For immediate release

May 15,2003

FISCAL 2002 FINANCIAL HIGHLIGHTS

Nippon Yusen Kabushiki Kaisha (NYK Line) announces the following statement of accounts for the period ended March 31, 2003.

A. CONSOLIDATED

1. Business Results (Years ended March 31, 2003 and 2002)

	¥Milion		US$Thousand*
	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002	Fiscal year ended March 31,2003
Revenues	1,249,242	1,142,934	10,393,032
Operating income	69,122	65,558	575,066
Other income(expenses)	(18,778)	(15,451)	(156,229)
Recurring profit**	50,344	50,107	418,837
Extraordinary gains (losses)	(17,696)	(18,398)	(147,228)
Net income	14,292	17,538	118,906

2. Balance Sheets (As of March 31,2003 and 2002)

	¥Milion		US$Thousand*
	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002	Fiscal year ended March 31,2003
Assets			
Current assets	350,228	313,916	2,913,714
Fixed assets	936,669	1,026,002	7,792,591
Deferred assets	272	3	2,267
Total assets	1,287,170	1,339,922	10,708,573
Liabilities			
Current liabilities	370,521	387,321	3,082,541
Fixed liabilities	606,117	612,745	5,042,573
Total liabilities	976,638	1,000,066	8,125,113
Interest-bearing debt	691,398	723,949	5,752,065
Minority interest	22,168	19,759	184,432
Stockholders' Equity			
Paid-in capital	88,531	88,531	736,531
Additional paid-in capital	94,421	93,342	785,533
Retained earnings	122,271	116,349	1,017,237
Unrealized gains on the holding of other securities	(4,180)	26,092	(34,779)
Foreign currency translation adjustments	(9,726)	(4,155)	(80,920)
Treasury stock	(2,953)	(64)	(24,574)
Total stockholders' equity	288,363	320,096	2,399,028
Total			
Liabilities,Minority interest and shareholders' equity	1,287,170	1,339,922	10,708,573

3. Cash Flow (Years ended March 31, 2003 and 2002)

	¥Milion		US$Thousand*
	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002	Fiscal year ended March 31,2003
From Operating Activities	88,126	84,690	733,166
From Investing Activities	(54,483)	25,177	(453,271)
From Financing Activities	(32,990)	(142,346)	(274,460)
Cash and Cash Equivalents at end of the year	79,804	81,900	663,930

Depreciation and armotization	66,111	67,299	550,012
Capital expenditure	(89,122)	(87,436)	(741,455)

4. Revenues by Segment (Years ended March 31, 2003 and 2002)

	¥Milion		US$Thousand*
	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002	Fiscal year ended March 31,2003
Shipping	789,721	744,176	6,570,061
Logistics	261,278	196,848	2,173,701
Cruise	30,543	33,845	254,105
Terminal and Harbor Transport	66,026	61,869	549,303
Shipping Related	42,404	45,347	352,786
Real Estate	13,813	14,478	114,924
Others	99,960	93,518	831,616
Elimination & Unallocation	(54,506)	(47,148)	(453,463)
Total Revenues	1,249,242	1,142,934	10,393,032

5. Principal Financial Index

		Fiscal year ended March 31,2003	Fiscal year ended March 31,2002
Operating Profit Margin	(%)	5.5	5.7
Net Profit Margin	(%)	1.1	1.5
Return on Equity	(%)	4.7	5.9
Debt/Equity Ratio	(Times)	2.40	2.26
Earning Per Share	(¥)	11.48	14.23
Equity Ratio	(%)	22.4	23.9
Shareholders' Equity Per Share	(¥)	236.00	260.80

6. Forecast of Results for Fiscal 2003 (From April 1,2003 to March 31,2004)

	¥Milion	US$Thousand*
Revenue	1,300,000	10,833,333
Operating income	88,000	733,333
Recurring Profit**	70,000	583,333
Net income	33,000	275,000

These forecasts are based on various assumptions made at the date of release of these materials, including the information available at the date of release of these materials and uncertain factors that may affect future earnings. Actual earnings may differ significantly from these forecasts as a consequence of various factors.
(Forecast : exchange rate ¥120/US$1, bunker price US$150/MT)

7. Gross Operating Tonnage

	Fiscal year ended March 31,2003		Fiscal year ended March 31,2002	
	DWT(kt)	No.of vessels	DWT(kt)	No.of vessels
Vessels				
Total	33,004,073	587	31,719,906	605

8. Consumed Bunker Price

	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002
Average	US$163.78	US$136.06

9. Exchange Rate

	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002
Average	¥122.29	¥125.11
End of March	¥120.20	¥133.25
End of December	¥119.90	¥131.95

B. NON-CONSOLIDATED

1. Business Results (Years ended March 31, 2003 and 2002)

	¥Milion		US$Thousand*
	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002	Fiscal year ended March 31,2003
Revenue	711,473	748,995	5,919,079
Operating income	49,325	46,379	410,362
Other income(expenses)	(5,575)	(3,300)	(46,387)
Recurring profit**	43,749	43,079	363,975
Extraordinary gains (losses)	(21,421)	(21,081)	(178,211)
Net income	12,614	13,225	104,943

2. Balance Sheets (As of March 31, 2003 and 2002)

	¥Milion		US$Thousand*
	Fiscal year ended March 31,2003	Fiscal year ended March 31,2002	Fiscal year ended March 31,2003
Assets			
Current assets	173,365	154,938	1,442,308
Fixed assets	620,856	648,571	5,165,199
Deferred assets	268	1	2,231
Total assets	794,490	803,511	6,609,739
Liabilities			
Current liabilities	175,969	187,193	1,463,974
Fixed liabilities	365,126	334,474	3,037,659
Total liabilities	541,096	521,668	4,501,633
Interest-bearing debt	413,515	399,441	3,440,226
Stockholders' Equity			
Paid-in capital	88,531	88,531	736,531
Additional paid-in capital	93,198	92,399	775,361
Retained earnings	79,988	76,678	665,459
Unrealized gains on the holding of other securities	(5,388)	24,289	(44,832)
Treasury stock	(2,934)	(56)	(24,414)
Total stockholders' equity	253,394	281,842	2,108,105
Total			
Liabilities and shareholders' equity	794,490	803,511	6,609,739

3. Revenues by Segment (Years ended March 31, 2003 and 2002)

	Fiscal year ended March 31,2003		Fiscal year ended March 31,2002	
	¥Milion	Share (%)	¥Milion	Share (%)
Liner	281,094	39.5%	281,429	37.6%
Tramp and specialized carrier	287,460	40.4%	316,833	42.3%
Tanker	133,276	18.7%	143,225	19.1%
Other	9,641	1.4%	7,507	1.0%
	711,473	100.0%	748,995	100.0%

4. Principal Financial Index

		Fiscal year ended March 31,2003	Fiscal year ended March 31,2002
Operating Profit Margin	(%)	6.9	6.2
Net Profit Margin	(%)	1.8	1.8
Return on Equity	(%)	4.7	4.9
Debt/Equity Ratio	(Times)	1.63	1.42
Earning Per Share	(¥)	10.22	10.73
Equity Ratio	(%)	31.9	35.1
Shareholders' Equity Per Share	(¥)	207.37	229.63

5. Forecast of Results for Fiscal 2003 (From April 1,2003 to March 31, 2004)

	¥Milion	US$Thousand*
Revenue	685,000	5,708,333
Operating income	63,000	525,000
Recurring profit**	54,000	450,000
Net income	23,000	191,667

These forecasts are based on various assumptions made at the date of release of these materials, including the information available at the date of release of these materials and uncertain factors that may affect future earnings. Actual earnings may differ significantly from these forecasts as a consequence of various factors.
(Forecast: exchange rate ¥120/US$1, bunker price US$150/MT)

* The U.S. dollar amounts represent the calculation of exchanging Japanese yen to U.S. dollars on a basis of ¥120.20=US$1.00 (as of March 31, 2003)

** Income before income taxes and special items.

Management Policies

1. Basic Management Policy

Since its founding in 1885, our company has surmounted a host of difficulties while at the same time maintaining sound progress as a leader of the world 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 is exerting tireless efforts day in and day out with the basic objective of meeting its customers' increasingly sophisticated and diversified logistics needs by supplying integrated solutions that draw on the comprehensive capabilities of our group companies providing land, sea or air transport services throughout the world, and thereby acting as a valuable strategic partner for our customers. Under the logo, which we have used for three years and which has become familiar to our customers, 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 the need to invest in future business development such as the expansion of our shipping, non-shipping logistics and passenger ship activities, and to ensuring that adequate internal reserves are maintained for coping with fluctuations in the shipping market.

As regards the dividend payment for the fiscal year under review (ending on March 31, 2003), our company paid a midterm dividend of 3.75 yen per share and intends to pay an additional dividend of 3.75 yen per share at the end of the fiscal year for a full-year dividend of 7.50 yen per share or the same as in the previous fiscal year. This reflects the fact that we achieved much the same or slightly poorer business results as in the preceding year thanks to sustained operating efforts in all divisions and the favorable effects of our company-wide campaign to reduce costs, and despite instability in both the world economy, including in Japan, stemming from such factors as terrorism and the military campaign against Iraq.

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 l986 and has since then reviewed its medium- and long-term targets every four years under the Plan-Do-Check program. In May 2000, we mapped out the fourth installment of NYK21 under the title of "NYK21 New Millennium Declaration – Meeting Tomorrow's Challenges Today," and decided on a return on investment (ROI) that took into consideration stockholder equity and 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 have been endeavoring to expand and develop these businesses by fully meeting the logistics needs of our customers through the active use of information technology and the pursuit of economies of scale and synergy strategies in order to enhance our group's corporate worth.

Project "C"—CHANGE/CHALLENGE/CREATE, carried out by NYK Group to enhance its international competitiveness, came to a successful end in September last year after attaining better results than originally targeted. Subsequently, the aims of Project "C" were incorporated into a day-to-day campaign to reduce costs called Group Project "C."

To cite recent examples of NYK's redefined strategic activities, our company established a joint venture – NYKCOS Car Carrier Company Limited – with COSCO Shipping Co., Ltd. of China in October last year to take part in the marine transport of finished cars around China. In addition, since November last year, our company has participated in the operation of a dedicated terminal for finished cars in the Port of Shanghai. In January this year, our company set up NYK Logistics (Europe) Limited in London to oversee logistics activities in Europe, and also established NYK BULKSHIP (CHINA) to step up its involvement in tramper business in China. Later, in March, our company took over the logistics firm TTG-EDAM in the Netherlands.

The fiscal year under review was the final year of the NYK21 New Millennium Declaration, whose numerical targets were achieved ahead of schedule at the end of the 2000 fiscal year in March 2001. Regrettably, however, the targeted business results for the fiscal year under review were not attained because freight rates in the liner market did not fully recover. At present, we are striving with all our might to attain those targets a year later, by the end of the 2003 fiscal year in March 2004.

In May this year, our company mapped out the fifth installment of NYK21 under the title of "Forward 120," setting new targets our company should attain by October 2005, the 120th anniversary of its founding, and also establishing guidelines for the direction in which our company should proceed. With the new targets in view, our company will carry out three major strategies – development of comprehensive logistics business by making the most of synergies, global development of bulk and energy transport business, and achieving stable profitability in the container transport division. NYK will fulfill these strategies by mobilizing three new powers – the power to multiply strength by itself and by its square, the power of on-the-spot activity and personnel and the power of people and wisdom – to augment the NYK Group's corporate worth. This campaign will be built on six business pillars – container transport, logistics, automobile transport, bulk/energy transport, passenger ship business and port-related business.

Thus, in the 2003 fiscal year, our company will steadily implement specific measures in line with the action plans of the newly formulated "Forward 120." To that end, we believe it most important to secure and foster able personnel. The education system for middle- and high-ranking personnel, introduced last year with prime emphasis laid on the fostering of leaders by leaders, has entered its second year and is steadily producing the desired results. Last November, NYK also sponsored the first "NYK WEEK" during which seminars and training courses were held in Japan for local staff from our overseas footholds and subsidiaries. This event was a signal success in that it provided an appropriate opportunity to promote mutual contact and the exchange of opinions between these foreign staff and our executive and other personnel in Japan and, thereby, help the management and business policies of our head office permeate the NYK worldwide network. "NYK WEEKs" will be held again this year and in the future as an integral part of the global personnel program that will evolve in the years ahead.

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 inside the cover of our annual report. In order to further 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 striving to promote awareness of the need to implement the said principles through enlightenment and educational activities so as to ensure all our directors and personnel always behave in a law-abiding spirit befitting our company. As regards the need to ensure full compliance with the law, we held a "Month for the Comprehensive Review of Compliance" last autumn to intensify our group-wide effort to deal with this issue. Certain small problems that became apparent were immediately resolved and, though no major problems were found, we also set up a Compliance Committee within our company to maintain an unremitting focus on ensuring compliance with the law. Our director in charge of this committee was appointed Chief Compliance Officer (CCO) and a Compliance Office was established within our company.

In April last 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. At the same time, our company introduced a new management structure comprising 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. In April this year, a total of five directors from Japan Marine Science Inc., Hinode Kisen Co., Ltd. and other NYK group companies were appointed (including those appointed unofficially to NYK's Board of Executive Officers to further promote the managerial integration of our company with the NYK Group members.

In January this year, we additionally established Group Administration Offices at five key centers worldwide to develop corporate functions common to all our group members. The idea was to promote the more independent corporate management of group companies through the respective centers.

5. Measures for Guaranteeing Safety, Quality and 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 the production environmental pollutants, such as carbons, NOx, SOx and hull paint residues. 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 auditing ship operations and presenting proposals on improved operations to shipowners and ship management companies with which NYK works.

In April 2001, the two bodies just mentioned were unified into the Safety Measures/Environmental Issues Committee with strengthened functions. This reflected our view that the two most fundamental considerations for a shipping enterprise – ensuring safety and tackling environmental issues – are closely and inseparably connected and contribute to our efforts to fulfill our social responsibilities as a corporate citizen. Later, in September of the same year, the company published its Global Environment Charter, based on NYK's Business Credo, and started its own environmental management activities, characterized by the integration of safe ship operation with protection of the global environment. In March last 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 could be described as unique in that it covers the operation of our entire fleet (about 500 ships including chartered vessels) and is not limited to our own vessels alone. Our acquisition of the ISO 14001 certificate is a public acknowledgement that our environmental management system is fully transparent. As a comprehensive physical distributor bent 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 last 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. We intend to publish such a report again this year.

At NYK, we clearly 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 efforts to fulfill 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 Position

1. Business Results

(1) General Situation in the Term under Review

(i) General Business Results

With respect to the world economy during the term under review, in the U.S. consumption remained firm, while China maintained rapid economic growth and the rest of the Asian economy apart from Japan fared well thanks mainly to brisk exports. By contrast, Germany, certain other European countries and nations in Latin America saw their economies stagnate. The Japanese economy was still unable to extricate itself from its deflation and bad debt problems.

In our shipping business, we managed to produce notable results by striving to overcome such negative factors as the sluggish tramper and other shipping markets in the first half of the term, a surge in bunker oil prices and the appreciation of the yen by promoting our Project "C" (CHANGE/CHALLENGE/CREATE) initiative which the entire NYK Group is implementing mainly to achieve cost reductions, as well as through 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, on a consolidated basis our company registered revenues of ¥1,249.2 billion during the term under review – an increase of 9.3% over the previous year. Operating income and recurring profit came to ¥69.1 billion (up 5.4%) and ¥50.3 billion (up 0.5%), respectively. Net income stood at ¥14.2 billion, down 18.5%.

In non-consolidated terms, revenues declined 5.0% from the preceding year to ¥711.4 billion as a result of our effort to restructure operations by means of corporate breakup. Operating income and recurring profit stood at ¥49.3 billion (up 6.4%) and ¥43.7 billion (up 1.6%), respectively. Net income came to ¥12.6 billion, down 4.6%.

(ii) Segment-by-Segment Overview

<Shipping>

In the shipping sector, which constitutes the group's core business, the liner trade witnessed a more substantial increase of about 19.0% in cargo volumes than originally expected thanks to strong cargo traffic in the Asia/North America and Asia/Europe trades. However, our business results in this sector fell short of the original target mainly because freight rates failed to achieve a full recovery.

As regards tramp operations, the market turned out sluggish in the first half of the term under review, but saw a sharp upturn in the second half, in which there was generally an uptrend in the market.

In the car carrier sector, shipments continued to run at a high level on the whole, resulting in our annual transport of about 2.4 million cars and thus enabling our business results in this sector to achieve the original target.

In the tanker area, the market saw space supply tighten due to such factors as the Iraq situation and the prolonged general strike in Venezuela. Consequently, this market fared well in the second half of the term, enabling our business results to attain the original target. In the petroleum product/chemical carrier sector, we won overseas customers for our methanol carriers, while liquefied natural gas (LNG) carrier operations steadily achieved positive results. A joint investment was made during the term in a new LNG carrier company catering to domestic electric power firms and a joint contract was signed for the construction of new LNG carriers for domestic gas companies.

Overall, revenues for the shipping sector increased 6.1% year on year to ¥789.7 billion, while operating income rose 2.4% to ¥60.8 billion and recurring profit declined 3.4% to ¥42.8 billion.

<Logistics>

In the logistics sector, during the term we mapped out our Logistics Strategy Plan to expand our logistics services and strengthen their competitiveness, for instance by setting up NYK Logistics (Europe) Ltd. for the integrated management of services in Europe. In China, we formed a business tie-up with the shipping group COSCO in the logistics sphere to push the development of our logistics service network in that country, while in the U.S. we opened a new warehouse. Thus, we vigorously expanded our network of logistics footholds in various parts of the world, including in Japan, where we are endeavoring to reinforce our domestic logistics services in partnership with nine other Japanese companies.

In the air freight arena, our business results attained their original target due to the demand for urgent delivery by air that resulted from the dockworkers' strike at U.S. West Coast ports and to smooth flows of other air cargo.

Revenues in the logistics segment increased 32.7% to ¥261.2 billion, while operating profit came to ¥6.1 billion and recurring profit ¥6.1 billion.

<Cruise>

In the cruise services sector, our company strove to reduce costs in the face of the difficult circumstances that stemmed from such factors as the war in Iraq as well as the prolonged adverse effects of the terrorist attacks in the U.S. in 2001. However, our business results in this sector fell short of the previous year's level. The Asuka continued to provide highly popular round-the-world and other cruises. Meanwhile, the Crystal Serenity, the third vessel for Crystal Cruises, Inc., a U.S. subsidiary, is scheduled for completion in late June this year.

Revenues from the cruise segment decreased year-on-year by 9.8% to ¥30.5 billion. Operating income stood at minus ¥0.5 billion while recurring profit at minus ¥1.9 billion partly because of the launching cost of the Crystal Serenity's service.

<Terminal and Harbor Transport Services>

In October last year, our company took over Ceres Terminals, Incorporated, which operates terminals in such areas as the East Coast of North America and the Gulf of Mexico. As a result, our container-handling volume is expected to almost double on a full-year basis. Meanwhile, we continued to expand our terminal operations in other parts of the world as instanced by our joining in the operation of Shanghai's terminal for finished cars. In addition, our terminals in Japan mainly continued to operate smoothly. However, the dockworkers' strike on the U.S. West Coast seriously impacted our terminal operations in that region.

Terminal services chalked up revenues of ¥66 billion, up 6.7%. Operating income stood at ¥1 billion, and recurring profit at ¥0.8 billion.

<Shipping-Related Services>

Our shipping-related services include marine equipment wholesaling and tugboat operations. The marine equipment sector enjoyed firm sales of equipment including that required in the construction of new vessels. Consequently, this sector turned in a steady business performance. As for tugboat operations, all the companies involved strove to maintain earnings through cost reduction.

Overall, the shipping-related services segment registered revenues of ¥42.4 billion, down 6.5%. Operating income stood at ¥0.2 billion and recurring profit at ¥0.5 billion.

<Real Estate>
In the real estate segment, we achieved the original business result target by minimizing an increase in vacancy ratios and rents resulting from the severe oversupply of space in the Tokyo-centered National Capital Region.

The real estate segment posted revenues of ¥13.8 billion, down 4.6%, while operating income came to ¥3.4 billion and recurring profit to ¥3.5 billion.

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

Revenues of this segment increased 6.9% to ¥99.9 billion, while operating income stood at minus ¥2 billion and recurring profit at ¥1.2 billion.

(2) Outlook
In the U.S., the employment situation has failed to improve, while among major Euro bloc nations, public finance has deteriorated in Germany and France. In Japan, meanwhile, the Nikkei stock average recently hit a 20-year low. Thus, the start of the new term has been overshadowed by uncertain prospects the in principal developed economies. As for the international situation, the U.S. and British military operation against Iraq turned out to be of relatively short duration, but new problems are cropping up in the wake of the war.

At a time when the international situation and the economic environment are thus marked by uncertainty, our company has mapped out the new medium- and long-term group management vision “Forward 120,” aimed at the further globalization of both business and personnel. In line with this vision, we intend to enhance the corporate worth of the NYK Group as a whole.

For the next fiscal year, revenues of ¥1,300 billion, operating income of ¥88 billion, recurring profit of ¥70 billion and net income of ¥33 billion are projected on a consolidated basis. In non-consolidated terms, we project revenues of ¥685 billion, operating income of ¥63 billion, recurring profit of ¥54 billion and net income of ¥23 billion. These projections assume a yen-dollar exchange rate of ¥120:$1 and a bunker oil price of US$150 per ton.

As regards dividend payments for the next fiscal year, we are planning to set the midterm dividend at ¥3.75 per share and the full-year dividend at ¥7.50 per share, based on the comprehensive analysis of our company's financial status and the outlook for the business results for the full year.

2. Financial Position
By the end of the term under review, total assets had declined by ¥52.7 billion from the end of the previous term to ¥1,287.1 billion, while total liabilities had decreased by ¥23.4 billion to ¥976.6

billion mainly due to the reduction of interest-bearing debt. Shareholders' equity declined by ¥31.7 billion to ¥288.3 billion due to the decrease in unrealized gains on the holding of other securities.

Interest-bearing debt declined by ¥32.5 billion from a year earlier to ¥691.3 billion.

Cash flow from operating activities increased by ¥3.4 billion from the previous term to ¥88.1 billion, while cash flow from investing activities decreased by ¥79.6 billion to minus ¥54.4 billion, and cash flow from financing activities increased by ¥109.3 billion to minus ¥32.9 billion.

Cash flow trends are indicated below:

	2000	2001	2002	2003
1. Capital adequacy ratio	18.2%	20.2%	23.9%	22.4%
2. Capital adequacy ratio at market price	37.2%	43.9%	38.3%	38.9%
3. Debt redemption	9.7 years	7.9 years	8.5 years	7.8 years
4. Interest coverage ratio	2.7	3.2	3.0	4.4

1. Capital adequacy ratio: stockholders equity/total assets
2. Capital adequacy ration at market price: total stock value at market price/total assets
3. Debt redemption: interest-bearing debt/cash flow from operating activities
4. Interest coverage ratio: cash flow from operating activities/interest payment

* All indexes are calculated using consolidated figures.

* Cash flow indexes represent cash flow from operating activities.
Interest-bearing debt consists of all interest-bearing liabilities included in liabilities listed in the balance sheet.