

For immediate release

May 17, 2004

FISCAL 2003 FINANCIAL HIGHLIGHTS

Nippon Yusen Kabushiki Kaisha (NYK Line) announces the following statement of accounts for the period ended March 31, 2004.

A. CONSOLIDATED

1. Business Results (Years ended March 31, 2004 and 2003)

	¥Million		US\$Thousand*
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
Revenues	1,398,320	1,249,242	13,230,393
Operating income	91,933	69,122	869,839
Other income(expenses)	(17,270)	(18,778)	(163,405)
Recurring profit**	74,663	50,344	706,434
Extraordinary gains(losses)	(13,127)	(17,696)	(124,206)
Net income	34,810	14,292	329,367

2. Balance Sheets (As of March 31, 2004 and 2003)

	¥Million		US\$Thousand*
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
Assets			
Current assets	370,673	350,228	3,507,180
Fixed assets	1,005,852	936,669	9,517,012
Deferred assets	137	272	1,298
Total assets	1,376,664	1,287,170	13,025,490
Liabilities			
Current liabilities	425,753	370,521	4,028,325
Long-term liabilities	569,196	606,117	5,385,528
Total liabilities	994,950	976,638	9,413,853
Interest-bearing debt	654,481	691,398	6,192,463
Minority interest	23,669	22,168	223,952
Stockholders' Equity			
Paid-in capital	88,531	88,531	837,648
Additional paid-in capital	94,421	94,421	893,377
Retained earnings	146,755	122,271	1,388,550
Unrealized gains on the holding of other securities	44,333	(4,180)	419,464
Foreign currency translation adjustments	(12,900)	(9,726)	(122,058)
Treasury stock	(3,096)	(2,953)	(29,296)
Total stockholders' equity	358,044	288,363	3,387,686
Total			
Liabilities, Minority interest and shareholders' equity	1,376,664	1,287,170	13,025,490

3. Cash Flow (Years ended March 31, 2004 and 2003)

	¥Million		US\$Thousand*
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
From Operating Activities	111,360	88,126	1,053,649
From Investing Activities	(88,089)	(54,483)	(833,468)
From Financing Activities	(34,862)	(32,990)	(329,853)
Cash and Cash Equivalents at end of the year	63,632	79,804	602,063
Depreciation and amortization	65,689	66,111	621,526
Capital expenditure	(143,353)	(89,122)	(1,356,357)

4. Revenues by Segment (Years ended March 31, 2004 and 2003)

	¥Million		US\$Thousand*
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
Shipping	879,864	789,721	8,324,960
Logistics	294,976	261,278	2,790,959
Cruise	29,869	30,543	282,610
Terminal and Harbor Transport	102,357	66,026	968,465
Shipping Related Services	42,485	42,404	401,980
Real Estate	12,613	13,813	119,340
Others	102,796	99,960	972,625
Elimination & Unallocation	(66,642)	(54,506)	(630,546)
Total Revenues	1,398,320	1,249,242	13,230,393

5. Shipping Revenues by Business (Years ended March 31, 2004 and 2003)

	¥Million		US\$Thousand*
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
Liner	379,252	323,414	3,588,343
Tramp and specialized carrier	401,586	364,020	3,799,659
Tanker	99,026	102,287	936,948

6. Principal Financial Index

		Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003
Operating Profit Margin	(%)	6.6	5.5
Net Profit Margin	(%)	2.5	1.1
Return on Equity	(%)	10.8	4.7
Debt/Equity Ratio	(Times)	1.8	2.4
Earning Per Share	(¥)	28.27	11.48
Equity Ratio	(%)	26.0	22.4
Shareholders' Equity Per Share	(¥)	292.88	235.81

7. Forecast of Results for Fiscal 2003 (From April 1, 2004 to March 31, 2005)

	¥Milion	US\$Thousand
Revenue	1,460,000	13,904,761
Operating income	121,000	1,152,380
Recurring Profit**	108,000	1,028,571
Net income	55,000	523,809

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 ¥105/US\$1, bunker price US\$170/MT)

8. Gross Operation Tonnage

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003
	DWT(kt) No.of vessels	DWT(kt) No.of vessels
Vessels	35,116,517	33,256,358
Total	616	587

9. Consumed Bunker Price

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003
Average	US\$174.37/MT	US\$163.78/MT

10. Exchange Rate

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003
Average	¥113.97/US\$1	¥122.29/US\$1
End of March	¥105.69/US\$1	¥120.20/US\$1
End of December	¥107.13/US\$1	¥119.90/US\$1

B. NON-CONSOLIDATED

1. Business Results (Years ended March 31, 2004 and 2003)

	¥Million		US\$Thousand*
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
Revenue	749,174	711,473	7,088,414
Operating income	67,963	49,325	643,045
Other income(expenses)	(7,830)	(5,576)	(74,089)
Recurring profit**	60,132	43,749	568,956
Extraordinary gains(losses)	(13,370)	(21,421)	(126,503)
Net income	27,590	12,614	261,048

2. Balance Sheets (As of March 31, 2004 and 2003)

	¥Million		US\$Thousand*
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Fiscal year ended March 31, 2004
Assets			
Current assets	172,070	173,365	1,628,064
Fixed assets	680,828	620,856	6,441,748
Deferred assets	134	268	1,269
Total assets	853,032	794,490	8,071,081
Liabilities			
Current liabilities	190,186	175,969	1,799,473
Long-term liabilities	345,762	365,126	3,271,476
Total liabilities	535,948	541,096	5,070,949
Interest-bearing debt	368,781	413,515	3,489,272
Stockholders' Equity			
Paid-in capital	88,531	88,531	837,648
Additional paid-in capital	93,198	93,198	881,808
Retained earnings	96,797	79,988	915,858
Unrealized gains on the holding of other securities	41,639	(5,388)	393,974
Treasury stock	(3,081)	(2,934)	(29,157)
Total stockholders' equity	317,083	253,394	3,000,132
Total			
Liabilities and shareholders' equity	853,032	794,490	8,071,081

3. Principal Financial Index

		Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003
Operating Profit Margin	(%)	9.1	6.9
Net Profit Margin	(%)	3.7	1.8
Return on Equity	(%)	9.7	4.7
Debt/Equity Ratio	(Times)	1.2	1.6
Earning Per Share	(¥)	22.52	10.22
Equity Ratio	(%)	37.2	31.9
Shareholders' Equity Per Share	(¥)	259.49	207.30

4. Forecast of Results for Fiscal 2004 (From April 1, 2004 to March 31, 2005)

	¥Million	US\$Thousand
Revenue	750,000	7,142,857
Operating income	77,000	733,333
Recurring Profit**	72,000	685,714
Net income	39,000	371,428

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 ¥105/US\$1, bunker price US\$170/MT)

* The U.S. dollar amounts represent the calculation of exchanging Japanese yen to U.S. dollars on a basis of ¥105.69=US\$1.00 (as of March 31, 2004)

** Income before income taxes and special items.

Management Policy

1. Basic Management Policy

Our company has surmounted numerous difficulties since its founding in 1885 and has continued to achieve sound growth as a leader of the world's shipping community. Keenly conscious of the importance of the wide range of exchanges between people and goods as the cornerstone of world economic and cultural development and, simultaneously, fully aware of our social mission to provide safe, quality services as a comprehensive physical distributor and passenger ship operator, the NYK Group strives, day in and day out, to live up to our customers' expectations by focusing on our originality and creativity. We also maintain a basic management policy of rewarding our stockholders by securing reasonable profits through lawful and fair corporate management and by contributing to the development of the international community as a business group dedicated to pursuing freedom, moral discipline and order.

2. Basic Policy on Profit Distribution

In regard to profit distribution, the basic policy of the NYK Group is to maintain stable dividend payments based on broad-based judgments of such factors as profitability for our stockholders and our company's business outlook, while also paying due heed not only to the future development of our business, such as the expansion of our global logistics and cruise businesses, including cargo shipping, but also to the maintenance of sufficient internal reserves for coping with fluctuations in the shipping market. As regards the dividend for the current fiscal year, which ended in March 2004, we intend to pay a year-end dividend of ¥5 per share, which, combined with the interim dividend of ¥5 per share, results in an annual dividend of ¥10; this is an increase of ¥2.5 per share from a year earlier. In line with our policy of passing on profits to our stockholders, we will make such payments while paying due heed to our current financial situation and our good business performance.

3. Medium- to Long-Term Management Strategy of the NYK Group

Our company mapped out its first medium- to long-term group management vision, NYK 21, in 1986, and formulated the fifth NYK 21 under the name of Forward 120 in May of last year. To mark our upcoming 120th anniversary in October 2005, Forward 120 is a two-year action plan for the NYK Group, designed to maintain sustained growth and support a further leap forward.

The three key strategies of Forward 120 are (1) the expansion of the global logistics business, (2) the global development of the bulk and energy transport business, and (3) stabilizing profitability in the container transport division. To attain the numerical targets, we must transform ourselves into a truly global enterprise and take up new challenges.

To start with, in April of last year we established the Global Logistics Headquarters to carry out the integration of three divisions: container transport, logistics and car transport. We intend to provide our customers with ever more attractive services by combining the strengths of these divisions, giving full play to their diverse logistical infrastructures, logistics technology and information technology (IT), and thereby creating the most appropriate integrated solutions for our customers.

One particular focus will be to vigorously expand our business by targeting broad-based logistics for the automotive industry. Simultaneously, we will reorganize the logistics companies within the NYK Group under six regional management organizations with the brand name of NYK Logistics and expand our logistics services.

At our bulk/energy resources transport headquarters, we will aggressively enter new spheres of business in the China/Asia and Atlantic markets. To newly secure bulk and energy transport business in the Atlantic market, we positioned a director in charge of sales and a CFO International in Europe in

April of last year, and established the Bulk Energy Atlantic Group and an onsite subsidiary, Bulk & Energy B.V. Furthermore, we participate in the transport of energy resources to the United States, which will be a major energy importing country in the near future.

To improve our human resources training and staff capabilities, we set up Monohakobi Technology Institute (MTI), in April of this year. The institute provides extensive education and training for NYK Group employees who are becoming increasingly multinational with the progression of globalization. With challenging tasks in new spheres and the adoption and development of new techniques, we will make the most of our existing shipping operating know-how, logistics technology and IT—all of which have already produced tangible results.

We will also expand our organizations and systems flexibly by realizing our group's global personnel strategy, Global Human Resources (GHR), and promoting the recruitment and training of local staff in cooperation with our regional headquarters. Through this new project, we will foster the mutual sharing of ideas and knowledge within the NYK Group as a whole, and effectively use all of our human resources, including local staffs.

4. Fundamental philosophy for and implementation of corporate governance

Fully conscious of our social mission, the Company is trying to establish a management organization to meet the expectations among stakeholders, including shareholders, clients, business partners and regional communities.

Our principle was specifically enunciated in our Corporate Action Charter, which was formulated in December 1997. This charter appears on our Web site. In addition, in compliance with our company's principles as stated in the charter, in March 1999 we prepared a code of conduct setting minimum standards to which our company's directors and personnel must adhere.

Our internal structure for ensuring full compliance with the law and social norms consists of a compliance committee, a chief compliance officer (CCO) and a compliance chamber. We have also newly set up an internal "windows" for consultation to encourage reporting from within the group so as to prevent even minor problems or potential issues from escaping our notice. Furthermore, we conduct "A Month of General Compliance Review" campaign every year to keep all our directors and employees fully conscious of the need for compliance and to encourage them to take specific measures to that end.

In addition, we have already introduced a new management system designed not only to reinforce the board of directors' functions of mapping out strategies and overseeing the conduct of business but also to clarify the authority and responsibility of the respective divisions under the charge of directors and to ensure expeditious decision making therein. We have also implemented a new management formula executive committee for strategic management, a committee of directors, NYK Group conferences of the presidents and meetings of the board of directors and corporate auditors.

Since last year, five directors of group companies have been accepted as outside members of the committee of directors to enhance the value to the group by ensuring the mutual understanding and dissemination of management plans. In January of this year, we established Group Administration Offices (GAO) in five key business centers around the world to enable overseas group companies to develop their corporate functions internally rather than under instructions from the head office. Under this system, we will promote the flexible and independent management of group companies through the respective business centers.

5. Issues to be Addressed

In all our corporate activities, efforts to ensure safety and protect the environment are crucial. In 1992, we established the Safety Promotion Headquarters within our company, and in 1998 we formulated NAV9000, which laid out our company's standards for safe ship operation as the accumulation of our

subsequent endeavors in this field. These standards, which go beyond the scope of both Japanese and foreign laws and regulations, now apply to more than 500 NYK-operated vessels as part of our sustained campaign to guarantee safety. In March 2002, we established an environmental management system to guarantee safe ship operation and protect the global environment. This system was certified as conforming to the ISO 14001 international standard. The scope of this certification has been expanded subsequently, and today covers not only our head office and vessels but also about 60 business footholds in three major markets: Europe, North America and Asia, even including container terminals and overland and inland waterway transport with a combination of trucking, railway and barge services. As a comprehensive logistic provider, we have developed one of the world's largest networks for conserving the environment. Recently, with an increasing focus on measures to address terrorism, we introduced tighter security within our group, well ahead of treaties and legislation.

Last year, NYK was incorporated into the FTSE 4Good Global Index, an index of socially responsible investment (SRI) corporations worldwide, and the Dow Jones Sustainability World Indexes (DJSI World), which are indexes of corporate sustainability, in recognition of NYK's corporate activities aimed at ensuring safety and environmental protection. In addition, NYK was awarded the Prize for Activities to Protect the Logistics Environment by the Japan Federation of Freight Industries in appreciation of its efforts to promote environmental protection and enhance the awareness of the environment.

Every year, we publish "The Earth Is Our Home," a report on the social environment, to inform our stockholders as to how we are tackling social and environmental issues, and to strengthen our dialogue with them.

NYK's divisions actively deal with various forms of corporate contributions to society, such as safety operation, environment conservation, corporate governance and compliance with laws and regulations. NYK now intends to integrate these activities so that the NYK Group can further enhance its social responsibility. That is why NYK inaugurated the Corporate Social Responsibility (CSR) Chamber on April 1. As long as NYK is a going concern, each employee of NYK will work with pride and passion and do his or her best to fulfill social responsibilities with respect to shareholders, clients, business partners and regional communities.

Operating Results and Financial Position

1. Operating Results

Overview

In the fiscal year ended March 31, 2004, NYK Line posted consolidated revenues of ¥1,398.3 billion, operating income of ¥91.9 billion and net income of ¥34.8 billion. Revenues, net income and recurring profit were record highs.

(Billions of yen)

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Change	Percentage change
Revenues	1,398.3	1,249.2	149.0	11.9%
Costs and expenses	1,158.3	1,037.3	120.9	11.7%
Selling, general and administrative expenses	148.0	142.7	5.2	3.7%
Operating income	91.9	69.1	22.8	33.0%
Recurring profit	74.6	50.3	24.3	48.3%
Net income	34.8	14.2	20.5	143.6%

Consolidated revenues climbed 11.9% to ¥1,398.3 billion. This reflected higher volumes and freight rates in the shipping segment, as well as expansion in core logistics and terminal operations. Operating income rose 33.0% on the strength of intensive cost-cutting, which offset higher costs and expenses and selling, general and administrative expenses. The operating margin improved 1.1 percentage point from a year earlier to 6.6%. Due to lower interest expenses and other factors, other income advanced and recurring profit soared 48.3% over the previous year. Furthermore, to enhance the company's competitiveness, the loss from the disposition of assets increased, however, the loss on valuation of investment decreased and extraordinary profit improved. As a result, net income surged 143.6% after the deduction of ¥24.2 billion in income taxes and minority interests of ¥2.4 billion. In the year under review, return on equity (ROE) almost doubled to 9.7% from 5.0% a year earlier.

The table below summarizes the effect on recurring profit from exchange rate fluctuations and the bunker oil price.

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Change	Impact amount
Average exchange rate	¥113.97/US\$1.00	¥122.29/US\$1.00	Yen appreciates by 8.32	-¥10.8 billion
Average bunker oil price	US\$174.37/MT	US\$163.78/MT	Price increases US\$10.59	-¥3.1 billion

Notes:

1. A ¥1 change against the dollar has an impact of around ¥1.3 billion on recurring profit.
2. A \$1 change per metric ton in the price of bunker oil alters annual recurring profit by ¥300 million.

Segment Information

(Billions of yen)

	Revenues				Operating income			Recurring profit		
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Change	Percentage change	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Change	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Change
Shipping	879.8	789.7	90.1	11.4%	91.3	60.8	30.5	76.8	42.8	34.0
Logistics	294.9	261.2	33.6	12.9%	3.5	6.1	(2.5)	3.1	6.1	(3.0)
Cruise	29.8	30.5	(0.6)	-2.2%	(5.4)	(0.5)	(4.8)	(6.6)	(1.9)	(4.6)
Terminal and Harbor Transport	102.3	66.0	36.3	55.0%	0.6	1.0	(0.4)	(2.0)	0.8	(2.9)
Shipping-Related	42.4	42.4	0	0.2%	0	0.2	(0.2)	0.2	0.5	(0.3)
Real Estate	12.6	13.8	(1.2)	-8.7%	3.0	3.4	(0.3)	3.3	3.5	(0.1)
Others	102.7	99.9	2.8	2.8%	(1.2)	(2.0)	0.8	(0.3)	1.2	(1.6)

<Shipping>

The shipping segment comprises three areas. The first is the liner trade, which includes container operations. The second is trampers and specialized carriers, which covers bulk, ore, and coal carrier and car carrier operations. The third is the tanker business, which encompasses petroleum, LNG, petroleum products and chemical carrier operations. The significant improvement in liner trade led to year-over-year improvement in shipping revenue and profitability.

(Billions of yen)

	Revenues			
	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Change	Percentage change
Liner trade	379.2	323.4	55.8	17.3%
Trampers and specialized carriers	401.5	364.0	37.5	10.3%
Tanker business	99.0	102.2	(3.2)	-3.2%

Liner Trade

Reflecting soaring demand on all routes, the targeted volumes of cargo were almost attained. Tighter supply-demand situation allowed us to restore freight rates on trips on each route. In the first year of “CIRCUIT 120,” our medium-term plan for reducing costs, we achieved more than ¥6 billion in cost reductions despite higher fuel prices. As a consequence, revenues expanded significantly.

Trampers and Specialized Carriers

As in the previous year, revenue and earnings were favorable in the year under review. Worldwide car carrier transports increased to 2.35 million units. Most bulk carriers in the long-term contracts business were utilized smoothly. On the other hand, performance was squeezed by capesize carriers in the spot business, increased ship leasing charges and historically high freight rates and long waits to enter major ports in Australia, Brazil and China.

Tanker Business

All types of tankers under long-term contracts operated steadily and achieved the targeted profitability. Ships under spot contracts performed well in the transport of crude oil and refined products despite volatility in the freighter market.

<Logistics>

Revenue increased and profit decreased in the segment compared with the previous year. The airfreight business maintained a solid performance supported by active volume. Based on our medium-term “Logistics Strategy Plan,” we responded aggressively to increasing demand for car carrier transports in China and elsewhere in Asia. We developed infrastructure throughout Asia and augmented new businesses. As a result, revenue expanded but earnings declined year over year due to high start-up costs.

<Cruise>

In July 2003, *Crystal Serenity*, the third vessel of the Crystal family, entered service. The three Crystals and *Asuka* were sailing smoothly. However, revenue and earnings plunged in the year under review. The aftermath of the 9/11 terrorist attacks, the war in Iraq and the spread of SARS adversely affected passenger numbers, despite aggressive marketing and cost-cutting initiatives.

<Terminal and Harbor Transport Services>

Container handling volume, including that for Japan, increased, thanks to the contribution of Ceres Terminals, Incorporated, which was acquired in October 2002. Therefore revenue rose year over year. However, earnings were down owing to the impact of a strike in North America. We are establishing new operations in the expanding Chinese market, for example, through our participation in terminals for finished cars in Shanghai and Dalian.

<Other Services>

In shipping-related services, profit from the wholesaling of shipping machinery and equipment, and tugboat operations declined slightly. The real estate business faced sluggish market conditions because of oversupply but averted decreases in revenues and operating income by minimizing vacancies and declines in rents. Revenues and earnings were down slightly in information processing services, oil wholesaling and travel agency services.

Outlook

(Billions of yen)

	Fiscal Year ended March 31, 2004	Fiscal Year ended March 31, 2003	Change	Percentage change
Revenues	1,460.0	1,398.3	61.6	4.4%
Operating income	121.0	91.9	29.0	31.6%
Recurring profit	108.0	74.6	33.3	44.6%
Net income	55.0	34.8	20.1	58.0%
Prerequisite for forecast	Exchange rate ¥105/US\$1.00		Bunker oil price US\$170/MT	

For the full term, revenues should reach ¥1,460.0 billion. Operating income should be ¥121.0 billion, with recurring profit of ¥105.0 billion and net income of ¥55.0 billion. Revenues, operating income, recurring profit and net income will all be the highest in the Company's history.

In the shipping segment, we assume favorable demand will continue in the liner trade, tramp and specialized carrier and tanker markets. Despite worries about the high yen and bunker oil prices, revenues and profits for fiscal year ending March 31, 2005 may surpass fiscal year ended March 31, 2004, by stabilizing fares through long-term contracts and cost-cutting.

In the logistics segment, we will aggressively develop markets in China and elsewhere in Asia. We have also introduced the necessary measures to turn around failing companies. We expect overall improvement in this business.

In the cruise segment, we will continue to reduce costs. Without the adverse circumstances that squeezed earnings in fiscal year ended March 31, 2004, we expect this segment's performance to improve in the year ahead.

In terminal and harbor transport segment, we will move swiftly to improve performance mainly in our North American terminals and estimate a substantial profit.

2. Financial Position

Assets, Liabilities and Shareholders' Equity

Total assets were ¥1,376.6 billion, an increase of ¥89.4 billion from the previous year. Accounts receivable trade increased ¥19.3 billion due to expanding business, and investments in securities rose ¥79.5 billion, reflecting the appreciation of equity as a result of the rising stock market.

Total liabilities were ¥994.9 billion, an increase of ¥18.3 billion. There was some effects due to the stronger yen and amount of interest-bearing debt was reduced by ¥36.9 billion through continuous efforts to squeeze interest-bearing debt, but an increase of ¥13.4 billion in income taxes payable through increased net income, a ¥19.0 billion boost of deferred income tax liabilities by the appreciation of investments in securities and others, and the growth of ¥12.3 billion in accounts payable, brought on this increase.

Total shareholders' equity increased ¥69.6 billion to ¥358.0 billion primarily due to a rise in retained earnings and higher net unrealized holding gains on other securities.

The debt equity ratio improved 0.6 point to 1.8.

Cash Flows

(Billions of yen)

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2003	Change
Net cash provided by operating activities	111.3	88.1	23.2
Net cash provided by investing activities	(88.0)	(54.4)	(33.6)
Net cash provided by financing activities	(34.8)	(32.9)	(1.8)
Effect of exchange rate changes on cash and cash equivalents	(10.1)	(8.1)	(1.9)
Net increase in cash and cash equivalents	(21.6)	(7.4)	(14.2)
Increase in cash and cash equivalents due to change in consolidation scope	5.5	5.3	0.1
Cash and cash equivalents at end of the year	63.6	79.8	(16.1)

At the end of the year under review, net cash provided by operating activities was up ¥23.2 billion to ¥111.3 billion, mainly reflecting a rise in income before income taxes and minority interests. Net cash used in investing activities was increased ¥33.6 billion to ¥88.0 billion, owing to increased expenditures for tangible and intangible fixed assets and lending of loans receivable. Net cash used in financing activities was increased ¥1.8 billion to ¥34.8 billion, as a result of balancing the proceeds and repayments of short- and long-term loans and bonds.

This resulted in a net decrease of ¥21.6 billion in cash and cash equivalents. A change in consolidation scope lowered cash and cash equivalents at the end of the period by ¥16.1 billion to ¥63.6 billion.

Cash flow trends are indicated below:

	2000/3	2001/3	2002/3	2003/3	2004/3
1 Capital adequacy ratio (%)	18.2	20.2	23.9	22.4	26.0
2 Capital adequacy ratio at market price (%)	37.2	43.9	38.3	38.9	44.1
3 Debt redemption (Years)	9.7	7.9	8.5	7.8	5.9
4 Interest coverage ratio	2.7	3.1	2.8	4.1	6.0

1. Capital adequacy ratio: shareholders' equity/total assets
2. Capital adequacy ratio 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. Payments are based on the interest payments in the consolidated statements of cash flows.

<Notice>

The forecasts disclosed in these materials may differ significantly from actual results due to risk factors and uncertainty.

The general economic conditions in NYK's operating environment are marked by volatility in the maritime market, wide fluctuations in exchange rates, interest rates and bunker oil prices, marine perils among our fleet and international and social disorders such as war, terrorism and SARS. These affect NYK's business performance and financial situation adversely.

The factors that can negatively affect the company's business environment are not limited to the aforementioned.