

Financial Results for 9 Months ended 09/12 and Revised Prospect for Whole FY10/3

January 2010



Contents

- 1) Results for 9 Months ended 09/12 (p.2-4)**
- 2) Prospect for Whole FY10/3 (p.5-6)**
- 3) Overview of Each Industrial Segment (p.7-12)**
- 4) Financial Condition (p. 13)**

Comparison of Financial Results between 9 months ended 09/12 and 08/12 by Industrial Segments



(Billions of Yen)

	9 Months ended 08/12					9 Months ended 09/12				change whole
	1Q	2Q	3Q	whole	4Q	1Q	2Q	3Q	whole	
Liner	164.1	185.9	152.8	502.9	92.5	88.2	90.5	97.3	276.0	-227.0
	-2.7	-1.1	-3.8	-7.5	-18.4	-18.6	-18.0	-12.0	-48.6	-41.1
Bulk Shipping	299.3	339.5	274.7	913.5	173.6	157.0	180.9	193.7	531.7	-381.8
	62.5	72.1	32.1	166.7	2.3	-1.5	5.4	14.3	18.2	-148.6
Logistics	127.8	129.2	114.6	371.5	76.6	77.8	83.0	90.3	251.1	-120.4
	2.6	2.5	2.0	7.1	-2.0	-1.5	1.0	2.0	1.4	-5.7
Terminal	35.9	37.7	33.0	106.6	25.4	27.7	27.3	27.7	82.7	-23.9
	2.2	1.8	1.2	5.2	-0.1	0.2	0.4	1.0	1.7	-3.5
Cruise	12.7	14.2	9.4	36.3	7.9	9.4	9.9	7.8	27.1	-9.2
	0.8	1.8	-0.3	2.3	-1.2	-0.7	0.3	-1.7	-2.1	-4.4
Air Cargo	23.4	25.3	19.4	68.1	11.3	12.1	14.2	18.1	44.4	-23.7
	-2.3	-3.6	-5.5	-11.4	-7.4	-6.5	-5.3	-2.0	-13.8	-2.4
Real Estate	2.9	2.9	2.9	8.8	2.9	2.8	3.3	3.0	9.2	0.4
	1.1	1.2	1.1	3.5	1.0	1.3	1.2	1.2	3.7	0.3
Other	57.4	73.6	41.1	172.1	35.8	34.8	38.9	40.3	114.0	-58.1
	0.8	0.0	0.4	1.2	-0.5	0.3	-1.9	0.0	-1.6	-2.8
Elimination/ Unallocation	-43.9	-68.1	-36.6	-148.6	-27.3	-29.8	-33.6	-35.5	-98.8	49.8
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated	679.6	740.3	611.4	2,031.3	398.7	380.1	414.5	442.8	1,237.3	-794.0
	65.1	74.7	27.3	167.1	-26.3	-27.1	-16.8	2.9	-41.1	-208.2

* (Upper) Revenues (Lower) Recurring Profit

*Revenues of Tanker & LNG in Bulk Shipping Segment is ¥131.5Bil. (1Q-3Q in FY09/3) and ¥107.0Bil. (1Q-3Q in FY10/3).

- Liner: Due to Cargo Movement Decreased and lower Freight Rate Level, Rec. Profit declined by ¥41.1Bil.
- Bulk Shipping: Declined by ¥ 148.6Bil. due to Weak Dry and Tanker Market and Car Transportation Volume.
- Air Cargo: Rec. Profit Exceeded Compared with the 3Q Period in FY09/3 Due to Recovery Cargo Movement.

Analysis of Change in Rec. Profit between 9 Months ended FY09/12 and FY08/12

(Billions of Yen)

Yen Appreciation	-5.0	¥ 93.91 / Appreciated by ¥ 9.59
Bunker Oil Price	30.0	\$367.93MT/ Decreased \$200.05/MT
Market Effects etc.	-281.8	
Non Shipping Div.	-30.8	
Cost Reduction	76.4	Shipping Div.66.1, Non Shipping Div.10.3
New Consolidation	3.1	Shipping Div.2.3, Non Shipping Div.0.8
Total	-208.2	

- Rec. Profit Decreased by ¥5.0Bil. Per Yen Depreciations. Increased ¥30.0Bil. per Rising Bunker Oil Price.
- Cost Reduction Activities: ¥76.4Bil. in Total. Liner ¥56.9Bil., Bulk Shipping ¥9.2Bil. and Non-Shipping Segment (Mainly Logistics) ¥10.3Bil.

Revised Prospect Whole FY10/3

(Billions of Yen)

	Original Prospect			Revised Prospect					Change Whole
	1H	2H	Whole	1H		2H		Whole	
				1Q	2Q	3Q	4Q prospect		
Revenues	794.5	885.5	1,680.0	794.5		905.5		1,700.0	20.0
				380.1	414.5	442.8	462.8		
Operating Profit	-37.1	19.1	-18.0	-37.1		15.1		-22.0	-4.0
				-25.5	-11.5	5.0	10.2		
Recurring Profit	-43.9	10.9	-33.0	-43.9		7.9		-36.0	-3.0
				-27.1	-16.8	2.9	5.0		
Net Income	-29.4	2.4	-27.0	-29.4		0.4		-29.0	-2.0
				-18.9	-10.4	2.7	-2.3		

Exchange Rate	¥96.12	¥90.00	¥93.06	¥96.12	¥89.49	¥90.00	¥92.93	¥-0.13
Bunker Oil Price	\$333.56	\$430.00	\$381.78	\$333.56	\$436.68	\$490.00	\$398.45	\$16.67

- Revenues ¥1.70 Tri (¥20.0Bil. from Original Prospect)
- Rec. Profit. ¥-36.0 (¥-3.0Bil. from Original Prospect) and Net Income ¥2.0Bil (-¥20Bil. From Original Prospect)
- Exchange Rate/Bunker Oil Assumption and Sensitivity against Rec. Profit (Whole Year)
 Exchange Rate: ¥92.93/\$ 0.7Bil. Increase per ¥1/\$ Depreciation
 Bunker Oil Price \$398.45/MT ¥200 Million Decrease per \$1/MT Increase
- Cash Dividend (Prospect): Annual Dividend of ¥2/Share (¥2/Share of Interim and ¥2/Share of Year End)

Comparison of Financial Prospects for Whole FY10/3 (Original vs Revised Prospect)



Bil.Yen	FY 10/3(Revised Prospect)				Whole	Original (Whole)	Diff. from October 09 (Whole)
	1Q	2Q	3Q	4Q (Prospect)			
Liner	88.2	90.5	97.3	102.0	378.0	390.0	-12.0
	-18.6	-18.0	-12.0	-9.4	-58.0	-50.0	-8.0
Bulk Shipping	157.0	180.9	193.7	217.4	749.0	752.0	-3.0
	-1.5	5.4	14.3	18.8	37.0	36.0	1.0
Logistics	77.8	83.0	90.3	88.8	340.0	350.0	-10.0
	-1.5	1.0	2.0	0.3	1.7	2.0	-0.3
Terminal	27.7	27.3	27.7	26.3	109.0	110.0	-1.0
	0.2	0.4	1.0	0.8	2.5	1.0	1.5
Cruise	9.4	9.9	7.8	7.3	34.5	36.0	-1.5
	-0.7	0.3	-1.7	-2.4	-4.5	-3.0	-1.5
Air Cargo	12.1	14.2	18.1	15.6	60.0	54.5	5.5
	-6.5	-5.3	-2.0	-3.2	-17.0	-21.0	4.0
Real Estate	2.8	3.3	3.0	2.8	12.0	12.0	0.0
	1.3	1.2	1.2	1.0	4.8	4.5	0.3
Other	34.8	38.9	40.3	40.0	154.0	143.0	11.0
	0.3	-1.9	0.0	-1.0	-2.6	-2.5	-0.1
Elimination/ Unallocation	-29.8	-33.6	-35.5	-37.5	-136.3	-167.5	31.2
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated	380.1	414.5	442.8	462.8	1,700.0	1,680.0	20.0
	-27.1	-16.8	2.9	5.0	-36.0	-33.0	-3.0

* (Upper) Revenues (Lower) Recurring Profit

*Revenues of Tanker and LNG Carriers in Bulk Shipping Segment is ¥146.0Bil.(Revised FY10/3) and ¥148.0Bil.(Original FY10/3).

□ Liner: Due to Rising Bunker Oil Price and Delay of Recovery Freight Rate in Asia-North America Trade, Rec. Loss Revised Downward by ¥8.0Bil.

□ Bulk Shipping: Rec. Profit Revised Upward by ¥ 1.0Bil. due to Recovering in Dry Market although Stagnant Tanker Market.

□ Air Cargo: Due to Recovery in Cargo Movement, Rec. Loss Reduced by 4.0Bil..

Overview of Each Industrial Segment ①

1. Liner – 1) Container :

Container Lifting Result/Prospect(1,000TEU)

		FY 09/3(Result)					FY 10/3 (Revised Prospect)				
		1Q	2Q	3Q	4Q	Whole	1Q	2Q	3Q	4Q (Prospect)	Whole
Asia→ North America	Lifting	187	200	181	145	713	130	158	154	147	589
	Slot	223	227	231	201	882	185	195	187	168	736
	Utilization	84%	88%	78%	72%	81%	70%	81%	82%	87%	80%
Asia→ Europe	Lifting	138	152	127	109	525	104	125	128	112	469
	Slot	163	164	154	128	610	122	124	127	118	492
	Utilization	84%	93%	82%	85%	86%	85%	100%	101%	95%	95%

Trend of Container Freight Rate (FY09/3 1Q=100)

	FY 09/3 (Result)				FY 10/3 (Revised Prospect)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q (Peospect)
Asia→North America	100	107	109	91	79	69	75	81
Asia→Europe	100	96	89	56	48	54	70	82

- Cargo Movement in Recovery Trend Comparing with the same period last year. Still relatively Weak in Asia-North America Trade but Revised Prospect Upward in Asia Europe Trade.
- Freight Rate in Asia-North America Trade Turned to Improve from around Middle of 2Q and that in Asia-Europe Trade has been firmly Improving.

Overview of Each Industrial Segment ①

2. Liner – 1) Container:

Number of Core Fleet · Capacity in TEU

		FY09/3	FY10/3※	FY11/3※	FY16/3※
Number of Core Fleet	vessels	113	90	81 	60
Capacity in TEU	TEU	400,000	370,000	350,000	290,000

Fleet	vessels	113	97	92

※ Target Figures (FY10/3, FY11/3, FY16/3)

- Downsize Core Containership Fleet and Change to a Light Asset Business.
- We aim to halve the Core Fleet Size by FY16/3, by Suspending New Orders, Returning Chartered-in Vessels, Demolition of Aged Vessels, and so on.

Overview of Each Industrial Segment ②

2. Bulk Shipping – 1) Trend of Shipping Market for Bulkers and Tankers

	FY 09/3 (Result)	FY 10/3 (Revised Prospect)					FY 10/3 (Original Prospect)
		1Q	2Q	3Q	4Q (Prospect)	Whole	
B D I	4,912	2,673	2,799	3,420	3,100	2,998	2,718
Cape (4TC)	81,867	46,105	45,004	55,540	40,000	46,662	45,277
Panamax (Pac)	32,008	16,092	18,405	26,559	25,000	21,514	18,624
Handymax (Pac)	26,605	12,399	15,078	20,345	22,000	17,456	14,369
Handy (Pac)	19,216	8,580	10,585	13,179	14,000	11,586	9,791
VLCC (WS)	113	35	36	49	110(※1)	58(※2)	46

※ Market per vessel (spot charterage) 4TC = average 4 routes, Pac = Pacific-round

Currency Unit = US dollars/day

(※1) in 2010 basis. It corresponds to WS86 in 2009 basis

(※2) in 2010 basis. It corresponds to WS52 in 2009 basis

- Except Cape-size Bulk Carrier, Current Strong Market would be Kept.
- Tanker Market would be Recovering to some extent due to Winter Season and Phasing-out of Single Hull Tankers.

Overview of Each Industrial Segment ③

2. Bulk Shipping – 2) Car Carrier :

Car Transportation Result/Prospect(10,000 Cars)

	FY 09/3 (Result)					FY 10/3 (Revised Prospect)				
	1Q	2Q	3Q	4Q	Whole	1Q	2Q	3Q	4Q (Prospect)	Whole
All Trade	88	91	92	55	326	43	53	65	68	230
Change						-51%	-42%	-29%	24%	-29%

- Cargo Movement has been Recovering, and Total Volume would Reach Up to around 70% of FY09/3

3. Logistics Segment

(Billions of Yen)

Recurring Profit	FY 09/3 (Result)	FY 10/3 (Prospect)				
		1Q	2Q	3Q	4Q (Prospect)	Whole
NYK Logistics	-0.2	-1.3	0.1	0.4	-0.7	-1.4
YAS(Air Forwarding)	5.4	-0.2	0.8	1.5	1.1	3.2
Total	5.2	-1.5	1.0	2.0	0.3	1.7

- In NYK Logistics, although Proceeded Cost Reduction with Transport Level toward Recovery in Asia, Taken a time to Improve the Economy in Europe and the United States.
- Yusen Air & Sea Service Co., Ltd. Kept Strong.

		FY09/3 (Result)				
		1Q	2Q	3Q	4Q	Whole
Revenue	Bil Yen	23.4	25.3	19.4	11.3	79.4
Rec.Profit	Bil Yen	-2.3	-3.6	-5.5	-7.4	-18.8
Capable Weight	1000ton	77	85	82	64	309
Volume(RTK)	Mil.ton-kilo	504	506	478	389	1,877
Capacity(ATK)	Mil.ton-kilo	716	765	747	656	2,884
YIELD (FY09 1Q=100)		100	114	90	63	93
MOPS	US\$/BBL	\$154	\$142	\$75	\$55	\$107

FY10/3 (Revised Prospect)				
1Q	2Q	3Q	4Q (Prospect)	Whole
12.1	14.2	18.1	15.6	60.0
-6.5	-5.3	-2.0	-3.2	-17.0
75	87	93	86	341
447	506	571	526	2,050
679	720	794	691	2,884
58	64	76	74	68
\$67	\$77	\$83	\$83	\$78

- Rec. Loss for FY10/3 reduced by 4.0Bil compared to the prospect in 2Q, expecting to maintain better performance after Significant Recovery in 3Q.
- Not only better performance in Regular Flights but getting more Charter business has solidly contributed to the improvement in the result.

Trade-wise Load Factor Trend

	Composition Ratio 9Months ended 09/12	
	RTK	ATK
North America	51%	51%
Europe	24%	21%
Asia	25%	28%
All Trade	100%	100%

FY 10/3 (Revised Prospect)				
1Q	2Q	3Q	4Q (Prospect)	Whole
68%	72%	71%	76%	71%
77%	80%	83%	83%	81%
54%	60%	66%	68%	62%
66%	70%	72%	76%	71%

Financial Condition

		FY09/3 (Result)	FY10/3 Planned (Oct 27)	FY10/3 Revised Prospect
Interest-bearing debt	(Bil.Yen)	1,077.9	1,120.0	1,060.0
Shareholders' equity	(Bil.Yen)	544.1	510.0	640.0
Shareholders' equity ratio	(%)	26.3%	24.5%	30.3%
Debt-Equity ratio		1.98	2.20	1.65
Cash flow from operating activities	(Bil.Yen)	150.4	80.0	70.0
Cash flow from investing activities	(Bil.Yen)	-170.2	-100.0	-85.0
Depreciation and amortization	(Bil.Yen)	100.1	100.0	100.0

- Strengthen financial position by Public Offering.
- Continue Careful Selection on New Investment Projects.