For immediate release

November 14, 2002

FISCAL 2002 INTERIM FINANCIAL HIGHLIGHTS

NYK Line (Nippon Yusen Kabushiki Kaisha) announces the following statement of accounts for the period ended September 30, 2002.

A. CONSOLIDATED

1. Business Results (From April 1 to September 30, 2002 and 2001)

	¥ Million		US$ Thousand*	
	FY2002	FY2001	FY2002	FY2001
Revenue	614,610	585,299	5,013,134	4,774,054
Operating income	41,252	41,223	336,478	336,247
Ordinary income**	30,529	29,872	249,014	243,661
Net income	7,788	15,499	63,530	126,422

2. Balance Sheet (As at September 30, and March 31, 2002)

	¥ Million		US$ Thousand*	
	at September 30	at March 31	at September 30	at March 31
Assets				
Current assets	335,932	313,916	2,740,068	2,560,494
Fixed assets	949,657	1,026,002	7,745,984	8,368,700
Deferred assets	2	3	17	26
Total assets	1,285,592	1,339,922	10,486,071	10,929,221
Liabilities				
Current liabilities	370,139	387,321	3,019,080	3,159,230
Fixed liabilities	593,646	612,745	4,842,141	4,997,920
Total liabilities	963,785	1,000,066	7,861,221	8,157,151
Minority interest	19,758	19,759	161,164	161,171
Shareholders' Equity				
Paid-in capital	88,531	88,531	722,112	722,112
Additional paid-in capital	94,421	93,342	770,155	761,355
Retained earnings	119,647	116,349	975,916	949,017
Unrealized gains on the holding of other securities	10,321	26,092	84,191	212,828
Foreign currency transration ajustments	(10,498)	(4,155)	(85,629)	(33,892)
Treasury stock	(375)	(64)	(3,062)	(522)
Total shareholders' equity	302,047	320,096	2,463,684	2,610,898
Total				
Liabilities, Minority interest and shareholders' equity	1,285,592	1,339,922	10,486,071	10,929,221

3. Total Revenues (From April 1 to September 30, 2002 and 2001)

	¥ Million		US$ Thousand*	
	FY2002	FY2001	FY2002	FY2001
Shipping	397,181	386,983	3,239,650	3,156,471
Cruise	15,404	16,215	125,649	132,265
Shipping Related	20,651	21,154	168,449	172,545
Terminal and Harbor Transport	30,526	31,208	248,990	254,551
Logistics	119,251	97,629	972,689	796,321
Real Estate	7,537	6,888	61,478	56,183
Others	50,022	47,776	408,013	389,693
Total Revenues	640,575	607,854	5,224,922	4,958,033

4. Principal Financial Index

	FY2002	FY2001	FY2000
Gross Profit Margin	17.8%	18.2%	19.1%
Operating Profit Margin	6.7%	7.0%	8.0%
Net Profit Margin	1.3%	2.6%	2.6%
Return on Equity	2.5%	5.0%	5.2%

5. Forecast of Results for Fiscal 2002 (From April 1, 2002 to March 31, 2003)

	¥ Million	US$ Thousand*
Revenue	1,194,000	9,738,988
Operating income	68,000	554,649
Ordinary income**	46,000	375,203
Net income	14,000	114,192

B. NON-CONSOLIDATED

1. Business Results (From April 1 to September 30, 2002 and 2001)

	¥ Million		US$ Thousand*	
	FY2002	FY2001	FY2002	FY2001
Revenue	370,899	390,689	3,025,280	3,186,698
Operating income	30,223	28,577	246,519	233,098
Ordinary income**	26,517	26,645	216,295	217,339
Net income	7,677	16,388	62,621	133,671

2. Balance Sheet (As at September 30, and March 31, 2002)

	¥ Million		US$ Thousand*	
	at September 30	at March 31	at September 30	at March 31
Assets				
Current assets	155,932	154,938	1,271,879	1,263,770
Fixed assets	624,560	648,571	5,094,296	5,290,143
Deferred assets	0	1	6	10
Total assets	780,494	803,511	6,366,182	6,553,924
Liabilities				
Current liabilities	194,996	187,193	1,590,511	1,526,864
Fixed liabilities	315,726	334,474	2,575,253	2,728,177
Total liabilities	510,722	521,668	4,165,764	4,255,042
Shareholders' Equity				
Paid-in capital	88,531	88,531	722,112	722,112
Additional paid-in capital	93,198	92,399	760,182	753,668
Retained earnings	79,663	76,678	649,783	625,437
Unrealized gains on the holding of other securities	8,713	24,289	71,076	198,122
Treasury stock	(335)	(56)	(2,736)	(458)
Total shareholders' equity	269,771	281,842	2,200,418	2,298,882
Total				
Liabilities and shareholders' equity	780,494	803,511	6,366,182	6,553,924

3. Total Revenues (From April 1 to September 30, 2002 and 2001)

	FY2002		FY2001	
	¥ Million	Share(%)	¥ Million	Share(%)
Liner	146,551	39.5	149,544	38.3
Tramp and specialized carrier	154,100	41.6	165,779	42.4
Tanker	65,402	17.6	72,171	18.5
Other	4,844	1.3	3,193	0.8
Total	370,899	100.0	390,689	100.0

4. Principal Financial Index

	FY2002	FY2001	FY2000
Gross Profit Margin	13.1%	11.9%	13.2%
Operating Profit Margin	8.1%	7.3%	8.2%
Net Profit Margin	2.1%	4.2%	2.0%
Return on Equity	2.8%	6.1%	3.0%

5. Gross Operating Tonnage (As at September 30, 2002 and March 31, 2002)

Vessel Ownership:	September 30, 2002		March 31, 2002	
	DWT(kt)	No. of vessels	DWT(kt)	No. of vessels
NYK-owned vessels	4,915,718	53	4,905,263	53
Chartered vessels	24,071,635	407	23,796,397	411
Total	28,987,353	460	28,701,660	464

6. Forecast of Results for Fiscal 2002 (From April 1,2002 to March 31,2003)

	¥ Million	US$ Thousand*
Revenue	692,000	5,644,372
Operating income	47,000	383,361
Ordinary income**	42,000	342,577
Net income	12,000	97,879

* The U.S. dollar amounts represent the calculation of exchanging Japanese yen to U.S. dollars on a basis of ¥122.60 = US$1.00 (as of September 30, 2002). The amounts previously reported for FY 2001 are restated to reflect the same calculation and the same exchange rate used in the current year.

** Income before income taxes and special items.

Management Policy

1. Basic Management Policy

Our company has surmounted a host of difficulties since its founding in 1885, at the same time as maintaining sound progress as a leader of the world's shipping community. At NYK we retain a keen awareness not only of the important part played by wide-ranging exchanges between people and of goods in world economic and cultural development but also of our social mission to provide reliable, superior services as a comprehensive physical distributor and passenger ship operator. It is, therefore, our basic management policy not only to live up to our customers' expectations and trust by attentively listening to their wishes, but also to reward our stockholders by securing reasonable profits through lawful and fair corporate management, and to contribute to the development of the international community as a business group dedicated to the three principles of freedom, moral discipline and order.

Under the unified "Double Wing" logo, which complements the "NYK Logistics & Megacarrier" slogan we have used for more than a decade, the NYK Group's basic objective is to meet its customers' increasingly sophisticated and diversified logistics needs by supplying integrated solutions, which draw on the comprehensive capabilities of our group companies providing land/sea/air transport services throughout the world, and thereby act as a valuable strategic partner for our customers. We are exerting the utmost effort day and night to thoroughly fulfill this mission. Under its new logo, which has become familiar to our customers in the two years since its adoption, the NYK Group is determined to make further leaps forward in the years ahead.

2. Basic Policy on Profit Distribution

Our company makes it a basic policy to maintain stable dividend payments calculated on the basis of careful assessments of payout ratios, profit payable to stockholders and our company's business outlook, while paying due heed to future business development, such as the expansion of our shipping, non-shipping logistics and passenger ship activities, and to ensuring adequate internal reserves are maintained for coping with fluctuations in the shipping market.

As regards the midterm dividend payment for the current fiscal year ending on March 31, 2003, our board of directors decided at a meeting held on November 14, 2002 to pay a sum of 3.75 yen per share. This figure takes into consideration our business results for the first six months of the fiscal year and the earnings outlook for the second half of the year.

3. Our Company's Medium- and Long-Term Management Strategy

Our company mapped out and put into action its medium- to long-term vision "NYK21" in 1986 and has since then reviewed our medium- and long-term targets every four years under our Plan-Do-Check program. In May 2000, we mapped out the fourth installment of NYK21 under the title "NYK21 New Millennium Declaration – Meeting Tomorrow's Challenges Today," and determined a return on investment (ROI) that took into consideration stockholder equity, and our consolidated numerical targets for the 2002 fiscal year.

With these targets in mind, we have defined our container transport, tramper/specialized carrier, logistics (including airfreight) and passenger ship divisions as "core businesses." We are also expanding and developing our business by fully meeting the logistics needs of our customers with the support of information technology and by following "strategy of scale" and "strategy of synergy," in order to enhance our group's corporate worth.

With the business environment undergoing drastic change under the influence of globalization, our company in April last year launched its Project "C" – CHANGE/CHALLENGE/CREATE – campaign in parallel with the NYK21 New Millennium Declaration. This will enable the NYK Group to introduce structural reforms to transform itself over five to 10 years into a truly globalized corporate group able to overcome the severe international competition generated by the completely free market to and attain the goals of the New Millennium Declaration.

Envisaged under this project are two targets: a short-term goal of securing sustained improvement in profitability mainly through cost reduction (Phase 1), and a medium- to long-term goal of pursuing new business models looking five to 10 years ahead (Phase 2). To the end of September this year, the project, which had been running for over a year and a half, successfully attained the targets set to that point. Under Phase 1, by September 25 this year improved earnings for the fiscal year ending on March 31, 2003 were estimated at 26.4 billion yen as against the target for the year of 26 billion yen. Under Phase 2, meanwhile, various divisions of our company developed and carried out numerous plans for bolstering our competitiveness, based on fresh, bold concepts and innovation.

As part of these efforts to meet tomorrow's challenges today and there by strengthen our international competitiveness, we set up a new company, NYK Global Bulk Corporation, on October 1 this year to consolidate the handy-size bulker operations of the NYK Group. On the same day, a new Tokyo Senpaku Kaisha, Ltd. was established as a wholly-owned subsidiary to consolidate the intra-Asian container transport operations of the NYK Group. In the sphere of logistics, in April this year we signed an agreement with the COSCO Group to further develop our logistics operations in China. Subsequently, in June, NYK Logistics (China) Co., Ltd., our wholly-owned subsidiary for comprehensive logistic service, obtained the go-ahead from the Chinese Government for the establishment of five branches in China. In the field of port operations, we reached an agreement in September to take over New Jersey-headquartered Ceres Terminals, Incorporated, which engages in cargo handling and terminal operations at a variety of ports, mainly in North America, and boasts an annual cargo-handling volume of more than 2.5 million TEUs. As a result, our company's strategies for its terminal business have advanced remarkably. In the sphere of tramper/specialized carrier services, we set up new business footholds specializing in LNG in Europe and the U.S. on October 1 in order to build a new business structure for our overseas LNG projects.

Thus, in the current fiscal year as well, our company is steadily implementing specific measures in line with the action plans of the New Millennium Declaration. The ultimate target of the NYK Group is to establish "a dynamic and virtuous corporate group that attaches importance to humanity." To that end, we believe it most important to secure and foster able personnel. In addition to the ongoing ability enhancement program which includes in-house training providing business knowledge and experience, and the promotion of self-recognition and self-enlightenment for raising levels of mental acumen, including leadership qualities, we have been striving to reinforce education programs aimed at fostering an international sense of civilization and history in each and every employee, while comprehensively refining human nature from the standpoint of an international business group. In February this year, we also introduced an educational program for middle- and high-ranking personnel with prime emphasis laid on "fostering leadership." In June, we undertook an organizational change aimed at unifying the personnel affairs group and the seamen's group, which until then had governed the personnel and labor systems related to onshore and marine employees, in order to optimize the work force and make effective use of able personnel. In November, we plan to sponsor an "NYK WEEK," during which we will hold seminars and training courses in Japan attended by locally hired staff from our overseas branches and subsidiaries. This will form an integral part of an evolving global personnel concept.

Finally, from September 17 to October 31 this year, NYK held a "Month for the General Review of Compliance" under which it carried out a general in-house review of compliance-related matters through a newly created ad hoc committee chaired by the president of our company.

4. Measures for Improvement of Our Company's Management/Administrative Structure (Enhancement of Corporate Governance)

Our company, in full awareness of its social mission, is managing its operations lawfully, properly and efficiently in order to avoid impairing our stockholders' interests and to prevent our directors from running counter to their loyalty obligations. This principle is specifically enunciated in our company's Business Credo which was formulated in December 1997 and which has been placed on our company's website as well as printed on the reverse side of the cover of our annual report. In addition, in order to clarify our company's principles as stated in the Business Credo by employing more concrete terminology, we formulated a code of conduct in March 1999 setting minimum standards that must be adhered to by our company's directors and personnel. Thus, we have been promoting awareness of the need to implement the said principles through educational activities so as to ensure each individual always behaves in a law-abiding spirit befitting our company.

In April this year, we also introduced an Executive Officer System designed to enhance our corporate governance and to further strengthen our business management by reinforcing the functions of our board of directors in mapping out strategies and supervising the execution of business. Executive Officers, selected by the board of directors and holding a two-year tenure, are responsible for the execution of business in the respective divisions of our company. They are entrusted by the board with decision-making authority for the execution of business. At the same time, they are responsible for business execution. In this same context, our company has introduced a new management structure that comprises the Board of Directors, the Board of Corporate Auditors, the Executive Committee for Strategic Management, the Board of Executive Officers and the NYK Group Conference of Presidents. As for the Board of Corporate Auditors, the functions of the auditors have been widened and their independence ensured through the appointment of two auditors – half the board members – from outside the company in anticipation of the amendment of the Commercial Code.

Our company is determined to unflaggingly continue drive for reform in the years ahead in the interests of our stockholders and customers.

5. Activities for Guaranteeing Safety and Quality, and Measures for Protection of the Global Environment

To help in protecting the global environment, our company formed the Earth Environmental Committee in 1990 and has since actively sought to reduce environmental pollutants such as CO_2, NOx, SOx and hull paints. In this, we have gone beyond the scope of the relevant laws and regulations, both domestic and international. In 1992, we formulated basic action guidelines for ensuring safety and environmental protection in regard to vessels operated by NYK. At the same time, we established a Safety Promotion Headquarters. Notably in 1998, we formulated NAV9000 that laid out our company's own standards for safe ship operation, based on our past operating experience. We have thus all along engaged in thoroughgoing activities aimed at guaranteeing safety and quality, including proposals for auditing and improvement with respect to ships and related shipowners and ship management companies.

In April last year, the two bodies just mentioned were unified into the Safety Measures/Environmental Issues Committee with stronger functions based on the view that the two most fundamental considerations for a shipping enterprise – ensuring "safety" and tackling "environmental issues" – are closely and inseparably connected contributors to our efforts to fulfill our social responsibilities as a "corporate citizen." Later, in September of the same year, our company published its Global Environment Charter, based on NYK's Business Credo, and started our own environmental management activities, characterized by the integration of safe ship operation with protection of the global environment. In March this year, our environmental protection system was formally certified by Lloyds QA as fully conforming to the environmental management code ISO 14001. This certification of our environmental activities covers the operation of our entire fleet (about 500 ships including chartered vessels) and is not limited to our own vessels alone. We are convinced that it is the world's first-ever ISO 14001 certification covering such a large mercantile fleet. Our acquisition of the ISO 14001, certificate is a public acknowledgement that our environmental management system is fully transparent. As a comprehensive physical distributor on developing its business worldwide, our company intends to energetically step up its environmental management activities and extend them to all our business facilities abroad. In July this year, we published a report entitled "The Earth Is Our Home" (Social Environment Report 2002) to keep everyone well informed about our efforts to resolve social and environmental issues.

Recently, in September, our company signed a joint-venture agreement for a eucalyptus plantation project in the suburbs of Adelaide in the Australian state of South Australia. This is the first time that a shipping company anywhere in the world has been a full participant in an afforestation project. Through this project, we also intend to contribute to the protection of the global environment, including the preservation of forest resources and the prevention of damage from sea wind, while promoting the regional economy.

We understand that, henceforth, all corporations will be increasingly called upon by society to fully fulfill their social responsibilities. We regard our activities directed at safety and environmental protection as important pillars of our response to society's expectations, and are determined as a group to redouble our concerted activities to contribute to society, including in the field of environmental protection.

Business Results and Financial Situation

1. Business Results

(1) General Situation in the Half-Year Term under Review

(i) General Business Results

The world economy was influenced by uncertain political environments such as the Palestinian dispute and developments in Iraq. The U.S. economy witnessed a gradual recovery thanks to brisk personal consumption on housing and car purchasing. The European economy, however, did not achieve a full-fledged recovery as domestic demand in general turned out sluggish, while interest rates were not lowered for fear of inflation. As regards the Asian economy, China and other countries displayed relatively smooth trends due to factors such as the recovery in U.S.-bound exports and personal consumption, while Japan, which was beset with structural problems, and several others did not.

As for our shipping business circumstances, we managed to overcome negative factors – such as slowing trends in the market, increases in fuel prices and the appreciation of the yen – by promoting our Project “C” (CHANGE/CHALLENGE/CREATE), an initiative the entire NYK group is working on for cost reduction and other rationalizing measures, as well as other operational efforts. On a non-consolidated basis, we changed the means by which we appropriate the expenses such as ship cost and long-term charterage payable in tramp division from term accounting method to completed voyage method. As a result, our company, on a consolidated basis registered revenues of ¥614.6 billion during the half-year term under review - an increase of 5.0% over the corresponding period of the previous year. Operating and ordinary income came to ¥41.2 billion (up 0.1%) and ¥30.5 billion (up 2.2%), respectively. Net mid-term income stood at ¥7.7 billion, down 49.7%. In non-consolidated terms, revenues totaled ¥370.8 billion, down 5.1% from the same period of the year before. Operating and ordinary income stood at ¥30.2 billion (up 5.8%) and ¥26.5 billion (down 0.5%), respectively. Net mid-term income stood at ¥7.6 billion, down 53.2%.

(ii) Segment-by-Segment Overview

<Shipping>

In the shipping sector, which constitutes the core business of our group, the liner trade witnessed more substantial increases in cargo volumes than originally expected. This was particularly evident in the North American trade, which benefited from the growth of U.S. consumption, and in the European trade, which continued to enjoy sustained growth. On the downside, our earnings position was impacted by an increase in ship operating costs due to low freight rates, soaring bunker oil prices and the stronger euro.

As regards tramp operations, the market initially remained at a low level with limited fluctuations. In the second half of the term under review, however, a gradual recovery centering on the transatlantic trade gathered momentum.

In car carrier operations, brisk export shipments continued from the second half of last year with, particular, shipments to North America and the Middle East continuing to run at a high level. These circumstances generated fears of a worldwide shortage of car carriers, but we maintained stable transport through the efficient deployment of our ships and by chartering vessels.

In tanker operations, the market turned out to be sluggish throughout the term under review because of stagnation in the world economy and a sustained production cutback by members of the Organization of Petroleum Exporting Countries (OPEC). Given these market conditions, NYK made every effort to conclude new long-term contracts with customers abroad and to ensure the safe, efficient operation of its tanker fleet. However, our fleet could not fend off the impact of the market. In the petroleum products sector, while the product tanker market tended to be slack, NYK endeavored to enhance efficiency and safety in the operations of its fleet. As regards liquefied natural gas (LNG) carriers, a total of 27 vessels owned by NYK and its affiliates continued to operate effectively.

Overall, revenues for the shipping sector increased 2.6% year on year to ¥397.1 billion, while operating income rose 0.2% to ¥37.5 billion and ordinary income 3.9% to ¥28.1 billion.

<Cruise>

NYK provides cruise services through three subsidiaries in the United States, Japan and Australia. Crystal Harmony and Crystal Symphony, luxury cruise ships managed by Crystal Cruises, Inc., the U.S. subsidiary, reported safe, problem-free operations, but were unable to achieve business recovery even though the adverse impact of the September 11 terrorist attacks began to gradually dissipate. Crystal Serenity, ordered by Crystal Cruises to expand its cruise business, is currently under construction at a French shipyard and is scheduled for completion in June 2003. Meanwhile, the Asuka, a Japanese-flag luxury cruise ship owned and operated by our Japanese subsidiary, NYK Cruises Co., Ltd., continues to offer very popular long cruises around the world and shorter cruises around Japan, while on the Great Barrier Reef in Australia, day cruises from Cairns are provided by Sunlover Cruises.

For the half year, revenues for the cruise segment decreased 5.0% to ¥15.4 billion from the year-before level. Operating income also declined, to minus ¥500 million and ordinary income to minus ¥1.2 billion.

<Shipping-Related Services>

Our shipping-related services include marine equipment wholesaling and tugboat operations. The marine equipment sector enjoyed steady sales, including these of equipment used in the construction of new vessels, while costs were cut through the partial streamlining of business operations. Consequently, this sector produced a steady business performance. As for tugboat operations, revenues decreased slightly as the number of ships entering and leaving Japanese ports continued to decline owing to the prolonged stagnation of the Japanese economy. Nevertheless, all the companies involved strove to maintain earnings through cost reduction.

The shipping-related services segment recorded revenues of ¥20.6 billion, down 2.4%. Operating income came to minus ¥10 million, while ordinary income¥100 million.

<Terminal and Harbor Transport Services>

Our terminal and harbor transport services center on the operations of containerships, car carrier and conventional vessels. The volume of containers handled at our container terminals continued steady. Also, in September NYK took over Ceres Terminals, Incorporated, which operates terminals in North America and Europe, to further expand its operations in this sector.

Terminal services registered revenues in the half year of ¥30.5 billion, down 2.2%. Both operating and ordinary income amounted to ¥1.5 billion.

<Logistics>

In the logistics sector, international cargo flows from Southeast Asia, which declined steeply in the wake of the September 11 terrorist attacks in the United States, finally hit bottom and then picked up steadily. In the fast-growing China market, NYK formed a business tie-up in April with the shipping group COSCO in the logistics sphere in a bid to better meet our customers' logistics needs. In addition, NYK Logistics China, our wholly-owned subsidiary established last year to provide comprehensive logistics services, obtained permission to set up branches in Tianjin, Qingdao, Fuzhou, Xiamen and Guangzhou. Thus, we are steadily establishing a network of logistics footholds throughout China. In the Americas, NYK started operating a 23,000-square-meter warehouse in Toronto in June, thereby reinforcing cooperation with NYK Logistics (Americas), which was formed as a regional control body in January this year. Based on these developments, we will expand NYK Logistics' physical distribution activities to the rest of the world. In Japan, meanwhile, we will further promote our efforts to provide domestic services.

In the air freight arena, a pickup was seen in the volume of semiconductor- and data communication equipment cargo, which had declined sharply in the previous half-year term, while the volume of automobile-related cargoes also turned out steady. Consequently, the business results for air freight services surpassed the original forecast.

Revenues in the logistics segment increased 22.1% to ¥119.2 billion, while both operating and ordinary income reached ¥1.9 billion.

<Real Estate>

In the real estate segment, we endeavored to reduce building maintenance and management costs amid a slump in the office rental market. At the same time, we made effective use of our real estate assets in favorably located residential and commercial districts while disposing of low-revenue assets.

The real estate segment recorded revenues of ¥7.5 billion, up 9.4%. Operating income totaled ¥1.7 billion while ordinary income, ¥1.5 billion.

<Other Services>

Other services include the wholesaling and retailing of petroleum products, data processing services and travel agency business.

In other services as a whole, revenues increased 4.7% to ¥50 billion, operating income came to minus ¥1 billion, and ordinary income, ¥1.6 billion.

(2) Outlook

The international situation is anything but stable as instanced by continuous tension over Iraq and by successive terrorist attacks in other countries/regions. The gradually recovering U.S. economy could be impacted adversely, particularly in terms of personal consumption, which we are afraid could do harm to the economies in Europe, Japan and other Asian regions.

In view of this outlook, revenues of ¥1.194 trillion, operating income of ¥68 billion, ordinary income of ¥46 billion and net income of ¥14 billion are forecast on a consolidated basis for the whole of the current fiscal year. In non-consolidated terms, we forecast revenues of ¥692 billion, operating income of ¥47 billion, ordinary income of ¥42 billion and net income of ¥12 billion. These forecasts assume a yen-dollar exchange rate of ¥120:$1 and a bunker oil price of US$160 per ton.

The mid-term dividend has been set at ¥3.75 per share. This was decided after full consideration of our company's financial situation, the business results of the first half-year term under review and the outlook for the second half. The full-year dividend is scheduled to be ¥7.50 per share, the same as in the previous fiscal year.

2. Financial Situation

At the end of the half-year term under review, total assets had declined by ¥54.3 billion from the end of the previous term to ¥1.286 trillion, while total liabilities decreased by ¥36.2 billion to ¥963.7 billion. Shareholders' equity declined ¥18 billion to ¥302 billion due to the decrease in unrealized gains on the holding of other securities.

Cash flow from operating activities increased by ¥1.3 billion from a year before to ¥45.2 billion. Cash flows from investment declined by ¥20.1 billion to minus ¥11.7 billion. Cash flows from financial activities improved by ¥38 billion to minus ¥21.4 billion mainly.

Interest-bearing debt declined by ¥35.3 billion from a year before to ¥688.6 billion.