

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 provided to shareholders as of September 30, 2008.



The 122nd NYK Group Interim Report Fiscal 2008

From April 1, 2008,
to September 30, 2008

Bringing value to life.

Nippon Yusen Kabushiki Kaisha

● Greeting from the President

I would like to express my sincere gratitude to our shareholders for their continued support.

The NYK Group achieved year-over-year increases in revenues and profits in the consolidated interim financial results for fiscal 2008, with revenues of ¥1,419.8 billion, operating income of ¥134.8 billion, recurring profit of ¥139.8 billion, and net income for half year of ¥91.2 billion, despite the adverse business environment such as decreased revenues due to strong yen and bunker oil prices nearly twice as high as in the same period last year. We achieved some recovery in freight rates and implemented measures such as streamlining the allocation of vessels on the North American route, but the liner trade business posted a recurring loss due to general weak freight market and increased fuel costs. At the same time, the financial results of the bulk shipping business significantly outperformed those of the same period last year, thanks to favorable conditions in the shipping market. In the non-shipping operations, which are distinctive to the NYK Group, the financial results of the terminal and harbor transport business stayed at almost the same level as in the same period last year, but those of the logistics and cruise businesses fell short of the same period last year due to the slowing world economy. While the air cargo transportation business continued to post a recurring loss under unfavorable conditions of surging bunker oil prices, it improved dramatically compared to the same period last year. In consideration of financial results and other factors from the standpoint of placing great value on returns to our shareholders, we decided the interim dividend to be ¥13.00 per share. Regarding the annual dividend, we plan to pay ¥26.00 per share, a ¥2.00 increase compared with the previous fiscal year.

Fiscal 2008 is the first year of the new medium-term management plan “New Horizon 2010,” which we announced in March. The plan sets forth basic strategies based on three key words: “Growth” to aim for a true global enterprise, “Stability” to respond to changes in economic conditions, and “Environment” to perform our duties as global citizens, and “Strengthen Corporate Social Responsibility Management” which supports them. The plan expresses the NYK Group’s efforts to stakeholders including our shareholders and investors. While the financial crisis stemming from the subprime loan problems last year is widespread in the world and its impact on the real economy is concerned, the basic philosophy of the new medium-term management plan has not changed and the NYK Group will join together to strive to achieve the goals.

I regard the business challenges surrounding the NYK Group as 4Cs: COST, CREDIT, CURRENCY, and CO₂. COST is the problem of rising costs related to the NYK Group. As the cost of newly-built ships, seafarers’ costs, and bunker oil prices affected by soaring resource prices continue to rise, we have enhanced our cost reduction activities since October. CREDIT is the problem of credit shrinkage. The NYK Group has no problem in the financial market, but we are to watch the situation carefully and take necessary action. CURRENCY is the problem of currency. While the major part of revenues of the NYK Group is paid in foreign currency, mainly in U.S. dollars, a part of costs is paid in yen. In order to minimize the impact of foreign exchange, we will further try to shift costs in U.S. dollars and strive to improve the balance between revenue currency and cost currency. CO₂ is the problem of environment. The shipping industry was outside the framework of the control of greenhouse gas emissions in the Kyoto Protocol, but some sort of regulation of greenhouse gas emissions is expected to be enforced by the post-Kyoto Protocol from 2013. The NYK Group has started the “NYK Cool Earth Project” in April to actively address environmental problems. In addition, we have established the “Environment Advisory Council” to invite objective and diverse opinions from outside experts on our efforts to address environmental problems.

The NYK Group has a mission statement to support people’s lives through safe and dependable “Monohakobi (transport)” as a global logistics integrator covering sea, earth, and air, and we will enhance our corporate value by fulfilling this mission. We do appreciate our shareholders’ further understanding and support.

November 2008



Koji Miyahara
President

Notes:

1. The forecast incorporates certain assumptions the Company regarded as rational expectations at the time this report was announced. Actual results could differ materially from those projected figures.
2. The fraction of less than unit of the display is rounded down.
3. () indicates minus.

● **Segment results (April 1, 2008, to September 30, 2008)**

(1) Liner Trade

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 3,500 | 3,309 |
| Operating income | (41) | 76 |
| Recurring profit | (37) | 77 |

(2) Bulk Shipping

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 6,387 | 4,888 |
| Operating income | 1,316 | 782 |
| Recurring profit | 1,346 | 801 |

(3) Logistics

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 2,569 | 2,607 |
| Operating income | 47 | 74 |
| Recurring profit | 51 | 79 |

(4) Terminal and Harbor Transport

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 736 | 768 |
| Operating income | 45 | 48 |
| Recurring profit | 39 | 41 |

(5) Cruise

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 268 | 262 |
| Operating income | 27 | 52 |
| Recurring profit | 26 | 51 |

(6) Air Cargo Transportation

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 486 | 493 |
| Operating income | (57) | (134) |
| Recurring profit | (58) | (140) |

(7) Real Estate

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 58 | 55 |
| Operating income | 18 | 15 |
| Recurring profit | 23 | 19 |

(8) Other

(In 100 millions of yen)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 |
|------------------|---------------------------------------|---------------------------------------|
| Revenues | 1,310 | 934 |
| Operating income | (8) | (9) |
| Recurring profit | 7 | 2 |

Notes:

1. Figures are before elimination of internal transactions between segments.
2. Business segments are categorized primarily based on the type and nature of service and organizational setup. "Travel agency" which has been hitherto included in "Other" segment, is categorized into "Logistics" segment in order to improve consistency with the categories used for business management. The effect on the segment information arising from this change is minimal.

● Consolidated Results in Interim Period Ended in September 30, 2008

(1) Summary of Consolidated Balance Sheets

(In millions of yen)

| | Current interim term As of September 30, 2008 |
|--------------------------------------------------|---------------------------------------------------------|
| Assets | |
| Current assets | 628,138 |
| Cash and deposits | 119,726 |
| Notes and operating accounts receivable-trade | 267,989 |
| Other | 245,329 |
| Allowance for doubtful accounts | (4,906) |
| Noncurrent assets | 1,725,701 |
| Vessels, property, plant and equipment | 1,197,367 |
| Vessels | 625,396 |
| Buildings and structures | 84,126 |
| Aircraft | 7,339 |
| Land | 59,914 |
| Other | 420,592 |
| Intangible assets | 65,775 |
| Investments and other assets | 462,557 |
| Investment securities | 353,808 |
| Other | 110,136 |
| Allowance for doubtful accounts | (1,388) |
| Deferred assets | 1,699 |
| Total Assets | 2,355,539 |

(In millions of yen)

| | Current interim term As of September 30, 2008 |
|------------------------------------------------------------|---------------------------------------------------------|
| Liabilities | |
| Current liabilities | 776,717 |
| Notes and operating accounts payable-trade | 222,755 |
| Current portion of bonds | 15,000 |
| Short-term loans payable | 284,252 |
| Commercial papers | 21,000 |
| Advances received | 66,660 |
| Other | 167,048 |
| Noncurrent liabilities | 837,581 |
| Bonds | 211,231 |
| Long-term loans payable | 502,582 |
| Other | 123,767 |
| Total liabilities | 1,614,299 |
| Net Assets | |
| Shareholders' capital | 662,421 |
| Common stock | 88,531 |
| Capital surplus | 97,222 |
| Retained earnings | 478,186 |
| Treasury stock | (1,518) |
| Valuation and translation adjustments | 37,717 |
| Unrealized gain on available-for-sale securities | 68,840 |
| Deferred gain (loss) on derivatives under hedge accounting | (13,340) |
| Foreign currency translation adjustments | (17,782) |
| Minority interests | 41,101 |
| Total net assets | 741,240 |
| Total Liabilities and Net Assets | 2,355,539 |

Business overview of the consolidated group business

As consolidated results for this interim period (for the 6 months from April 1, 2008 to September 30, 2008), revenues were ¥1,419.8 billion, operating income was ¥134.8 billion, recurring profit was ¥139.8 billion, and net income for half year were ¥91.2 billion. These results made up, in comparison with the previous interim term, increases both in revenues and incomes, and the numbers reached record highs, exceeding all the projected interim period results announced in July of this year.

Although we anticipate a challenging operating environment in the second half of this year, the outlook for the full-year consolidated results for the current term predicts revenues of ¥2,750 billion, operating income of ¥210 billion, recurring profit of ¥210 billion, and current net income for the period of ¥140 billion.

(2) Summary of Consolidated Statements of Income

(In millions of yen)

| | Current interim term From April 1, 2008 to September 30, 2008 |
|-----------------------------------------------------------|----------------------------------------------------------------------------|
| Revenues | 1,419,874 |
| Cost and expenses | 1,156,296 |
| Gross profit | 263,578 |
| Selling, general and administrative expenses | 128,749 |
| Operating income | 134,829 |
| Non-operating income | 18,564 |
| Non-operating expenses | 13,560 |
| Recurring profit | 139,833 |
| Extraordinary gains | 8,558 |
| Extraordinary losses | 5,326 |
| Interim income before income taxes and minority interests | 143,064 |
| Income taxes | 49,472 |
| Minority interests in net income | 2,317 |
| Net income for half year | 91,274 |

(3) Summary of Consolidated Statements of Cash Flows

(In millions of yen)

| | Current interim term From April 1, 2008 to September 30, 2008 |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Net cash provided by (used in) operating activities | 104,517 |
| Net cash provided by (used in) investing activities | (97,442) |
| Net cash provided by (used in) financing activities | (13,424) |
| Effect of exchange on cash and cash equivalents | 4,086 |
| Net increase (decrease) in cash and cash equivalents | (2,263) |
| Cash and cash equivalents, at beginning of period | 115,963 |
| Increase (decrease) in cash and cash equivalents due to changes in scope of consolidation | 3,471 |
| Increase (decrease) in beginning balance of cash and cash equivalents due to changes in fiscal periods of consolidated subsidiaries | 13 |
| Cash and cash equivalents, at end of half year | 117,185 |

(4) Statement of Changes in Consolidated Net Assets

(In millions of yen)

| From April 1, 2008 to September 30, 2008 | Shareholders' capital | | | | | Valuation and translation adjustments | | | | Minority interests | Total net assets |
|--------------------------------------------------------------------------------------------|-----------------------|--------------------|----------------------|-------------------|----------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------|-----------------------|---------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total share- holders' capital | Unrealized gain on available- for-sale securities | Deferred gain (loss) on derivatives under hedge accounting | Foreign currency translation adjustments | Total valuation and translation adjust- ments | | |
| Balance as of March 31, 2008 | 88,531 | 97,212 | 401,044 | (1,339) | 585,449 | 85,668 | (20,712) | (12,442) | 52,513 | 41,074 | 679,036 |
| Changes of items during the period | | | | | | | | | | | |
| Cash dividends | | | (14,736) | | (14,736) | | | | | | (14,736) |
| Net income for half year | | | 91,274 | | 91,274 | | | | | | 91,274 |
| Purchase of treasury stock | | | | (204) | (204) | | | | | | (204) |
| Disposal of treasury stock | | 10 | | 25 | 35 | | | | | | 35 |
| Increase by unification of accounting policies applied to foreign subsidiaries | | | 161 | | 161 | | | | | | 161 |
| Adjustments due to changes in the fiscal periods of consolidated subsidiaries | | | 186 | | 186 | | | | | | 186 |
| Effect by an increase in the number of consolidated subsidiaries | | | (4) | | (4) | | | | | | (4) |
| Effect by an increase in the number of affiliates accounted for by the equity method | | | 483 | | 483 | | | | | | 483 |
| Other | | | (222) | | (222) | | | | | | (222) |
| Net change of items other than shareholders' capital during the period | | | | | | (16,827) | 7,371 | (5,339) | (14,796) | 26 | (14,769) |
| Total changes of items during the period | - | 10 | 77,141 | (179) | 76,972 | (16,827) | 7,371 | (5,339) | (14,796) | 26 | 62,203 |
| Balance as of September 30, 2008 | 88,531 | 97,222 | 478,186 | (1,518) | 662,421 | 68,840 | (13,340) | (17,782) | 37,717 | 41,101 | 741,240 |

- Current State (As of September 30, 2008)

◆ **Current State of the Company**

| | |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| (1) Trade Name | Nippon Yusen Kabushiki Kaisha (NYK Line) |
| (2) Head Office | 3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005 Tel: 03-3284-5151 (main switchboard) |
| (3) Establishment | September 29, 1885 (Date of commencement: October 1, 1885) |
| (4) Paid-in Capital | 88,531,033,730 yen |
| (5) Stock Listings | Tokyo (1 st section), Osaka (1 st section) and Nagoya (1 st section) |
| (6) Number of employees of NYK Group | 31,176 (NYK and consolidated subsidiaries only) |
| Number of employees of NYK | 1,650 (land: 1,284, sea: 366) (including temporary seconded employees) |
| (7) Number of vessels operated by NYK Group | 797 (51,182,689 dwt) |
| (8) Independent Auditor | Deloitte Touche Tohmatsu |

◆ **Current State of Shares**

| | |
|-----------------------------------------------------------|---------------------------------------------------------------------|
| (1) Total number of shares authorized to be issued | 2,983,550,000 shares |
| (2) Number of shares issued | 1,227,862,362 shares (excluding treasury stock 2,325,711 shares) |
| (3) Number of shareholders | 113,449 persons (decreased by 541 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) | 74,329 |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT) | 69,539 |
| 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 |
| JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 4G) | 43,220 |
| MEIJI YASUDA LIFE INSURANCE CO. | 38,899 |
| THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. | 36,978 |
| STATE STREET BANK AND TRUST CO. | 32,583 |
| MIZUHO CORPORATE BANK, LTD. | 22,867 |
| TRUST & CUSTODY SERVICES BANK, LTD. (TRUST ACCOUNT) | 18,675 |

(5) Shareholder composition (Breakdown of issued shares by type of shareholders)

| | |
|-----------------------------|-------|
| Financial Institution | 46.3% |
| Foreign Investors | 29.0% |
| Individuals | 15.5% |
| Other Japanese Corporations | 6.4% |
| Securities Firms | 2.6% |
| Treasury Stock | 0.2% |

(6) Treasury stock

| | | | |
|-------------------------------------------------|----------------------------|-----------------------|------|
| Shares held as of the end of the preceding term | Common Stock | 2,142,238 (shares) | |
| Shares purchased in the current interim term | | | |
| Less-than-One-Unit Share Purchased | Common Stock | 222,719 (shares) | |
| | Total price of acquisition | 204,878,998 (yen) | |
| Shares disposed in the current interim term | | | |
| Less-than-One-Unit Shares Sold | Common Stock | 39,246 (shares) | |
| | Total price of disposition | 35,633,021 (yen) | |
| Shares lapsed in the current interim term | | | None |
| Shares held as of the end of the interim term | Common Stock | 2,325,711 (shares) | |

◆ **Directors, Corporate Auditors and Corporate Officers**

| | |
|---------------------------------------------------------------------|---------------------|
| Chairman, Chairman Corporate Officer | Takao Kusakari |
| Executive Vice-Chairman, Executive Vice-Chairman Corporate Officer | Yasushi Yamawaki |
| President, President Corporate Officer | Koji Miyahara |
| Representative Director, Executive Vice-President Corporate Officer | Hikomitsu Kuramoto |
| Representative Director, Executive Vice-President Corporate Officer | Yasumi Kudo |
| Representative Director, Executive Vice-President Corporate Officer | Hiroshi Sugiura |
| Representative Director, Senior Managing Corporate Officer | Shinji Kobayashi |
| Representative Director, Senior Managing Corporate Officer | Makoto Igarashi |
| Director, Senior Managing Corporate Officer | Masamichi Morooka |
| Director, Managing Corporate Officer | Masahiro Kato |
| Director, Managing Corporate Officer | Hidenori Hono |
| Director, Managing Corporate Officer | Hiroshi Hattori |
| Director, Managing Corporate Officer | Tadaaki Naito |
| Outside Director (Part-time) | Yukio Okamoto |
| Outside Director (Part-time) | Yuri Okina |
| Corporate Auditor (Full-time) | Shigeru Shimizu |
| Corporate Auditor (Full-time) | Yukio Ozawa |
| Outside Corporate Auditor (Part-time) | Hidehiko Haru |
| Outside Corporate Auditor (Part-time) | Takaji Kunimatsu |
| Managing Corporate Officer | Yuji Semba |
| Managing Corporate Officer | Naoya Tazawa |
| Managing Corporate Officer | Takeshi Matsunaga |
| Managing Corporate Officer | Toshinori Yamashita |
| Managing Corporate Officer | Tomoyuki Matsubara |
| Managing Corporate Officer | Hiroshi Sekine |
| Managing Corporate Officer | Hiroshi Hiramatsu |
| Managing Corporate Officer | Kenji Mizushima |
| Corporate Officer | Tetsufumi Otsuki |
| Corporate Officer | Takatake Naraoka |
| Corporate Officer | Masato Katayama |
| Corporate Officer | Yasuyuki Usui |
| Corporate Officer | Mikitoshi Kai |
| Corporate Officer | Susumu Akeno |
| Corporate Officer | Wataru Nakamae |
| Corporate Officer | Tetsuichi Nozaki |
| Corporate Officer | Shoji Murakami |
| Corporate Officer | Satoshi Akagi |
| Corporate Officer | Fukashi Sakamoto |
| Corporate Officer | Hitoshi Nagasawa |
| Corporate Officer | Peter Keller |
| Corporate Officer | Ian Veitch |
| Corporate Officer | Takeshi Yukawa |
| Corporate Officer | Yasushi Takada |
| Corporate Officer | Koichi Akamine |
| Corporate Officer | Hiroaki Tsuchiya |
| Corporate Officer | Takuji Nakai |
| Corporate Officer | Hidetoshi Maruyama |
| Corporate Officer | Takao Ito |