

## 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, 2011.



**The 125th NYK Group Interim Report Fiscal 2011**

From April 1, 2011,  
to September 30, 2011

**More Than Shipping 2013**

Nippon Yusen Kabushiki Kaisha

## ● Greeting from the President

I would like to thank shareholders for their understanding of the NYK Group's business activities and their enduring support.

Six months have passed since the Great East Japan Earthquake. We sincerely hope for the earliest possible recovery of the disaster-stricken regions, and we will continue to support the recovery efforts.

The NYK Group reported a year-on-year loss in revenues in the current consolidated interim financial results with consolidated revenues of ¥911.1 billion, operating loss of ¥9.6 billion, recurring loss of ¥15.1 billion and net loss for half year of ¥12.0 billion. The market slump continued during the period, as shipping demand plunged following the earthquake and freight rates softened amid an unfavorable shipping tonnage supply-demand balance, while the sharp yen appreciation and soaring bunker oil prices impacted results. The downturn in the global economy also presented greater potential risk for the shipping and logistics industries, as the European and the U.S. economies remained stagnant, and concerns grew over whether or not newly emerging economies could sustain their growth.

To overcome this challenging business environment, the NYK Group is to carry out a new medium-term management plan, "More Than Shipping 2013", which we started from April 2011. "More Than Shipping" means to combine traditional shipping with value-added strategies, and the basic strategy behind this plan is to differentiate our business by offering superior safety, operation, and handling technologies in the shipping business together with superior capabilities on land and in other non-shipping businesses.

There is no question that over the long term, global logistics businesses which deal with products and consumer goods markets, will enjoy growth in proportion to the population growth, driven by demand for consumer goods. On the other hand, it is expected that the construction of new container vessels will cause supply to outstrip container freight demand for the foreseeable future. In response to this issue, we do not plan to use the size of our own fleet to compete with other shipping lines. Rather, we continue to pursue a light-asset business model in which we charter vessels and space from other carriers. To be successful, we must hone our sales capabilities and go beyond the seaborne shipping business, where services are hard to differentiate, to offer land-based contract logistics<sup>\*1</sup> and other services and develop a distinctive position in the industry.

In the Bulk Shipping business, the Car Carrier Division is expected to show a recovery in transport demand after suffering from a downturn after the earthquake. We are also working to further enhance the efficiency of our vessel allocation and operation. In response to the acceleration of overseas manufacturing in newly emerging economies, we are making steady progress on the establishment of RORO terminals<sup>\*2</sup> and land-based distribution networks to handle non-shipping freights services. In the Dry Bulk Division, we expect a continuation of the market downturn caused by a supply-demand imbalance. In response, we are rationalizing the size of our fleet and bolstering sales capabilities to expand our business with overseas customers. The NYK Group is maximizing a global network developed through its world-renowned fleet of dry bulk carriers and a Liner Trade business with more than a century of history. In the Tanker Division, the oversupply situation is expected to continue for the foreseeable future, but petroleum demand is also certain to grow in newly emerging economies, especially in Asia, and we will tap into this growth by strengthening our sales capabilities in these regions. Additionally, nations around the world are reviewing their electric energy portfolios in the aftermath of Japan's nuclear power station accident, and this will provide opportunities for us to actively expand our LNG transport business and Offshore business.

Though the NYK Group is experiencing a very challenging business environment, we are confident that logistics demand will continue to expand across the global economy. We are ready to seize new opportunities and meet growing demand by executing our management plan, "More Than Shipping", as a united Group.

Amid this difficult environment, we will pay an interim dividend of ¥2.00 per share. Based on the current business forecast, we plan to pay a year-end dividend of ¥2.00 per share, for an annual dividend of ¥4.00 per share.

On behalf of the NYK Group, I ask our shareholders for their continued understanding and support.

\*1 Contract logistics is a long-term outsourcing service in which the logistics company provides day-to-day services such as inventory management, storage, and shipping.

\*2 RORO terminal is a specialized terminal in which vehicles, trailers, and forklifts exit and enter the vessel from openings in the stern, port, and sides and directly load and unload into warehouses.

November 2011



Yasumi Kudo  
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.
4. If the need arises to revise the content of this report, the revised items will be announced on our website "Business Report" page in "Investor Relations".

● **Segment results (April 1, 2011, to September 30, 2011)**

**(1) Global Logistics**

▪ **Liner Trade**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>2,207</b>	2,507	1,787	3,500
Operating income (loss)	<b>(155)</b>	288	(361)	(41)
Recurring profit (loss)	<b>(173)</b>	261	(365)	(37)

▪ **Terminal and Harbor Transport**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>711</b>	627	549	736
Operating income	<b>40</b>	40	9	45
Recurring profit	<b>39</b>	39	6	39

▪ **Air Cargo Transportation**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>432</b>	457	262	486
Operating income (loss)	<b>33</b>	45	(120)	(57)
Recurring profit (loss)	<b>27</b>	40	(118)	(58)

▪ **Logistics**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>1,859</b>	2,024	1,608	2,569
Operating income (loss)	<b>34</b>	41	(7)	47
Recurring profit (loss)	<b>42</b>	44	(5)	51

**(2) Bulk Shipping**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>3,577</b>	4,149	3,379	6,387
Operating income (loss)	<b>(36)</b>	432	102	1,316
Recurring profit (loss)	<b>(88)</b>	394	38	1,346

**(3) Others**• **Cruise**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>172</b>	202	193	268
Operating income (loss)	<b>(20)</b>	(1)	(2)	27
Recurring profit (loss)	<b>(21)</b>	(2)	(3)	26

• **Real Estate**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>53</b>	58	61	58
Operating income	<b>13</b>	18	18	18
Recurring profit	<b>21</b>	24	25	23

• **Other**

(In 100 millions of yen)

	Half year ended September 30, 2011	Half year ended September 30, 2010	Half year ended September 30, 2009	Half year ended September 30, 2008
Revenues	<b>901</b>	769	736	1,310
Operating income (loss)	<b>(7)</b>	(3)	(10)	(8)
Recurring profit (loss)	<b>0</b>	(4)	(16)	7

## Notes:

1. Figures are before the elimination of internal transactions between segments.
2. From this fiscal year, we have revised some parts of operations and services associated with "Terminal and Harbor Transport", "Logistics", and "Bulk Shipping" in conjunction with the realignment of the NYK Group's Logistics business. Any changes from this review are not reflected in the above stated segment results for the half year ended September 30, 2008, for the half year ended September 30, 2009, or for the half year ended September 30, 2010.

Also we present the four business segments together under the Global Logistics business and the three business segments together under Others as presented in the medium-term management plan started in this fiscal year.

● Consolidated Results in Interim Period Ended in September 30, 2011

**Business overview of the consolidated group business**

The NYK Group recorded a year-on-year decrease in revenues in its consolidated interim financial results for the fiscal year ending March 31, 2012, with revenues of ¥911.1 billion, operating loss of ¥9.6 billion and recurring loss of ¥15.1 billion, resulting in a net loss for half year of ¥12.0 billion. The full-year consolidated results are forecast to be revenues of ¥1,820.0 billion, operating loss of ¥10.5 billion, recurring loss of ¥22.5 billion and net loss of ¥18.0 billion.

**Summary of Consolidated Balance Sheets**

(In millions of yen)

	<b>Current interim term</b> As of September 30, 2011	<b>Previous fiscal year</b> As of March 31, 2011
<b>Assets</b>		
Current assets	498,522	562,457
Cash and deposits	127,454	152,568
Notes and operating accounts receivable-trade	182,837	182,276
Other	190,582	230,284
Allowance for doubtful accounts	(2,351)	(2,672)
Noncurrent assets	1,546,571	1,562,429
Vessels, property, plant and equipment	1,148,232	1,150,901
Vessels, net	724,528	707,819
Buildings and structures, net	72,253	75,561
Aircraft, net	4,198	4,271
Land	62,482	61,768
Other	284,769	301,480
Intangible assets	31,063	32,225
Investments and other assets	367,275	379,302
Investment securities	239,499	270,301
Other	131,267	112,688
Allowance for doubtful accounts	(3,491)	(3,686)
Deferred assets	903	1,925
<b>Total Assets</b>	<b>2,045,997</b>	<b>2,126,812</b>

(In millions of yen)

	<b>Current interim term</b> As of September 30, 2011	<b>Previous fiscal year</b> As of March 31, 2011
<b>Liabilities</b>		
Current liabilities	433,923	401,728
Notes and operating accounts payable-trade	149,824	157,835
Current portion of bonds	30,000	—
Short-term loans payable	107,081	97,641
Advance received	47,905	42,096
Other	99,111	104,155
Noncurrent liabilities	957,751	996,989
Bonds payable	220,445	251,059
Long-term loans payable	614,013	627,054
Other	123,293	118,874
<b>Total Liabilities</b>	<b>1,391,675</b>	<b>1,398,718</b>
<b>Equity</b>		
Shareholders' capital	753,467	770,349
Common stock	144,319	144,319
Capital surplus	155,651	155,658
Retained earnings	455,398	472,277
Treasury stock	(1,902)	(1,905)
Accumulated other comprehensive income	(139,419)	(85,721)
Valuation difference on available-for-sale securities	7,828	24,846
Deferred gains or losses on hedges	(58,886)	(43,182)
Foreign currency translation adjustments	(88,361)	(67,385)
Minority interests	40,274	43,466
<b>Total equity</b>	<b>654,322</b>	<b>728,094</b>
<b>Total Liabilities and Equity</b>	<b>2,045,997</b>	<b>2,126,812</b>

For detailed financial information, please see the Investor Relations page on the Company's website:  
<http://www.nyk.com/english/ir/>

**Summary of Consolidated Statements of Income**

(In millions of yen)

	<b>Current interim term</b> From April 1, 2011 to September 30, 2011	<b>Previous interim term</b> From April 1, 2010 to September 30, 2010
Revenues	911,184	1,010,557
Cost and expenses	834,286	831,204
Gross profit	76,898	179,353
Selling, general and administrative expenses	86,560	93,128
Operating income (loss)	(9,662)	86,225
Non-operating income	9,901	10,298
Non-operating expenses	15,356	16,654
Recurring profit (loss)	(15,117)	79,869
Extraordinary income	10,657	15,084
Extraordinary loss	8,615	25,692
Interim income (loss) before income taxes	(13,076)	69,261
Income taxes	(2,529)	22,867
Interim income (loss) before minority interests	(10,547)	46,394
Minority interests in net income	1,516	2,019
Net income (loss) for half year	(12,063)	44,374

## Summary of Consolidated Statements of Cash Flows

(In millions of yen)

	<b>Current interim term</b> From April 1, 2011 to September 30, 2011	<b>Previous interim term</b> From April 1, 2010 to September 30, 2010
Net cash provided by (used in) operating activities	9,350	98,416
Net cash provided by (used in) investing activities	(70,279)	(94,893)
Net cash provided by (used in) financing activities	(1,913)	(50,773)
Effect of exchange rate change on cash and cash equivalents	(2,420)	(6,762)
Net increase (decrease) in cash and cash equivalents	(65,261)	(54,012)
Cash and cash equivalents at beginning of period	189,685	281,660
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	556	460
Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries	—	226
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	(174)	1,737
Cash and cash equivalents, at end of half year	124,805	230,072

## Statement of Changes in Consolidated Net Assets

(In millions of yen)

From April 1, 2011 to September 30, 2011	Shareholders' capital					Accumulated other comprehensive income			Minority interests	Total net assets	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments			Total accumulated other comprehensive income
<b>Balance as of March 31, 2011</b>	144,319	155,658	472,277	(1,905)	<b>770,349</b>	24,846	(43,182)	(67,385)	<b>(85,721)</b>	<b>43,466</b>	<b>728,094</b>
Changes of items during the period											
Dividends from surplus			(8,484)		<b>(8,484)</b>						<b>(8,484)</b>
Net loss for half year			(12,063)		<b>(12,063)</b>						<b>(12,063)</b>
Purchase of treasury stock				(10)	<b>(10)</b>						<b>(10)</b>
Disposal of treasury stock		(6)		13	<b>6</b>						<b>6</b>
Adjustments due to change in the fiscal periods of consolidated subsidiaries			60		<b>60</b>						<b>60</b>
Change of scope of consolidation			298		<b>298</b>						<b>298</b>
Change of scope of equity method			332		<b>332</b>						<b>332</b>
Gain or loss on change in equity			3,005		<b>3,005</b>						<b>3,005</b>
Other			(27)		<b>(27)</b>						<b>(27)</b>
Net change of items other than shareholders' capital during the period						(17,017)	(15,703)	(20,976)	<b>(53,697)</b>	<b>(3,192)</b>	<b>(56,890)</b>
Total changes of items during the period	-	(6)	(16,878)	2	<b>(16,881)</b>	(17,017)	(15,703)	(20,976)	<b>(53,697)</b>	<b>(3,192)</b>	<b>(73,772)</b>
<b>Balance as of September 30, 2011</b>	144,319	155,651	455,398	(1,902)	<b>753,467</b>	7,828	(58,886)	(88,361)	<b>(139,419)</b>	<b>40,274</b>	<b>654,322</b>

- Current State (As of September 30, 2011)

◆ **Current State of the Company**

<b>(1) Trade Name</b>	Nippon Yusen Kabushiki Kaisha
<b>(2) Head Office</b>	3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005 Tel: 03-3284-5151 (main switchboard)
<b>(3) Establishment</b>	September 29, 1885 (Date of commencement: October 1, 1885)
<b>(4) Paid-in Capital</b>	144,319,833,730yen
<b>(5) Stock Listings</b>	Tokyo (1 <sup>st</sup> section), Nagoya (1 <sup>st</sup> section) and Osaka (1 <sup>st</sup> section)
<b>(6) Number of employees of NYK Group</b>	28,602 (NYK and consolidated subsidiaries only)
<b>Number of employees of NYK Group</b>	1,621 (land: 1,275, sea: 346) (including temporary seconded employees)
<b>(7) Number of vessels operated by NYK Group</b>	836 (61,767,655 dwt)
<b>(8) Independent Auditor</b>	Deloitte Touche Tohmatsu LLC

◆ **Current State of Shares**

<b>(1) Total number of shares authorized to be issued</b>	2,983,550,000 shares
<b>(2) Number of shares issued</b>	1,696,910,274 shares (excluding treasury stock 3,640,714 shares)
<b>(3) Number of shareholders</b>	154,051 persons (increased by 5,988 from the preceding term)
<b>(4) Major shareholders (Top 10)</b>	

Name	Number of shares held (in thousands)
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	113,848
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	91,488
THE MASTER TRUST BANK OF JAPAN, LTD. (MITSUBISHI HEAVY INDUSTRIES, LTD. ACCOUNT (RETIREMENT ALLOWANCE TRUST ACCOUNT))	54,717
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	49,666
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	40,241
NATIONAL MUTUAL INSURANCE FEDERATION OF AGRICULTURAL COOPERATIVES	39,972
MEIJI YASUDA LIFE INSURANCE CO.	34,973
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	32,674
THE BANK OF NEW YORK MELLON AS DEPOSITORY BANK FOR DEPOSITORY RECEIPT HOLDERS	31,151
MIZUHO CORPORATE BANK, LTD.	22,867

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

Financial Institution	42.2%
Foreign Investors	24.9%
Individuals and others	24.0%
Other Japanese Corporations	5.3%
Securities Firms	3.4%
Treasury Stock	0.2%

**(6) Treasury stock**

Shares held as of the end of the preceding term	Common Stock	3,628,714 shares
Shares purchased in the current interim term		
Less-than-One-Unit Share Purchased	Common Stock	37,692 shares
	Total price of acquisition	10,490,615 yen
Shares disposed in the current interim term		
Less-than-One-Unit Shares Sold	Common Stock	25,692 shares
	Total price of disposition	6,967,317 yen
Shares lapsed in the current interim term		None
Shares held as of the end of the interim term	Common Stock	3,640,714 shares

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

Chairman, Chairman Corporate Officer	Koji Miyahara
President, President Corporate Officer	Yasumi Kudo
Representative Director, Senior Managing Corporate Officer	Masahiro Kato
Representative Director, Senior Managing Corporate Officer	Hidenori Hono
Representative Director, Senior Managing Corporate Officer	Tadaaki Naito
Representative Director, Senior Managing Corporate Officer	Masamichi Morooka
Representative Director, Senior Managing Corporate Officer	Naoya Tazawa
Representative Director, Senior Managing Corporate Officer	Toshinori Yamashita
Director, Managing Corporate Officer	Hiroshi Hiramatsu
Director, Managing Corporate Officer	Kenji Mizushima
Director, Managing Corporate Officer	Hitoshi Nagasawa
Outside Director (Part-time)	Yukio Okamoto
Outside Director (Part-time)	Yuri Okina
Corporate Auditor (Full-time)	Naoki Takahata
Corporate Auditor (Full-time)	Mikitoshi Kai
Outside Corporate Auditor (Part-time)	Takaji Kunimatsu
Outside Corporate Auditor (Part-time)	Fumio Kawaguchi
Managing Corporate Officer	Hiroshi Hattori
Managing Corporate Officer	Fukashi Sakamoto
Managing Corporate Officer	Koichi Akamine
Managing Corporate Officer	Takashi Abe
Corporate Officer	Yasuyuki Usui
Corporate Officer	Takuji Nakai
Corporate Officer	Hidetoshi Maruyama
Corporate Officer	Yoko Wasaki
Corporate Officer	Yasuo Tanaka
Corporate Officer	Masahiro Samitsu
Corporate Officer	Koichi Chikaraishi
Corporate Officer	Kunihiko Miyoshi
Corporate Officer	Yuji Isoda
Corporate Officer	Shunichi Kusunose
Corporate Officer	Kenichi Miki
Corporate Officer	Hitoshi Oshika
Corporate Officer	Kazuo Ogasawara
Corporate Officer	Chak Kwok Wai
Corporate Officer	Keizo Nagai
Corporate Officer	Tsutomu Shoji
Corporate Officer	Yoshiyuki Yoshida