

# Financial Results for Whole FY10/3 and Prospect for FY11/3

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**NYK**LINE  
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# Comparison of Financial Results between FY 09/3 and FY10/3 by Industrial Segments

(Billions of Yen)	FY 09/3					FY 10/3					Change Whole	Diff. from prospect as of 29th January
	1Q	2Q	3Q	4Q	Whole	1Q	2Q	3Q	4Q	Whole		
Liner	164.1	185.9	152.8	92.5	595.4	88.2	90.5	97.3	102.1	378.1	-217.3	
	-2.7	-1.1	-3.8	-18.4	-25.9	-18.6	-18.0	-12.0	-6.8	-55.4	-29.6	2.6
Bulk Shipping	299.3	339.5	274.7	173.6	1087.1	157.0	180.9	193.7	201.8	733.5	-353.6	
	62.5	72.1	32.1	2.3	169.0	-1.5	5.4	14.3	18.4	36.6	-132.4	-0.4
Logistics	127.8	129.2	114.6	76.6	448.1	77.8	83.0	90.3	90.7	341.8	106.3	
	2.6	2.5	2.0	-2.0	5.1	-1.5	1.0	2.0	0.1	1.6	-3.6	-0.1
Terminal	35.9	37.7	33.0	25.4	132.0	27.7	27.3	27.7	27.6	110.3	-21.7	
	2.2	1.8	1.2	-0.1	5.2	0.2	0.4	1.0	1.2	2.9	-2.3	0.6
Cruise	12.7	14.2	9.4	7.9	44.2	9.4	9.9	7.8	8.0	35.2	-9.0	
	0.8	1.8	-0.3	-1.2	1.1	-0.7	0.3	-1.7	-2.0	-4.1	-5.2	0.4
Air Cargo	23.4	25.3	19.4	11.3	79.4	12.1	14.2	18.1	18.2	62.6	-16.9	
	-2.3	-3.6	-5.5	-7.4	-18.8	-6.5	-5.3	-2.0	-1.4	-15.2	3.6	1.8
Real Estate	2.9	2.9	2.9	2.9	11.7	2.8	3.3	3.0	3.0	12.2	0.4	
	1.1	1.2	1.1	1.0	4.4	1.3	1.2	1.2	1.2	4.9	0.5	0.1
Other	57.4	73.6	41.1	35.8	207.9	34.8	38.9	40.3	42.0	156.0	-51.9	
	0.8	0.0	0.4	-0.5	0.7	0.3	-1.9	0.0	-0.1	-1.7	-2.4	0.8
Elimination/ Unallocation	-43.9	-68.1	-36.6	-27.3	-175.9	-29.8	-33.6	-35.5	-33.3	-132.1	43.7	
	0.0	0.0	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	398.7	2430.0	380.1	414.5	442.8	460.0	1697.3	-732.6	
	65.1	74.7	27.3	-26.3	140.8	-27.1	-16.8	2.9	10.6	-30.4	-171.3	5.7

\* (Upper) Revenues (Lower) Recurring Profit

\*Revenues of Tanker & LNG Carriers in Bulk Shipping Segment is ¥169.0Bil (FY09/3) and ¥144.5Bil (FY10/3)

□ Liner: Due to Slow Cargo Movement and Lower Freight Rate Level, Rec. Profit declined by ¥29.6Bil.

Carried out Drastic Cost Reduction Activities.

□ Bulk Shipping: Rec. Profit Declined by ¥ 132.4Bil. due to Weak Dry and Tanker Market, and Serious Decrease of Car Transportation.

□ Air Cargo: Rec. Loss Decreased by 3.6Bil. compared with FY09/3 when the volume of Air Cargoes had been Sharply Dropped.

# Analysis of Change in Rec. Profit between FY09/3 and FY10/3

<b>Yen Appreciation</b>	<b>-5.4</b>	¥ 93.04 / Appreciated by ¥ 7.78
<b>Bunker Oil Price</b>	<b>21.9</b>	\$393.83MT/ Decreased \$109.38MT
<b>Market Effects etc.</b>	<b>-270.1</b>	
<b>Non Shipping Div.</b>	<b>-22.5</b>	
<b>Cost Reduction</b>	<b>102.6</b>	Shipping Div. 91.6, Non Shipping Div. 11.0
<b>New Consolidation</b>	<b>2.3</b>	Shipping Div. 1.5, Non Shipping Div. 0.7
<b>Total</b>	<b>-171.2</b>	

- Rec. Profit Decreased by ¥5.4Bil. with Yen Appreciation. Rec. Profit Increased ¥21.9Bil. with the Drop of Bunker Oil Price.
- Cost Reduction Activities: ¥102.6Bil. in Total. Liner Trade about ¥70.0 Bil., Bulk Shipping about ¥15.0Bil. and Non-Shipping Segment (Mainly Logistics) about ¥11.0Bil.

# Revised Prospect Whole FY11/3

(Billions of Yen)	FY 10/3 (Result)					FY 11/3 (Prospect)			Change Whole
	1H		2H		Whole	1H	2H	Whole	
	1Q	2Q	3Q	4Q					
<b>Revenues</b>	<b>794.5</b>		<b>902.8</b>		<b>1697.3</b>	<b>940.0</b>	<b>960.0</b>	<b>1900.0</b>	<b>202.7</b> <b>12%</b>
	380.1	414.5	442.8	460.0					
<b>Operating Income</b>	<b>-37.1</b>		<b>19.0</b>		<b>-18.1</b>	<b>37.0</b>	<b>37.0</b>	<b>74.0</b>	<b>92.1</b> <b>-</b>
	-25.5	-11.5	5.0	14.0					
<b>Recurring Profit</b>	<b>-43.9</b>		<b>13.5</b>		<b>-30.4</b>	<b>34.0</b>	<b>31.0</b>	<b>65.0</b>	<b>95.4</b> <b>-</b>
	-27.1	-16.8	2.9	10.6					
<b>Net Income</b>	<b>-29.4</b>		<b>11.9</b>		<b>-17.4</b>	<b>15.0</b>	<b>20.0</b>	<b>35.0</b>	<b>52.4</b> <b>-</b>
	-18.9	-10.4	2.7	9.2					

<b>Exchange Rate</b>	<b>\$96.12</b>	<b>\$89.96</b>	<b>\$93.04</b>	<b>\$90.00</b>	<b>\$90.00</b>	<b>\$90.00</b>	<b>-\$3.04</b>
<b>Bunker Oil Price</b>	<b>333.56</b>	<b>454.11</b>	<b>393.83</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>106.17</b>

- Revenues: ¥1.90 Tri (+¥202.7Bil. from FY10/3)**
- Rec. Profit: ¥65.0 (+¥95.4. from FY10/3)    Net Income: ¥35.0Bil (+¥52.4Bil. from FY10/3)**
- Sensitivity against Rec. Profit (Whole Year)**
  - Exchange Rate    1.5Bil. Decrease per ¥1/\$ Appreciation**
  - Bunker Oil Price    ¥200 Million Decrease per \$1/MT Increase**
- Cash Dividend (Prospect): Annual Dividend of ¥5/Share (¥2.5/Share of Interim and ¥2.5/Share of Year End)**

## Comparison of Financial results/ Prospects for FY 10/3 and FY11/3 by Industrial Segments

(Billions of Yen)	FY 10/3 (Result)							FY 11/3 (Prospect)			Change Whole
	1Q	2Q	1H	3Q	4Q	2H	Whole	1H	2H	Whole	
Liner	88.2	90.5	178.7	97.3	102.1	199.4	378.1	220.0	220.0	440.0	
	-18.6	-18.0	-36.6	-12.0	-6.8	-18.8	-55.4	0.5	0.0	0.5	55.9
Bulk Shipping	157.0	180.9	337.9	193.7	201.8	395.5	733.5	390.0	400.0	790.0	
	-1.5	5.4	3.9	14.3	18.4	32.7	36.6	29.0	26.0	55.0	18.4
Logistics	77.8	83.0	160.8	90.3	90.7	181.0	341.8	185.0	195.0	380.0	
	-1.5	1.0	-0.5	2.0	0.1	2.1	1.6	3.5	4.5	8.0	6.4
Terminal	27.7	27.3	55.0	27.7	27.6	55.3	110.3	56.0	56.0	112.0	
	0.2	0.4	0.6	1.0	1.2	2.3	2.9	1.5	1.5	3.0	0.1
Cruise	9.4	9.9	19.4	7.8	8.0	15.8	35.2	20.0	20.0	40.0	
	-0.7	0.3	-0.4	-1.7	-2.0	-3.7	-4.1	-0.7	-0.5	-1.2	2.9
Air Cargo	12.1	14.2	26.3	18.1	18.2	36.3	62.6	39.5	38.5	78.0	
	-6.5	-5.3	-11.8	-2.0	-1.4	-3.4	-15.2	-1.2	-1.5	-2.7	12.5
Real Estate	2.8	3.3	6.1	3.0	3.0	6.0	12.2	6.0	6.0	12.0	
	1.3	1.2	2.5	1.2	1.2	2.4	4.9	2.4	2.0	4.4	-0.5
Other	34.8	38.9	73.7	40.3	42.0	82.3	156.0	69.0	75.0	144.0	
	0.3	-1.9	-1.6	0.0	-0.1	-0.1	-1.7	-1.0	-1.0	-2.0	-0.3
Elimination/ Unallocation	-29.8	-33.6	-63.3	-35.5	-33.3	-68.8	-132.1	-45.5	-50.5	-96.0	
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated	380.1	414.5	794.5	442.8	460.0	902.8	1,697.3	940.0	960.0	1,900.0	
	-27.1	-16.8	-43.9	2.9	10.6	13.5	-30.4	34.0	31.0	65.0	95.4

\* (Upper) Revenues (Lower) Recurring Profit

\*Revenues of Tanker and LNG Carriers in Bulk Shipping Segment is ¥144.5Bil.(FY10/3) and ¥143.0Bil.(FY11/3)

□ Liner: Rec. Profit will be Drastically Improved by ¥55.9Bil. Recovery of Cargo Movement and Rise of Freight Rate would be Good Enough to Compensate Impact of Rising Bunker Oil Price.

□ Bulk Shipping: Rec. Profit assumes Increase by ¥18.4Bil.. Big Gain in 1H compared to previous year when the Result was Significantly Slacken.

□ Air Cargo: Rec. Loss will be expected to Reduce by 12.5Bil. from FY10/3 due to Recovery in Cargo Movements and Rise of Freight Rates.

# Overview of Each Industrial Segment 1)

## 1. Liner – 1) Container:

### Container Lifting Result/Prospect(1,000 TEU)

		FY09/3 (Result)	FY 10/3 (Result)					FY 11/3 (Prospect)	Change
			1Q	2Q	3Q	4Q	Whole		
Asia→ North America	Lifting	713	130	158	154	140	582	642	10%
	Slot	882	185	195	187	156	724	755	4%
	Utilization	81%	70%	81%	82%	90%	80%	85%	6%
Asia→ Europe	Lifting	525	104	125	128	123	480	483	1%
	Slot	610	122	124	127	123	496	540	9%
	Utilization	86%	85%	100%	101%	100%	97%	89%	-8%

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


	FY 10/3 (Result)				FY 11/3 (Prospect)
	1Q	2Q	3Q	4Q	
Asia→North America	79	69	75	83	97
Asia→Europe	48	54	70	86	91

- More Cargo Movements will be expected compared with FY10/3 in both Asia-North America and Asia-Europe Trades .
- Keep Efforts to Raise Freight Rate.

# Overview of Each Industrial Segment 1)

## 2. Liner – 1) Container:

Number of Core Fleet ▪ Capacity in TEU

		FY 09/3	FY 10/3	FY 11/3*	FY 16/3*
Number of Core Fleet	vessels	113	89	82 	60
Capacity in TEU	TEU	400,000	370,000	350,000	290,000
Fleet	vessels	113	96	92	

\*Target Figures(FY11/3,FY16/3)

- Downsize Core Containership Fleet and Change to a Light Asset Business.
- 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

	FY09/3 (Result)	FY 10/3 (Result)					FY11/3 (Prospect)		
		1Q	2Q	3Q	4Q	Whole	1H	2H	Whole
B D I	4,912	2,673	2,799	3,420	3,018	2,977	2,850	2,850	2,850
Cape (4TC)	81,867	46,105	45,004	55,540	34,164	45,203	40,000	40,000	40,000
Panamax (Pac)	32,008	16,092	18,405	26,559	27,258	22,079	22,000	22,000	22,000
Handymax (Pac)	26,605	12,399	15,078	20,345	21,401	17,306	17,000	17,000	17,000
Handy (Pac)	19,216	8,580	10,585	13,179	15,566	11,978	13,000	13,000	13,000
V L C C (WS)	113	35	36	49	90 (*1)	52 (*2)	76	76	76

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

Currency Unit = US dollars/day

(\*1) in 2010 basis. It corresponds to WS68 in 2009 basis

(\*2) in 2010 basis. It corresponds to WS39 in 2009 basis

□ Dry Bulk Carrier : Although there is a Difference in Each Size, Dry Market is expected to Keep as the Same Level as FY10/3 in general.

□ Tanker: Supply-Demand Gap would be Reduced by Recovering Demand and Phase-out of Single Hull Tankers.

# Overview of Each Industrial Segment 3)

## 2. Bulk Shipping – 2)Car Carrier:

### Car Transportation Result/Prospect (1,000 Cars)

	FY09/3 (Result)	FY10/3 (Result)					FY11/3 (Prospect)
		1Q	2Q	3Q	4Q	Whole	
All Trade	3,260	430	530	650	750	2,370	2,670
Change		-51%	-42%	-29%	37%	-27%	13%

- Cargo Movement keeps Recovering.

## 3. Logistics Segment

(Billions of Yen)

Recurring Profit	FY09/3 (Result)	FY10/3 (Result)							FY11/3 (Prospect)		
		1Q	2Q	1H	3Q	4Q	2H	Whole	1H	2H	Whole
NYK Logistics	-0.2	-1.3	0.1	-1.2	0.4	-0.8	-0.4	-1.5	0.9	1.4	2.3
YAS(Air Forwarding)	5.4	-0.2	0.8	0.6	1.5	0.9	2.5	3.1	2.6	3.1	5.7
Total	5.2	-1.5	1.0	-0.5	2.0	0.1	2.1	1.6	3.5	4.5	8.0

- In NYK Logistics segment: Recovery of Cargo Movement particularly in Asia, and thorough Cost Reduction Contribute to Profit.
- Yusen Air & Sea Service segment: Gain Profit through Recovering Cargo Volume.

# Air Cargo Transportation (NCA) 4)

	FY 09/3 (Result)	FY 10/3 (Result)				Whole	FY 11/3 (Prospect)		
		1H		2H			1H	2H	Whole
		1Q	2Q	3Q	4Q				
<b>Revenues</b> (Bil.Yen)	<b>79.4</b>	<b>26.3</b>		<b>36.3</b>		<b>62.6</b>	<b>39.5</b>	<b>38.5</b>	<b>78.0</b>
		<b>12.1</b>	<b>14.2</b>	<b>18.1</b>	<b>18.2</b>				
<b>Rec.Profit</b> (Bil.Yen)	<b>-18.8</b>	<b>-11.8</b>		<b>-3.4</b>		<b>-15.2</b>	<b>-1.2</b>	<b>-1.5</b>	<b>-2.7</b>
		<b>-6.5</b>	<b>-5.3</b>	<b>-2.0</b>	<b>-1.4</b>				
<b>Capable Weight</b> 1,000 ton	<b>309</b>	<b>162</b>		<b>185</b>		<b>347</b>	<b>187</b>	<b>179</b>	<b>366</b>
		<b>75</b>	<b>87</b>	<b>93</b>	<b>92</b>				
<b>Volume(RTK)</b> Mil.ton -Kilo	<b>1,877</b>	<b>952</b>		<b>1,125</b>		<b>2,077</b>	<b>1,027</b>	<b>983</b>	<b>2,010</b>
		<b>447</b>	<b>506</b>	<b>571</b>	<b>555</b>				
<b>Capacity(ATK)</b> Mil.ton -Kilo	<b>2,884</b>	<b>1,399</b>		<b>1,528</b>		<b>2,927</b>	<b>1,537</b>	<b>1,481</b>	<b>3,018</b>
		<b>679</b>	<b>720</b>	<b>794</b>	<b>734</b>				
<b>YIELD</b> FY09 1Q=100	<b>93</b>	<b>61</b>		<b>76</b>		<b>69</b>	<b>84</b>	<b>85</b>	<b>84</b>
		<b>58</b>	<b>64</b>	<b>75</b>	<b>76</b>				
<b>MOPS</b> US\$/BBL	<b>\$107</b>	<b>\$72</b>		<b>\$84</b>		<b>\$78</b>	<b>\$90</b>	<b>\$90</b>	<b>\$90</b>
		<b>\$67</b>	<b>\$77</b>	<b>\$83</b>	<b>\$85</b>				

□ Rec. Loss for FY10/3 Decreased compared to previous prospect since Recovery in Cargo Movement was more than our expectation.

□ Raising Price and Getting more Charter Business have surely Contributed to the Improvement in result for FY11/3.

# Air Cargo Transportation (NCA) 4)

## Composition Ratio

	FY10/3 (Result)		FY11/3 (Prospect)	
	RTK	ATK	RTK	ATK
North America	52%	51%	55%	55%
Europe	24%	21%	20%	17%
Asia	25%	28%	25%	28%
All Trade	100%	100%	100%	100%

## Trade-wise Load Factor Trend

	FY10/3 (Result)					FY11/3 (Prospect)		
	1Q	2Q	3Q	4Q	Whole	1H	2H	Whole
North America	68%	72%	71%	75%	71%	68%	67%	67%
Europe	77%	80%	83%	87%	81%	77%	78%	78%
Asia	54%	60%	66%	70%	63%	59%	59%	59%
All Trade	66%	70%	72%	76%	71%	67%	66%	67%

## Financial Condition

	FY 09/3 (Result)	FY 10/3 (Result)	FY 11/3 (Prospect)
Interest-bearing debt (Bil.Yen)	1,077.9	1,081.8	1,040.0
Shareholders' equity (Bil.Yen)	544.1	661.2	680.0
Shareholders' equity ratio (%)	26.3%	30.0%	30.4%
Debt-Equity ratio	1.98	1.64	1.53
Cash flow from operating activities (Bil.Yen)	150.4	62.1	120.0
Cash flow from investing activities (Bil.Yen)	-170.2	-43.7	-140.0
(Depreciation and amortization) (Bil.Yen)	(100.1)	(98.0)	(100.0)

- Strengthen Financial Position by Public Offering in FY10/3.
- Continue more Careful Selection on New Investment Projects.