen Air & Sea Service (Kitakanto) Co., Ltd.
Yusen Air & Sea Service (Hokuriku) Co., Ltd.
Yusen Air Logistics (Nagoya) Co., Ltd.
Ryowa Diamond Air Services Co., Ltd.
ACCESSORY PLANT ZEEBRUGGE N.V.
AKAN SHIPPING Pte. Ltd.
ALTAIR MARINE LTD. S.A.
ANTWERP CAR PROCESSING CENTER N.V.
APPIAS SHIPPING Pte. Ltd.
ARAW MARITIMA INTERNATIONAL S.A.
BUBONA SHIPPING Pte. Ltd.
CARMENTA SHIPPING Pte. Ltd.
CERES AMSTERDAM MARINE TERMINALS B.V.
CERES PARAGON TERMINALS B.V.
CHIGASAKI MARITIMA S.A.
COMBINED TERMINAL OPERATORS N.V.
DAISETSUZAN SHIPPING Pte. Ltd.
DARJEELING SHIPHOLDING S.A.
DELPHIS MARITIMA S.A.
DIMBLA SHIPHOLDING S.A.
DOOARS SHIPHOLDING S.A.
DUELLONA SHIPPING Pte. Ltd.
DURIAN MARITIMA S.A.
EARL GREY SHIPHOLDING S.A.
GLOBAL COURAGE S.A.
GLOBAL DESTINY S.A.
GLOBAL ELEGANCE S.A.
GLOBAL FANTASY S.A.
GLOBAL GRACE S.A.
GLOBAL HEAVEN S.A.
HECATE SHIPPING Pte. Ltd.
HIPONA SHIPPING Pte. Ltd.
HONOS SHIPPING Pte. Ltd.
INTERNATIONAL CRUISE SERVICES Ltd.
ISHIKARI SHIPPING Pte. Ltd.
JUPITER SHIPPING Pte. Ltd.
KATASE MARITIMA S.A.
KUJYUKURI MARITIMA S.A.
KUSHIRO SHIPPING Pte. Ltd.
LARES PERMARINI SHIPPING Pte. Ltd.
LIBER SHIPPING Pte. Ltd.
LORANG FRANCE S.A.S.
MARICA SHIPPING Pte. Ltd.
MEDITRINA SHIPPING Pte. Ltd.
MENS SHIPPING Pte. Ltd..
MERCURIUS SHIPPING Pte. Ltd.
MIURA MARITIMA S.A.
NACIREMA, Inc.
NEPAL SHIPHOLDING S.A.
NILGIRI SHIPHOLDING S.A.
NORTH POINT MARITIMA S.A.
NUWARAERIYA SHIPHOLDING S.A.
NYK BULKSHIP (CHINA) Ltd.
NYK BULKSHIP (KOREA) Co. Ltd.
NYK DE MEXICO, S.A. DE C.V.

NYK FIL-JAPAN SHIPPING CORP.
 NYK FIL-JAPAN SHIPPING E-SERVICE CORP.
 NYK FTC (SINGAPORE) Pte. Ltd.
 NYK INFORMATION SERVICE (GUANGZHOU) Ltd.
 NYK LINE DO BRASIL Ltd.
 NYK LNG FINANCE CO., Ltd.
 NYK LOGISTICS & BLL OF SOUTH AFRICA Pty.Ltd.
 NYK LOGISTICS (FUZHOU BONDED ZONE) Ltd.
 NYK LOGISTICS (INDIA) Ltd.
 NYK LOGISTICS (PHILIPPINES) Inc.
 NYK LOGISTICS (SHENZHEN) Ltd. (FUTIAN)
 NYK LOGISTICS INSD (THAILAND) Co., Ltd.
 NYK RORO (THAILAND) Co., Ltd.
 NYK VEGA CORPORATION
 NYK VENUS CORPORATION
 NYK VESTA CORPORATION
 OKINAWA SHIPHOLDING Pte. Ltd.
 OOO NYK LOGISTICS (CIS)
 ORBONA SHIPPING Pte. Ltd.
 PACIFIC RIM CONTAINER DEPOT (S) Pte Ltd.
 PT. NYK PUNINAR LOGISTICS INDONESIA
 RISHIRI SHIPPING Pte. Ltd.
 RUHUNA SHIPHOLDING S.A.
 SALACIA SHIPPING Pte. Ltd.
 SHAKOTAN SHIPPING Pte. Ltd.
 SHIRAHAMA MARITIMA S.A.
 SHIRETOKO SHIPPING Pte. Ltd.
 SHONAN MARITIMA S.A.
 TRIVIA SHIPPING Pte. Ltd.
 TSK LINE (S) Pte Ltd.
 VENTFORET MARITIMA S.A.
 VOLPIA SHIPPING Pte. Ltd.
 YUFUTSU SHIPPING Pte. Ltd.
 YUIGAHAMA MARITIMA S.A.
 YUNNAN SHIPHOLDING S.A.
 YUSEN AIR & SEA SERVICE (BEIJING) Co., Ltd.
 YUSEN AIR & SEA SERVICE (PHILIPPINES) Inc.
 YUSEN AIR & SEA SERVICE (VIETNAM) Co., Ltd.
 ZEEBRUGGE SHIPPING AND BUNKERING COMPANY N.V.

(Transfer from affiliates accounted for by the equity method): 2 companies
 Naikai Eisen Kaisha, Ltd.
 CERES CONTAINER TERMINALS EUROPE B.V.

(Exclusion due to liquidation): 25 companies
 Asahi Services Ltd.
 Ace Shipping Co., Ltd.
 Hikawamaru Marine Tower Co., Ltd.
 AQUARIUS SHIPHOLDING S.A.
 ASUKA MARITIMA S.A.
 ATKINS FILLING STATION (FINDERN) Ltd.
 BRANDNEW NAVIGATION S.A.
 CONSADOLE MARITIMA S.A.
 F B ATKINS & SONS Ltd.
 FLEXNOTE Ltd.

HEIRYUMARU MARITIMA S.A.
IVERSON MARITIMA S.A.
JUROHJIN MARITIMA S.A.
MAGENTA NAVIGATION S.A.
MYOJIN SHIPHOLDING S.A.
NICHIHOMARU MARITIMA S.A.
NYK ALPHA SHIPPING S.A.
NYK INTERNATIONAL (NETHERLANDS) B.V.
NYK LINE (UK) Ltd.
ORIENT CONSOLIDATION SERVICE (HONG KONG) Ltd.
RIVER FIELD MARITIMA S.A.
ROBINSON MARITIMA S.A.
SEASIDE VIEW MARITIMA S.A.
SKY WALK MARITIMA S.A.
VYNAL MARITIMA S.A.

(Exclusion due to merger): 2 companies
Global Logistics Investments Ltd.
NYK LOGISTICS (AMERICAS) Inc.

(2) Equity method

(New) 10 companies

Following companies are included within the scope of application of the equity method, due to occurrence of significance in both net income and retained earnings, etc.

Trans Ocean LNG Transportation Co., Ltd.
CAMARTINA SHIPPING Inc.
EMINENCE BULK CARRIERS Pte Ltd.
PACIFIC EURUS SHIPPING Ltd.
PENINSULA LNG TRANSPORT NO.1 Ltd.
PENINSULA LNG TRANSPORT NO.2 Ltd.
PENINSULA LNG TRANSPORT NO.3 Ltd.
YUSEN TRAVEL (HONG KONG) Ltd.
YUSEN TRAVEL (SINGAPORE) Pte., Ltd.
YUSEN TRAVEL (U.S.A.) Inc.

(Transfer to consolidated subsidiaries): 2 companies
Naikai Eisen Kaisha, Ltd.
CERES CONTAINER TERMINALS EUROPE B.V.

(Exclusion due to liquidation): 1 company
NYK STAR REEFERS Inc. (Cayman Islands)

4. Closing date for consolidated subsidiaries

For the 48 companies that have fiscal terms ending December 31 and the single company that has a fiscal term ending February 28, financial statements as of the relevant date are used, however for material transactions arising in the period between the dates and the consolidated closing date, adjustment for consolidation has been carried out as necessary.

Additionally, for the three companies that have fiscal terms ending in December 31, financial statements based on provisional account closing made as of the consolidated closing date are used. One consolidated subsidiary changed the closing date of accounts from December 31 to March 31 from this fiscal year.

The effect on retained earnings resulting from the change of account closing date are described in the Consolidated Statement of Changes in Net Assets.

5. Accounting policies

- (1) Standards and methods of valuation of significant assets
 - Securities
 - Bonds held to maturity Amortized cost method (primarily straight-line method)
 - Available-for-sale securities
 - Securities with market value Primarily, market value method based on the average market price during the month before the closing date, etc. (Differences in valuation are included directly in net assets and costs of securities sold are calculated primarily using the moving-average method)
 - Securities without market value Primarily, stated at cost using the moving-average method
 - Derivative Market value method
 - Inventories Primarily, lower of cost using the moving-average method
- (2) Depreciation methods for significant depreciable assets
 - Tangible fixed assets Primarily, the straight-line method pursuant to the provisions of the Corporation Tax Law.
 - Intangible fixed assets
 - (Software) Primarily, straight-line method based on useful life of five years in-house.
 - (Other intangible fixed assets) Primarily, the straight-line method pursuant to the provisions of the Corporation Tax Law.
- (3) Disposition method of significant deferred assets
 - Bond issue expenses Amortized equally each month over the period of redemption of the bond
- (4) Standards of accounting for significant allowances and reserves
 - Allowance for doubtful accounts Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables.
 - Employees' bonuses accrued Provided for bonus payments to employees based on estimated amounts of future payments attributed to the fiscal year
 - Directors' bonuses accrued Provided for bonus payments to directors based on estimated amounts of future payments attributed to the fiscal year
 - Reserve for employees' retirement benefits Reserve for employees' retirement benefits is calculated based on estimates of retirement benefit obligations and pension assets as of the end of the consolidated fiscal term. Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over various periods (through 8 years), which are not greater than the average remaining service period of the employee.
 - Reserve for directors' retirement benefits Reserve for directors' retirement benefits at the end of fiscal term are calculated based on internal rules as for consolidated subsidiaries.
 - Reserve for periodic dry docking of vessels Reserves for periodic dry docking of vessels are calculated based on future estimated amounts for periodic dry docking of vessels.

(5) Accounting method for significant leases

Finance leases other than those which transfer the ownership of the leased property to the lessee at the conclusion of the lease are accounted for as operating leases in general.

(6) Significant hedge accounting

The Group applies hedge accounting to derivative transactions, etc. in order to set off the interest volatility risk, exchange volatility risk or cash flow volatility risk in credits and debts. Additionally, to derivative transactions in preparation for price volatility risks in purchase of bunker oil, etc., hedge accounting is applied as well. We have adopted deferred hedging as the method, and for currency swaps and exchange forward contract that meets the prescribed hedging requirements are translated at the foreign exchange rate stipulated in the contracts, and interest rate swaps and interest rate which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

For interest volatility risk on loans payable and corporate bonds, etc., interest rate swaps, etc., are used; for exchange volatility risk of foreign currency denominated transactions such as pecuniary debts and credits, forecasted transaction, etc., currency swaps, exchange reservations, and foreign currency denominated credits and debts, etc., and for price volatility risk of bunker oil, etc., swaps, etc. are used as means for hedging. Assessment of effectiveness of hedges is made at the end of each fiscal year and each interim term end by the method of rate analysis of fluctuations in the market for the hedged item and means for hedging or the cumulative total of cash flow volatility. However, assessment of hedging effectiveness is not performed for interest rate swaps and interest rate caps that qualify for hedge accounting and meet specific matching criteria above.

(7) Consumption taxes are accounted for by the tax exclusion method.

6. Valuation of assets and liabilities of consolidated subsidiaries

Valuation of assets and liabilities of consolidated subsidiaries is determined based on the full-assessment market value method.

7. Amortization of goodwill

Goodwill is amortized equally each year over 5 to 20 years.

▶ **Changes in accounting policy**

1. Accounting standard for directors' bonus

NYK Group adopted "Accounting Standard for Directors' Bonus" (Accounting Standards Board of Japan, Statement No.4, November 29, 2005) from the current consolidated fiscal year. As a result, operating income, income before extraordinary items and income before taxes and minority interests for the year displayed decreases by 520 million yen.

2. Tentative solution on accounting for deferred assets

NYK Group adopted "Tentative Solution on Accounting for Deferred Assets" (Accounting Standards Board of Japan, Practical Issues Task Force No.19, August 11, 2006) from bond issue expenses relating to bonds issued in this fiscal year, and changed from amortization equally each year over three years to amortization equally each month over the period until redemption of the bond. As a result, income before extraordinary items and income before taxes and minority interests for the year showed an increase of 486 million yen.

3. Accounting standard for financial instruments

NYK Group has adopted revised "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan, Statement No.4, August 11, 2006) from the current consolidated fiscal year. There is no impact on results of operation from this.

4. Accounting standard for presentation of net assets in the balance sheet

NYK Group has adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan, Statement No.5, December 9, 2005) and the "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan, Guidance No. 8, December 9, 2005) from the current consolidated fiscal year. The amount corresponding to the total amount of the previous "Shareholders Equity" section is 642,727 million yen.

▶ **Additional information**

1. Although the Company has adopted the voyage completion method, which considers from the place of departure to the place of return as one unit as for the accounting standard for income and expenses for other than container ships, and, in the Far East, has made the place of departure and place of return the same place as a practical business principle, in conformance with the actual situation in service recently, the Company decided not necessarily to make the place of departure and place of return the same place in the Far East. As a result, gross operating income, operating income, income before extraordinary items, and income before income taxes and minority interests are posted as 1,730 million yen greater.
2. Although the Company has adopted the voyage completion method as the accounting standard for income and expenses of vessels handled by the Middle-South America and Africa Group, however, since the actual situation of transportation has come to be similar to container ships, the Company has decided to adopt the intermodal transportation percentage of completion basis. As a result, gross operating income, operating income, income before extraordinary items, and income before income taxes and minority interests are posted as 1,793 million yen greater.

► **Notes to Consolidated Balance Sheet**

1. Assets pledged as collateral and obligations relating to collateral

(1) Assets pledged as collateral	
Cash and deposits	355 million yen
Notes and accounts receivable-trade	89 million yen
Marketable securities	2 million yen
Other current assets	1,696 million yen
Vessels	79,079 million yen
Buildings and structures	7,247 million yen
Aircraft	13,589 million yen
Machinery, equipment and vehicles	2,120 million yen
Furniture and fixtures	23 million yen
Land	8,162 million yen
Other tangible fixed assets	26 million yen
Software	8 million yen
Investment securities	19,246 million yen
Other investments, etc	6,785 million yen
Total	138,433 million yen
(2) Obligations relating to collateral	
Notes and accounts payable-trade	67 million yen
Short-term bank loans and current portion of long-term debt payable	23,445 million yen
Other current liabilities	118 million yen
Long-term bank loans	50,117 million yen
Other long-term liabilities	128 million yen
Total	73,878 million yen

2. Accumulated depreciation of tangible fixed assets 820,654 million yen

3. Contingent liability

Notes receivable discounted and endorsed	6 million yen
Guarantee obligations	107,814 million yen
Amount of joint obligations borne by the other joint obligors	32,102 million yen

► **Notes to Consolidated Statement of Changes in Net Assets**

1. Class and number of issued and outstanding shares at term-end

Common stock 1,230,188,073 shares

2. Matters concerning dividends

(1) Amount of dividend payment

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Base date	Effective date
Ordinary General Meeting of Shareholders June 28, 2006	Common stock	10,984	9	March 31, 2006	June 29, 2006
Board of Directors' Meeting November 9, 2006	Common stock	11,058	9	September 30, 2006	December 4, 2006
Total		22,043			

(2) Dividend for which base date is in the current consolidated fiscal term but effective date for dividend is in the following fiscal term

As a proposal at the Ordinary General Meeting of Shareholders to be held on June 27, 2007, matters regarding dividends of common stock are submitted as follows:

- (i) Total dividend 11,056 million yen
- (ii) Dividend per share 9 yen
- (iii) Record date March 31, 2007
- (iv) Effective date June 28, 2007

Resource for dividends are planned to be retained earnings.

► **Note on per-share information**

- (1) Net assets per share 534.90 yen
- (2) Net income per share 52.99 yen

► **Other Note**

Totals stated are rounded down to the nearest million yen

► **Notes on significant subsequent events**

Not applicable

Non-Consolidated Balance Sheet (As of March 31, 2007)

(In millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	288,589	Current liabilities	288,880
Cash and deposits	13,465	Notes and accounts payable	76,054
Notes and accounts receivable-trade	71,317	Current portion of Corporate bonds	21,000
Short-term loans receivable	118,084	Short-term bank loans	83,506
Inventories	22,786	Account payable	6,036
Deferred or prepaid expenses	46,763	Income taxes payable	10,694
Receivable from agencies	9,627	Advance received	29,899
Deferred tax assets	7,467	Deposits received	45,306
Other current assets	18,895	Payable to agencies	2,252
Allowance for doubtful accounts	(19,819)	Employees' bonuses accrued	2,515
Fixed assets	947,479	Directors' bonuses accrued	155
Tangible fixed assets	135,510	Other current liabilities	11,460
Vessels	81,666	Long-term liabilities	454,669
Buildings	20,960	Corporate bonds	167,334
Structures	812	Long-term debts	205,748
Machinery and equipment	486	Deferred tax liabilities	65,636
Vehicles	59	Reserve for periodic dry docking of vessels	2,300
Equipment and fixtures	1,409	Other long-term liabilities	13,649
Land	29,705	Total liabilities	743,550
Construction in progress	410	Net Assets	
Intangible fixed assets	27,596	Shareholders' equity	363,701
Leaseholds	511	Common stock	88,531
Software	26,966	Capital surplus	95,959
Other intangible fixed assets	118	Capital reserve	93,198
Investments and other assets	784,372	Other capital surplus	2,761
Investment securities	352,923	Retained earnings	180,061
Stocks and equity in subsidiaries and affiliates	228,114	Earned surplus reserve	13,146
Long-term loans receivable	180,261	Other retained earnings	166,914
Other investments, etc.	33,765	Dividend reserve	50
Allowance for doubtful accounts	(10,691)	Special depreciation reserve	702
Deferred assets	1,566	Reserve against investment losses	0
Bond issue expenses	1,566	Reserve for advanced depreciation	2,712
		Other reserves	98,324
		Retained earnings carried forward	65,125
		Treasury stock	(850)
		Valuation and translation adjustments	130,383
		Net unrealized holding gain on available-for-sale securities	130,606
		Deferred gains/losses on hedge	(222)
		Total net assets	494,085
Total Assets	1,237,635	Total Liabilities and Net Assets	1,237,635

Non-Consolidated Statement of Income (From April 1, 2006 to March 31, 2007)

Item	Breakdown	(In millions of yen) Amount
Revenue from shipping operation	1,062,239	
Shipping operation expenses	<u>973,941</u>	
Shipping operation income		88,297
Revenue from other business	7,941	
Other operating expenses	<u>5,692</u>	
Other business income		<u>2,248</u>
Gross operating income		90,546
General administrative expenses		<u>44,142</u>
Operating income		46,403
Non-operating income		
Interest and dividends income	13,985	
Other non-operating income	<u>3,327</u>	17,313
Non-operating expenses		
Interest expenses	7,378	
Other non-operating expenses	<u>3,907</u>	<u>11,286</u>
Income before extraordinary items		52,430
Extraordinary gains		
Gain on sales of fixed assets	1,454	
Gain on sales of investment securities	10,883	
Other extraordinary gains	<u>2,887</u>	15,224
Extraordinary losses		
Loss on disposal of fixed assets	376	
Provision for doubtful accounts	4,054	
Other extraordinary losses	3,375	7,806
Income before income taxes		59,848
Income taxes-current	20,244	
Income taxes-deferred	<u>1,431</u>	<u>21,675</u>
Net income		38,172

Non-Consolidated Statement of Changes in Net Assets (From April 1, 2006 to March 31, 2007)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus		Retained earnings	
		Capital reserve	Other capital surplus	Earned surplus reserve	Other retained earnings
					Dividends reserve
Balance as of March 31, 2006	88,531	93,198	—	13,146	50
Changes during fiscal year					
Dividends from retained earnings (note)					
Dividends from retained earnings					
Bonuses to directors (note)					
Reversal of special depreciation reserve(note)					
Reversal of reserve against investment losses(note)					
Reversal of reserve for advanced depreciation(note)					
Provision of reserve for advanced depreciation(note)					
Provision of other reserves(note)					
Reversal of special depreciation reserve					
Reversal of reserve against investment losses					
Reversal of reserve for advanced depreciation					
Provision of reserve for advanced depreciation					
Net income					
Acquisition of treasury stock					
Disposition of treasury stock			2,761		
Net changes other than shareholders' equity during fiscal year					
Total change during fiscal year	—	—	2,761	—	—
Balance as of March 31, 2007	88,531	93,198	2,761	13,146	50

Note: This item is for profit appropriation at the Ordinary General Meeting of Shareholders in June 2006.

(In millions of yen)

	Shareholders' equity				
	Retained earnings				
	Other retained earnings				
	Special depreciation reserve	Reserve against investment losses	Reserve for advanced depreciation	Other reserves	Retained earning carried forward
Balance as of March 31, 2006	3,420	2	3,102	73,324	71,070
Changes during fiscal year					
Dividends from retained earnings (note)					(10,984)
Dividends from retained earnings					(11,058)
Bonuses to directors (note)					(185)
Reversal of special depreciation reserve(note)	(1,581)				1,581
Reversal of reserve against investment losses(note)		(0)			0
Reversal of reserve for advanced depreciation(note)			(155)		155
Provision of reserve for advanced depreciation(note)			9		(9)
Provision of other reserves(note)				25,000	(25,000)
Reversal of special depreciation reserve	(1,136)				1,136
Reversal of reserve against investment losses		(0)			0
Reversal of reserve for advanced depreciation			(382)		382
Provision of reserve for advanced depreciation			137		(137)
Net income					38,172
Acquisition of treasury stock					
Disposition of treasury stock					
Net changes other than shareholders' equity during fiscal year					
Total change during fiscal year	(2,718)	(1)	(390)	25,000	(5,945)
Balance as of March 31, 2007	702	0	2,712	98,324	65,125

Note: This item is for profit appropriation at the Ordinary General Meeting of Shareholders in June 2006.

(In millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total Shareholders' equity	Net unrealized holding gain on available-for-sale securities	Deferred gains/ losses on hedge	
Balance as of March 31, 2006	(3,762)	342,083	120,807	—	462,891
Changes during fiscal year					
Dividends from retained earnings (note)		(10,984)			(10,984)
Dividends from retained earnings		(11,058)			(11,058)
Bonuses to directors (note)		(185)			(185)
Reversal of special depreciation reserve(note)		—			—
Reversal of reserve against investment losses(note)		—			—
Reversal of reserve for advanced depreciation(note)		—			—
Provision of reserve for advanced depreciation(note)		—			—
Provision of other reserves(note)		—			—
Reversal of special depreciation reserve		—			—
Reversal of reserve against investment losses		—			—
Reversal of reserve for advanced depreciation		—			—
Provision of reserve for advanced depreciation		—			—
Net income		38,172			38,172
Acquisition of treasury stock	(366)	(366)			(366)
Disposition of treasury stock	3,278	6,039			6,039
Net changes other than shareholders' equity during fiscal year			9,798	(222)	9,575
Total change during fiscal year	2,911	21,617	9,798	(222)	31,193
Balance as of March 31, 2007	(850)	363,701	130,606	(222)	494,085

Note: This item is for profit appropriation at the Ordinary General Meeting of Shareholders in June 2006.

Notes to Non-Consolidated Financial Statements

► Notes on matters relating to significant accounting policies

1. Standards and methods of valuation of securities

Stock of subsidiaries and affiliates	stated at cost using the moving-average method
Available-for-sale securities	
Securities with market value	Market value method based on the average market price during the month before the closing date, etc. (Differences in valuation are included directly in net assets and costs of securities sold are calculated using the moving-average method)
Securities without market value	stated at cost using the moving-average method

2. Standards of valuation of derivative transaction Market value method

3. Standards and methods of valuation of inventories

bunker oil	lower of cost using the moving-average method
articles for ships and other	stated at cost using the first-in, first-out method

4. Depreciation methods fixed assets

Tangible fixed assets	
Vessels and building	Straight-line method pursuant to the provisions of the Corporation Tax Law
Other tangible fixed assets	Declining-balance method pursuant to the provisions of the Corporation Tax Law
Intangible fixed assets	
Software	Straight-line method based on useful life in-house (5 years).
Other intangible fixed assets	Straight-line method pursuant to the provisions of the Corporation Tax Law.

5. Disposition method of deferred assets

Bond issue expenses	Amortized equally each month over the period of redemption of bond
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6. Standards of accounting for allowances and reserves

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables.
Employees' bonuses accrued	Provided for bonus payments to employees based on the estimated amounts of future payments attributed to the fiscal year
Directors' bonuses accrued	Provided for bonus payments to directors based on the estimated amounts of future payments attributed to the fiscal year
Reserve for employees' retirement benefits	Reserve for employees' retirement benefits is calculated based on estimates of retirement benefit obligations and pension assets as of the end of the fiscal term.
Reserve for periodic dry docking of vessels	Reserve for periodic dry docking of vessels is calculated based on future estimated amount for periodic dry docking of vessels.

7. Standards of accounting for income and expenses

Container ships	For freight rate and transportation costs, the Company has adopted the intermodal transportation percentage of completion basis, which is posted in accordance with the elapse of the transportation period of the individual cargo.
Other than container ships	For freight rates, transportation costs, vessel cost relating to vessels in operation and vessel lease fees, along with lending vessel fees corresponding to these, the Company has adopted the voyage completion method, which considers from place of departure to the place of return as one unit.

8. Accounting method for significant leases

Finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of the lease are accounted for in general as operating leases.

9. Hedge accounting

The Company applies hedge accounting to derivative transactions, etc. in order to set off the interest volatility risk, exchange volatility risk or cash flow volatility risk in credits and debts. Additionally, to derivative transactions in preparation for price volatility risks in purchase of bunker oil, etc., hedge accounting is applied as well. We have adopted deferred hedging as the method, and for currency swaps and exchange forward contract that meets the prescribed hedging requirements are translated at the foreign exchange rate stipulated in the contracts, and interest rate swaps and interest rate which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

For interest volatility risk on loans payable and corporate bonds, etc., interest rate swaps, etc., are used; for exchange volatility risk of foreign currency denominated transactions such as pecuniary debts and credits, forecasted transaction, etc., currency swaps, exchange reservations, and foreign currency denominated credits and debts, etc., and for price volatility risk of bunker oil, etc., swaps, etc. are used as means for hedging. Assessment of effectiveness of hedges is made at the end of each fiscal year and each interim term end by the method of rate analysis of fluctuations in the market for the hedged item and means for hedging or the cumulative total of cash flow volatility. However, assessment of hedging effectiveness is not performed for interest rate swaps and interest rate caps that qualify for hedge accounting and meet specific matching criteria above.

10. Consumption taxes are accounted for by the tax exclusion method.

▶ **Changes in accounting policy**

1. Accounting standard for directors' bonus

The Company has adopted "Accounting Standard for Directors' Bonus" (Accounting Standards Board of Japan, Statement No.4, November 29, 2005) from the current fiscal year. As a result, operating income, income before extraordinary items and income before taxes and minority interests for the year showed decreases of 155 million yen.

2. Tentative solution on accounting for deferred assets

The Company has adopted "Tentative Solution on Accounting for Deferred Assets" (Accounting Standards Board of Japan, Practical Issues Task Force No.19, August 11, 2006) and has applied it to the bond issue expenses relating to bonds issued from this fiscal year, and changed from amortization equally each year over three years to amortization equally each month over the period until redemption of the bond. As a result, income before extraordinary items and income before taxes and minority interests for the year showed an increase of 486 million yen.

3. Accounting standard for financial instruments

The Company adopted revised "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan, Statement No.4, August 11, 2006) from the current fiscal year. There has been no impact on results of operation from this.

4. Accounting standard for presentation of net assets in the balance sheet

The Company adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan, Statement No.5, December 9, 2005) and the "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan, Guidance No. 8, December 9, 2005) from the current fiscal year. Amount corresponding to the total amount of the previous "Shareholders Equity" section is 494,307 million yen.

▶ **Additional information**

1. Although the Company has adopted the voyage completion method, which considers from the place of departure to the place of return as one unit as for the accounting standard for income and expenses for other than container ships, and, in the Far East, has made the place of departure and place of return the same place as a practical business principle, in conformance with the actual situation in service recently, the Company decided not necessarily to make the place of departure and place of return the same place in the Far East. As a result, gross operating income, operating income, income before extraordinary items, and income before income taxes are posted as 1,730 million yen greater.
2. Although the Company has adopted the voyage completion method as the accounting standard for income and expenses of vessels handled by the Middle-South America and Africa Group, however, since the actual situation of transportation has come to be similar to container ships, the Company has decided to adopt the intermodal transportation percentage of completion basis. As a result, gross operating income, operating income, income before extraordinary items, and income before income taxes are posted as 1,793 million yen greater.

► **Notes to Non-Consolidated Balance Sheet**

1. Assets pledged as collateral and obligations relating to collateral

(1) Assets pledged as collateral	
Cash and deposits	125 million yen
Vessels	58,799 million yen
Buildings	140 million yen
Land	1,000 million yen
Investment securities	6,388 million yen
<u>Stocks and equity in subsidiaries and affiliates</u>	<u>11,605 million yen</u>
Total	78,058 million yen
(2) Obligations relating to collateral	
Short-term borrowings	8,474 million yen
<u>Long-term borrowings</u>	<u>18,802 million yen</u>
Total	27,276 million yen

2. Accumulated depreciation of tangible fixed assets 323,744 million yen

3. Contingent liability

Guarantee obligations	1,085,435 million yen
Amount of joint obligations borne by the other joint obligors	34,471 million yen

4. Claims and liabilities toward subsidiaries and affiliates (except for as presented in item categories)

Short-term monetary claims	129,849 million yen
Long-term monetary claims	184,994 million yen
Short-term monetary liabilities	56,329 million yen
Long-term monetary liabilities	290 million yen

► **Notes to Non-consolidated Statement of Income**

Transactions with subsidiaries and affiliates

Operating transactions

Revenues (revenue from shipping operation, revenue from other business)

44,140 million yen

Expenses (shipping operation expenses, other business expenses, general and administrative expenses)

233,933 million yen

Transactions other than operating transactions

31,016 million yen

► **Notes to Non-Consolidated Statement of Changes in Net Assets**

Class and number of treasury stock at term-end

Common stock

1,721,571 shares

► **Notes on tax effect accounting**

Major causes of deferred tax assets are the amount that exceeds the deductible amount for allowance for doubtful accounts, the non-deductible amount for employees' retirement benefits, and devaluation loss of fixed assets, etc., and major causes for deferred tax liabilities are net unrealized holding gain on available-for-sale securities.

► **Notes on fixed asset leasing**

Other than the fixed assets posted in the non-consolidated balance sheet, the Company owns 228 thousand units of containers as major fixed assets used under finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of the lease.

► **Notes concerning transactions with related parties**

Subsidiaries and affiliates, etc.

	Company	Ratio of holding of voting rights, etc. (or ratio of voting rights held)(%)	Detail of relationship	Contents of transaction	Transaction amount (millions of yen)	Account item	Term-end balance (millions of yen)
Subsidiary	Nippon Cargo Airlines Company, Limited	Holding Directly 83.78 Indirectly 0.20	Capital support Contract transfer Acceptance of services Concurrent service as executives	Lending of funds (Note 1)	28,380	Short-term loans receivable	47,507
				Acceptance of interest	156	Other current assets	19
				Debt guarantee, etc. (Note 3)	40,158	—	—
				Transfer of aircraft purchase contract (Note 4)	18,085	—	—
				Subscription of capital increase (Note 5)	17,494	—	—
Subsidiary	NYK HOLDING (EUROPE) B.V.	Holding Directly 100.0	Capital support Concurrent service as executives	Lending of funds (Note 1)	17,170	Short-term loans receivable	17,170
				Acceptance of interest	23	Other current assets	93
Subsidiary	CERES CONTAINER TERMINALS EUROPE B.V.	Holding Directly 100.0	Capital support	Lending of funds (Note 1)	4,206	Short-term loans receivable	14,044
						Long-term loans receivable	1,378
				Acceptance of interest	121	Other current assets	42
Subsidiary	LNG VANGUARD 1 Ltd.	Holding Directly 100.0	Capital support	Lending of funds (Note 1)	14,500	Short-term loans receivable	237
						Long-term loans receivable	14,262
				Acceptance of interest	94	Other current assets	94
Subsidiary	NYK Global Bulk Corporation	Holding Directly 100.0	Capital support Concurrent service as executives	Acceptance of funds (Note 2)	4,076	Other current liabilities	19,828
				Interest payment	49	—	—

	Company	Ratio of holding of voting rights, etc. (or ratio of voting rights held)(%)	Detail of relationship	Contents of transaction	Transaction amount (millions of yen)	Account item	Term-end balance (millions of yen)
Subsidiary	NYK US FINANCE, Ltd.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	62,103		
Subsidiary	NYK JP FINANCE, Ltd.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	55,854		
Subsidiary	NYK FTC (SINGAPORE) Pte.Ltd.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	47,014		
Subsidiary	NYK ARMATEUR SAS	Holding Indirectly 60.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	39,890		
Subsidiary	CRYSTAL SHIP THREE (BAHAMAS) Ltd.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	32,242		
Subsidiary	NYK LNG FINANCE Co., Ltd.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	27,033		
Subsidiary	SAGA SHIPHOLDING (NORWAY) AS	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	18,856		
Subsidiary	CERESCORP COMPANY	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	16,655		
Subsidiary	ANTWARP CAR PROCESSING CENTER N.V.	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	15,775		
Subsidiary	INTERNATIONAL CAR OPERTAORS (BENELUX) N.V.	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	14,194		
Subsidiary	Vessels owning, chartering related companies ADAGIO MARITIMA S.A. and other 335 companies	Holding Directly 100.0 (321 companies) Indirectly 100.0 (15 companies)	Capital support Debt guarantee, etc. Concurrent service as executives	Lending of funds (Note 1) Debt guarantee, etc. (Note 3) Payment of charterage (Note 6)	5,983 506,304 113,737	Short-term loans receivable Long-term loans receivable	15,797 145,928

Transaction conditions and policies on determination of transaction conditions

- Notes: 1. Conditions of lending funds are determined by taking into consideration the market rate. The Company has not accepted security.
2. Conditions for borrowing funds are determined by taking into consideration the market rate. The Company has not deposited security.
3. Guarantee fee for debt guarantee, etc. is determined by taking into consideration the form of guarantee.
4. Determined taking into consideration the purchase price from third parties, etc.
5. Subscription of capital increase is determined taking into consideration past stock subscription conditions.
6. Cost equivalent amounts accrued by subsidiaries are paid as vessel lease fees`.

► **Note on per-share information**

Net assets per share 402.20 yen
Net income per share 31.10 yen

► **Other notes**

Totals stated are rounded down to the nearest million yen

► **Notes on significant subsequent events**

Not applicable