

**First Quarter Financial Results  
For the Three Months Ended June 30, 2008**

July 25, 2008

**Nippon Yusen Kabushiki Kaisha (NYK Line)**

Security Code: 9101  
 Listings: The First Section of Tokyo, Osaka and Nagoya Stock Exchanges  
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 Submit scheduled date of Quarterly Financial Report: August 12, 2008

(Amounts rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Three Months Ended June 30, 2008  
(April 1, 2008 to June 30, 2008)**

**(1) Operating Results**

(Percentage figures shown year-on-year changes)

	Revenues		Operating income		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2008	679,600	-	58,158	-	65,110	-	44,359	-
Three months ended June 30, 2007	601,351	14.6	39,338	74.6	44,500	99.5	28,642	131.9

	Net income per share	Net income per share – fully diluted
	yen	yen
Three months ended June 30, 2008	36.12	34.29
Three months ended June 30, 2007	23.32	22.13

**(2) Financial Position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Three months ended June 30, 2008	2,449,466	756,518	29.2	583.41
Year Ended March 31, 2008	2,286,013	679,036	27.9	519.51

Shareholders' Equity

Three months ended June 30, 2008: ¥716,397 million

Year ended March 31, 2008: ¥637,962 million

## 2. Dividends

Date of record	Dividend per share				
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Year-end	Full year
	yen	yen	yen	yen	yen
Year ended March 31, 2008	-	12.00	-	12.00	24.00
Year ended March 31, 2009	-				
Year ended March 31, 2009 (Forecast)		13.00	-	13.00	26.00

Note: Revision of outlook for dividends in the first quarter: None

## 3. Forecast of Consolidated Earnings for the Year Ending March 31, 2009

(April 1, 2008 to March 31, 2009)

(Percentage figures shown year-on-year changes)

	Revenues		Operating income		Recurring profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Cumulative second quarter ending September 30, 2008	1,380,000	-	110,000	-	115,000	-	78,000	-	63.52
Year ending March 31, 2009	2,730,000	5.6	207,000	2.4	210,000	5.8	140,000	22.7	114.01

## 4. Others

(1) Changes of important subsidiaries in the period (Changes of specific subsidiaries with that of the scope of consolidation): None

(2) Use of simplified accounting methods and accounting methods particular to preparation of the quarterly consolidated financial statements: Yes

Remarks: Refer to page 9 of 4.Others in "Operating Results."

(3) Changes of policy, procedure and indication of accounting in Consolidated Financial Statements.

(Details recorded under the changes in significant information in the preparation of Consolidated Financial Statements.)

1.Changes with revised method of accounting: Yes

2.Changes except No.1: Yes

Remarks: Refer to page 9 of 4.Others in "Operating Results."

(4) Total issued shares (Ordinary shares)

1.Total issued and outstanding at the end of the period (including treasury stocks)

Three months ended June 30, 2008: 1,230,188,073 shares

Year ended March 31, 2008: 1,230,188,073 shares

2.Number of treasury stock at the end of the period

Three months ended June 30, 2008: 2,247,969 shares

Year ended March 31, 2008: 2,181,765 shares

3.Average number of shares during the period (cumulative quarterly period)

Three months ended June 30, 2008: 1,227,973,388 shares

Three months ended June 30, 2007: 1,228,367,325 shares

Note and special instructions for the use of financial forecasts provided in this document

(1) Prerequisites for forecasts: Foreign exchange rate (for the second, third and fourth quarter): ¥100/US\$

Bunker oil price (for the second, third and fourth quarter): US\$720/MT

The above forecast incorporates certain assumptions the Company regarded as rational expectations at the time this report was announced. Actual results could differ materially from those projected figures. Refer to page 4-8 of the attachment for assumptions and other matters related to the forecast.

(2) Effective from the first quarter of this fiscal year, “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No.12, March 14, 2007) and “Implementation Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Statement Guidance No.14, March 14, 2007) have been adopted. Quarterly financial statements are prepared in accordance with “Rules Concerning Quarterly Financial Statements.”

## Operating Results

### 1. Review of Consolidated Operating Results

For the first quarter (April 1, 2008–June 30, 2008), NYK Line posted consolidated revenues of ¥679.6 billion, compared with ¥601.3 billion for the same period last year, operating income of ¥58.1 billion, compared with ¥39.3 billion for the same period last year, recurring profit of ¥65.1 billion, compared with ¥44.5 billion for the same period last year, and net income for the quarter of ¥44.3 billion, compared with ¥28.6 billion for the same period last year.

#### Overview

Overall, consolidated revenues climbed 13.0% compared to the same period last year, reflecting substantial revenue growth in the shipping segment, composed of liner trade and bulk shipping. This growth was due mainly to unprecedented high levels of demand in the market for dry bulk transport as well as to the recovery of freight rates for container transport and an expanded fleet size, which facilitated an increase in the volume of cargo handled. On the other hand, the increase in cost and expenses was limited to 11.7%. As a result, operating income climbed 47.8%, or ¥18.8 billion, from the same period last year, and the ratio of operating income to revenues rose 2.1 percentage points from 6.5% to 8.6%. Although interest expenses increased, dividends income and equity in earning of unconsolidated subsidiaries and affiliates grew, causing recurring profit to advance 46.3%, or ¥20.6 billion. In addition, extraordinary gains and losses improved due to gains on the sale of vessels and other factors, and net income for the quarter finished up 54.9%, or ¥15.7 billion, compared with the same period of the previous year.

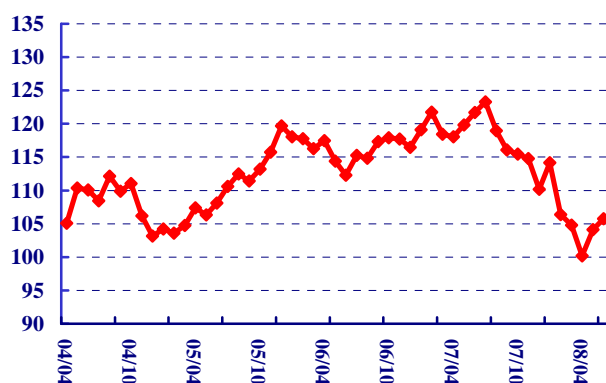
The impact of fluctuations in foreign exchange rates and bunker oil prices on recurring profit for the three-month period under review is summarized in the following table:

	Three months ended June 30, 2008	Three months ended June 30, 2007	Change	Impact
Average exchange rate	¥103.36/US\$	¥119.85/US\$	Yen up ¥16.49	- ¥11.1 billion
Average bunker oil price	US\$533.18/MT	US\$330.27/MT	Price up US\$202.91	- ¥15.2 billion

Notes:

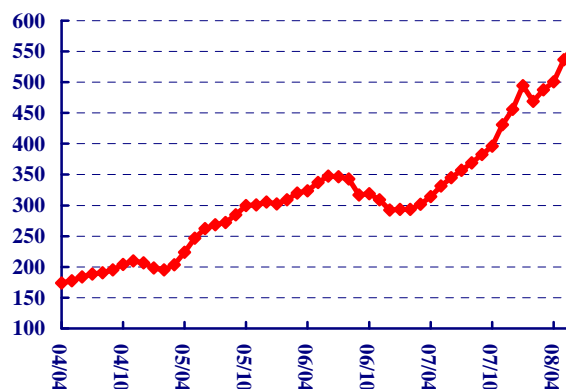
1. A ¥1 change in the exchange rate against the dollar has an annualized impact of around ¥2.7 billion on recurring profit.
2. A US\$1 change per metric ton in the price of bunker oil results in a change in annual recurring profit of approximately ¥300 million.

Exchange Rate Fluctuations



Period: April 2004–June 2008

Movements in Bunker Oil Prices



Period: April 2004–June 2008

**Segment Information**

**Liner Trade**

Revenues in the liner trade increased over the same period last year due to a recovery of freight rates to a certain degree on North American routes and a year-on-year rise in freight volume amid low transport volumes on container routes overall. Increases in costs due to the sharp surge in bunker oil prices and other factors, however, resulted in a decline in performance compared with the same period last year.

**Bulk Shipping**

*Car Carrier Division*

Although levels of U.S.-bound freight were low, the car carrier division continued to enjoy brisk levels of transport volume overall, and with the introduction of three newly constructed vessels and other measures to expand our shipping capacity, the volume of units transported by the division outstripped that for the same period last year.

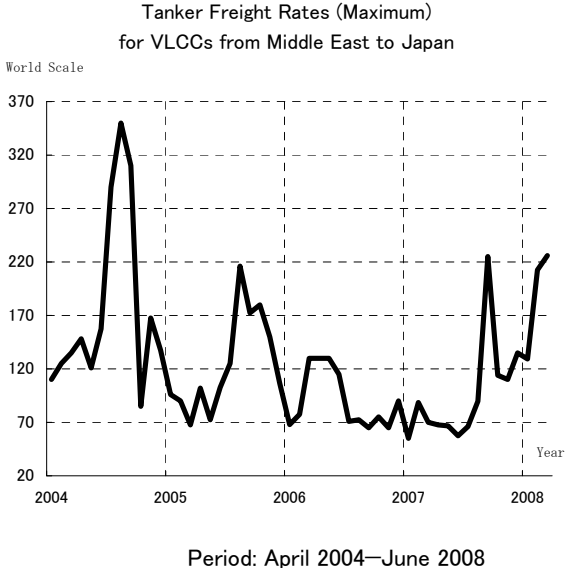
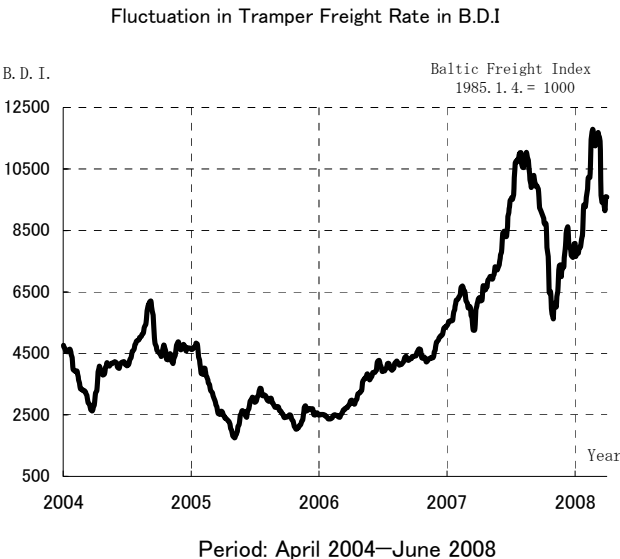
*Dry Bulk Carrier Division*

Propped up by vibrant demand from emerging nations such as China and India, the dry bulk carrier division experienced favorable sea transport volumes for iron and steel ores, coal, grains, and other materials. Further, shipping congestion at Australian and Brazilian ports has not been alleviated, making it difficult for supply to keep up with demand. The dry bulk market fluctuated wildly, reaching historical highs in mid-May, only to plummet in June. Results for the quarter overall, however, came in second only to last year’s October–December term.

*Tanker Division*

Although surging prices led to reduced use of crude oil and petroleum products in Europe and the U.S., the market for crude oil tanker transport was strong due to solid demand for crude oil from emerging nations such as China, as well as the dismantling, disposal, and renovation of single-hull tankers, reduced-speed navigation, and other factors that put a squeeze on the supply of shipping capacity versus demand. The recovery of the market for petroleum product carriers, on the other hand, has been delayed.

As a result, both revenues and profit in the bulk shipping segment overall increased over the same period last year on the back of favorable market conditions that saw results for the dry bulk carrier division greatly exceed initial targets for the term.



### **Logistics**

Although NYK Logistics worked to reduce costs by streamlining operations and made efforts to diversify sources of earnings, the company was affected by the slowdown in the world economy and surging bunker oil prices. Yusen Air & Sea Service Co., Ltd., enjoyed favorable results at overseas affiliates, most notably in Asia. Overall, the logistics segment produced higher revenue but lower profit compared to the same period last year.

### **Terminal and Harbor Transport**

Profits were higher than in the same period last year due to increased container handling volume across the board at directly operated terminals and favorable performance at affiliates in Japan and overseas.

### **Cruises**

With regard to the Japanese market, the Asuka II conducted a round-the-world cruise, but the effects of surging bunker oil prices were felt on performance. In the U.S. market, Crystal Cruise felt the impact of the economic contraction stemming from financial-market woes as well as the effects of surging bunker oil prices. As a result, the cruise segment underperformed compared with the same period last year.

### **Air Cargo Transportation**

Nippon Cargo Airlines Co., Ltd., achieved independence in terms of aircraft operation, maintenance, and IT, and began operating a fleet composed uniformly of new aircraft from the quarter under review. As a result, although the number of aircraft in operation declined, the company achieved improvements in operating and fuel efficiency and a reduction in maintenance and operating costs. Further, the company responded to the sharp surge in bunker oil prices by taking measures to reduce fuel consumption while also revising its fuel surcharges. As a result, initial results targets were achieved, and the loss for the air cargo transportation segment was significantly lower than in the same period last year.

### **Real Estate and Other Business Services**

The real estate business worked mainly to maintain and raise rent levels for offices and to enhance the asset value of properties through renovation and refurbishment works. In other services, performance in the manufacturing and processing business was favorable, and sales of bunker oil and ship equipment expanded in the trading business. Revenues and profits were up over the same period last year for both the real estate and other services segments.

## **2. Review of Change in Financial Position**

### **Assets, Liabilities, and Net Assets**

Total assets at the end of the first quarter amounted to ¥2,449.4 billion, an increase of ¥163.4 billion from the end of the previous fiscal year. This was primarily due to an increase in current assets of ¥34.9 billion reflecting an increase in inventories due to surging bunker oil prices, and an increase in noncurrent assets of ¥128.5 billion due to an aggregate ¥29.0 billion increase in construction in progress, mainly attributable to fleet enhancement related investments, along with a ¥43.2 billion rise in investment securities due to share price growth. Total liabilities grew ¥85.9 billion from the end of the previous fiscal year to ¥1,692.9 billion. This was primarily due to an increase in interest-bearing debt of ¥95.7 billion resulting from a decline in income taxes payable, and an increase in short-term loans payable and commercial papers. Shareholders' equity—the aggregate of shareholders' capital of ¥615.8 billion and valuation and translation adjustments came in at ¥716.3 billion, and adding minority interests of ¥40.1 billion to this resulted in total net assets of ¥756.5 billion. This resulted in a debt-equity ratio of 1.56.

## Cash Flows

(Billions of yen)

	Three months ended June 30, 2008
Net cash provided by (used in) operating activities	22.4
Net cash provided by (used in) investment activities	-77.0
Net cash provided by (used in) financing activities	50.6
Effect of exchange on cash and cash equivalents	8.3
Net increase (decrease) in cash and cash equivalents	4.4
Cash and cash equivalents, at beginning of period	115.9
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	3.4
Increase (decrease) in beginning balance of cash and cash equivalents due to changes in fiscal periods of consolidated subsidiaries	0.0
Cash and cash equivalents, at end of period	123.8

Net cash provided by operating activities was ¥22.4 billion, mainly due to income before income taxes and minority interests of ¥69.4 billion as well as depreciation and amortization of ¥24.2 billion, which were offset somewhat by ¥54.0 billion in income taxes paid. Net cash provided by investment activities was -¥77.0 billion, primarily reflecting increased expenditure for noncurrent assets, mainly accounted for by investments in vessels. Net cash provided by financing activities was ¥50.6 billion, primarily due to an increase in loans and commercial papers. As a result, the balance of cash and cash equivalents stood at ¥123.8 billion at the end of the first quarter, a rise of ¥7.9 billion, after taking effect of exchange on cash and cash equivalents.

Trends in cash flows over time are illustrated in the following table:

	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	June 30, 2008
1 Shareholders' equity ratio (%)	29.0	30.6	30.8	27.9	29.2
2 Shareholders' equity ratio at market price (%)	53.4	46.7	54.4	50.3	51.2
3 Cash flows vs ratio of interest-bearing debt (years)	3.6	5.5	10.3	5.1	-
4 Interest coverage ratio	10.4	8.5	5.0	8.8	3.0

1. Shareholders' equity ratio: shareholders' equity/total assets

2. Shareholders' equity ratio at market price: total market capitalization/total assets

3. Cash flows vs ratio of interest-bearing debt (years): interest-bearing debt/cash flow from operating activities

4. Interest coverage ratio: cash flow from operating activities/interest payments

Notes:

1. All indices are calculated using consolidated figures.

2. Cash flow indices are computed using cash flows from operating activities as reported in the consolidated cash flow statements. Interest-bearing debt consists of all interest-bearing liabilities included in liabilities on the balance sheet. Interest payments are based on the interest expenses paid in the consolidated statements of cash flows.

### 3. Consolidated Performance Outlook

We have adjusted performance outlook for the fiscal year ending March 31, 2009, to revenues of ¥2,730.0 billion, operating income of ¥207.0 billion, recurring profit of ¥210.0 billion, and net income of ¥140.0 billion.

(Billions of yen)

Outlook for the fiscal year ending March 2009		Revenues	Operating income	Recurring profit	Net income
Cumulative second quarter ending September 30, 2008	Initial forecast	1,340.0	101.0	100.0	70.0
	<b>Revisions</b>	<b><u>1,380.0</u></b>	<b><u>110.0</u></b>	<b><u>115.0</u></b>	<b><u>78.0</u></b>
	Change	40.0	9.0	15.0	8.0
	Percentage change	3.0%	8.9%	15.0%	11.4%
Year ending March 31, 2009	Initial forecast	2,700.0	214.0	210.0	140.0
	<b>Revisions</b>	<b><u>2,730.0</u></b>	<b><u>207.0</u></b>	<b><u>210.0</u></b>	<b><u>140.0</u></b>
	Change	30.0	-7.0	-	-
	Percentage change	1.1%	-3.3%	-	-

Assumptions:

Exchange rate: ¥100/US\$ for the second, third and fourth quarters.

Bunker oil prices: US\$720/metric ton for the second, third and fourth quarters.

Despite weak levels of freight transport in the liner trade and the continued surge in bunker oil prices, consolidated first quarter results were favorable and demand in the dry bulk market is currently exceeding initial expectations. We therefore expect consolidated results for the cumulative second quarter to exceed our initial outlook. Full-year results, however, are expected to be largely flat due to further increases in bunker oil prices. Non-shipping segments such as cruises and logistics are expected to feel the impact of the economic slowdown and surging bunker oil prices, but the air cargo transportation segment is performing in line with initial expectations despite the surge in bunker oil prices. Given these factors, consolidated performance forecasts for the cumulative second quarter and the full year have been revised as detailed above.

## 4. Others

(1) Changes in important subsidiaries during the period (changes in specific subsidiaries due to changes in the scope of consolidation): None

(2) Use of simplified accounting methods and accounting methods particular to preparation of the quarterly consolidated financial statements

### 1. Calculation of doubtful accounts of ordinary credits

As there is not recognized any significant difference between the actual default-experience rate calculated as at the end of the first quarter of fiscal 2008 and that calculated as at the end of the previous fiscal year, an uncollectible amount continues to be estimated based on the same default-experience rate as applied for the previous fiscal year.

### 2. Calculation of taxes, deferred tax assets, and deferred tax liabilities

The Company and some of its subsidiaries have adopted an accounting method that limits deductible and taxable items and tax credit items used in the calculation of the amounts of income and other taxes paid to those that are material.

Because there have been no substantial changes in the business environment and no temporary valuation differences since the end of last fiscal year, the Company is using the earnings forecasts and tax planning from last fiscal year to determine the possibility of deferred tax assets being utilized.

(3) Changes in accounting principles, procedures and presentation methods for quarterly financial statements

### 1. Accounting standard for quarterly financial statements

Effective from the first quarter of this fiscal year, "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No.12, March 14, 2007) and "Implementation Guidance on Accounting Standard for Quarterly Financial Statements" (ASBJ Statement Guidance No.14, March 14, 2007) have been adopted. Quarterly financial statements are prepared in accordance with "Rules Concerning Quarterly Financial Statements."

### 2. Accounting standard for valuation of inventories

Effective from the first quarter of this fiscal year, the Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) and has switched from mainly using the lower-of-cost-or-market method to mainly using the identified-cost method (reducing book value in accordance with declines in profitability). The effect of this change is minimal.

3. Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

Effective from the first quarter of this fiscal year, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No.18, May 17, 2006) has been applied, and accordingly made any necessary modifications to its consolidated financial statements. The effect of this change is minimal.

### 4. Accounting standard for lease transactions

#### *Lessees*

Effective from the first quarter of this fiscal year, the Company has early adopted the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; June 17, 1993; latest revision March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Statement Guidance No. 16; January 18, 1994; latest revision March 30, 2007). Non-ownership-transfer finance leases will no longer be subject to accounting treatment for operating leases and will instead be treated as ordinary sales transactions, and capitalized as lease assets.

Lease assets arising from non-ownership transfer finance leases are depreciated over a useful life equal to the lease period with an estimated residual value of zero.

The conventional accounting treatment will still apply to non-ownership-transfer finance leases that commenced before the current fiscal year began on April 1, 2008.

The effect of this change is minimal.

### 5. Change of classification of business segment:

Business segments are categorized primarily based on the type and nature of service and organizational setup. "Travel agency" which has been hitherto included in "Other" segment, is categorized into "Logistics" segment in order to improve consistency with the categories used for business management. The effect on the segment information arising from this change is minimal.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(In million yen)

	As of June 30, 2008	As of March 31, 2008
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	127,782	120,193
Notes and operating accounts receivable-trade	262,238	256,204
Short-term investment securities	2,034	2,457
Inventories	64,946	54,357
Deferred and prepaid expenses	71,545	67,655
Deferred tax assets	8,699	8,482
Other	104,718	98,666
Allowance for doubtful accounts	-4,932	-5,948
Total current assets	637,033	602,067
Noncurrent assets		
Vessels, property, plant and equipment		
Vessels, net	624,273	624,895
Buildings and structures, net	85,770	83,610
Aircraft, net	7,748	9,402
Machinery, equipment and vehicles, net	42,735	41,180
Equipment and fixtures, net	7,909	8,262
Land	61,588	61,287
Construction in progress	325,046	296,040
Other, net	54,317	7,265
Net vessels, property, plant and equipment	1,209,389	1,131,945
Intangible assets		
Leasehold right	1,508	1,516
Software	30,285	29,697
Goodwill	30,370	28,797
Other	5,175	5,404
Total intangible assets	67,340	65,415
Investments and other assets		
Investment securities	421,119	377,899
Long-term loans receivable	17,148	15,907
Deferred tax assets	12,291	9,387
Other	84,569	82,571
Allowance for doubtful accounts	-1,166	-963
Total investments and other assets	533,963	484,802
Total noncurrent assets	1,810,693	1,682,164
Deferred Assets	1,740	1,781
Total assets	2,449,466	2,286,013

(In million yen)

	As of June 30, 2008	As of March 31, 2008
	Amount	Amount
<b>Liabilities</b>		
Current liabilities		
Notes and operating accounts payable-trade	228,162	215,613
Current portion of bonds	16,000	16,000
Short-term loans payable	315,254	287,955
Commercial papers	64,000	19,000
Income taxes payable	20,771	50,997
Deferred tax liabilities	6,402	3,414
Advances received	70,960	69,172
Employees' bonuses accrued	10,310	9,381
Directors' bonuses accrued	194	560
Provision for loss on business	1,955	2,824
Other	103,997	100,147
Total current liabilities	838,010	775,066
Noncurrent liabilities		
Bonds	211,248	211,266
Long-term loans payable	497,539	487,975
Deferred tax liabilities	69,700	54,214
Liability for employees' retirement benefits	16,537	15,857
Liability for directors' retirement benefits	2,077	2,761
Liability for periodic dry docking of vessels	8,019	6,946
Other	49,814	52,888
Total noncurrent liabilities	854,938	831,909
Total liabilities	1,692,948	1,606,976
<b>Net assets</b>		
Shareholders' capital		
Common stock	88,531	88,531
Capital surplus	97,214	97,212
Retained earnings	431,477	401,044
Treasury stock	-1,408	-1,339
Total shareholders' capital	615,815	585,449
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	112,410	85,668
Deferred gain (loss) on derivatives under hedge accounting	-2,710	-20,712
Foreign currency translation adjustments	-9,117	-12,442
Total valuation and translation adjustments	100,582	52,513
Minority interests	40,121	41,074
Total net assets	756,518	679,036
Total liabilities and net assets	2,449,466	2,286,013

## (2) Consolidated Statements of Income

(In million yen)

	Three months ended June 30, 2008
	Amount
Revenues	679,600
Cost and expenses	558,177
Gross profit	121,422
Selling, general and administrative expenses	63,264
Operating income	58,158
Non-operating income	
Interest income	2,516
Dividends income	3,681
Foreign exchange gains	2,344
Equity in earning of unconsolidated subsidiaries and affiliates	4,656
Other	1,435
Total non-operating income	14,634
Non-operating expenses	
Interest expenses	7,133
Other	548
Total non-operating expenses	7,682
Recurring profit	65,110
Extraordinary gains	
Gain on sales of noncurrent assets	4,525
Other	1,142
Total extraordinary gains	5,668
Extraordinary losses	
Loss on sales of noncurrent assets	44
Loss on retirement of noncurrent assets	797
Other	442
Total extraordinary losses	1,283
Income before income taxes and minority interests	69,494
Income taxes	23,791
Minority interests in net income	1,343
Net income	44,359

### (3) Consolidated Statements of Cash Flows

(In million yen)

	Three months ended June 30, 2008
	Amount
<b>Net cash provided by (used in ) operating activities:</b>	
Income before income taxes and minority interests	69,494
Depreciation and amortization	24,268
Loss (gain) on sales and retirement of vessels, property, plant and equipment	-3,684
Loss (gain) on sale of short-term and long-term investment securities	-137
Loss (gain) on valuation of short-term and long-term investment securities	157
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	-4,656
Interest and dividends income	-6,197
Interest expenses	7,133
Foreign exchange losses (gains)	810
Decrease (increase) in notes and accounts receivable-trade	-2,948
Decrease (increase) in inventories	-9,075
Increase (decrease) in notes and accounts payable-trade	7,614
Other, net	-5,513
Subtotal	77,264
Interest and dividends income received	6,726
Interest expenses paid	-7,410
Income taxes paid	-54,095
Net cash provided by (used in) operating activities	22,485
<b>Net cash provided by (used in) investing activities:</b>	
Purchase of short-term investment securities	-34
Proceeds from sales of short-term investment securities	478
Purchase of vessels, property, plant and equipment and intangible assets	-116,286
Proceeds from sales of vessels, property, plant and equipment and intangible assets	42,065
Purchase of investment securities	-3,567
Proceeds from sales of investment securities	312
Disbursements for loans receivable	-1,968
Collections of loans receivable	865
Other, net	1,094
Net cash provided by (used in) investment activities	-77,041
<b>Net cash provided by (used in) financing activities</b>	
Net increase (decrease) in short-term loans payable	13,036
Increase (decrease) in commercial papers	45,000
Proceeds from long-term loans payable	31,476
Repayments of long-term loans payable	-23,414
Purchase of treasury stock	-72
Proceeds from sale of treasury stock	6
Cash dividends paid to shareholders	-14,736
Cash dividends paid to minority shareholders	-415
Other, net	-231
Net cash provided by (used in) financing activities	50,648
<b>Effect of exchange on cash and cash equivalents</b>	8,349
<b>Net increase (decrease) in cash and cash equivalents</b>	4,442
<b>Cash and cash equivalents, at beginning of period</b>	115,963
<b>Increase (decrease) in cash and cash equivalents due to changes in scope of consolidation</b>	3,469
<b>Increase (decrease) in beginning balance of cash and cash equivalents due to changes in fiscal periods of consolidated subsidiaries</b>	13
<b>Cash and cash equivalents, at end of period</b>	123,889

Effective from the first quarter of this fiscal year, “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No.12, March 14, 2007) and “Implementation Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Statement Guidance No.14, March 14, 2007) have been adopted. Quarterly financial statements are prepared in accordance with “Rules Concerning Quarterly Financial Statements.”

**(4) Notes Regarding Going Concern Assumption**

The first quarter of this fiscal year (April 1, 2008 – June 30, 2008)

Not applicable

**(5) Segment Information**

Segment information by business

Three Months Ended June 30, 2008 (April 1, 2008 – June 30, 2008)

(In million yen)

	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transportation	Real Estate	Other	Total	Elimination or Corporate	Consolidated Total
Revenues											
(1) Revenues from customer	162,805	297,720	127,026	27,212	12,698	20,772	2,386	28,977	679,600	-	679,600
(2) Inter-segment revenues	1,329	1,580	730	8,688	-	2,629	506	28,422	43,887	(43,887)	-
Total	164,134	299,301	127,757	35,901	12,698	23,402	2,893	57,399	723,488	(43,887)	679,600
Operating income/loss	-2,865	57,244	2,348	2,468	910	-2,393	895	-452	58,155	2	58,158
Recurring profit/loss	-2,683	62,544	2,580	2,210	825	-2,285	1,145	769	65,108	2	65,110

Notes:

1. Change of classification of business segment:

Business segments are categorized primarily based on the type and nature of service and organizational setup. “Travel agency” which has been hitherto included in “Other” segment, is categorized into “Logistics” segment in order to improve consistency with the categories used for business management. The effect on the segment information arising from this change is minimal.

2. Classification of business segment:

Business segments are categorized primarily based on the type and nature of service and organizational setup as well as by referencing Japan Standard Industrial Classification.

3. Major operation and services in each segment:

Liner Trade	Ocean cargo shipping, ship owning and chartering, shipping agency
Bulk Shipping	Ocean/coastal cargo shipping, ship owning and chartering, shipping agency
Logistics	Warehouse operation, cargo transport/handling business
Terminal and Harbor Transport	Container terminals business, harbor transport services, tugboat operation
Cruise	Ownership and operation of passenger boats
Air Cargo Transportation	Air cargo Transport
Real Estate	Rental, management and sale of real estate properties
Other	Wholesaling of ship machinery and furniture, other services related to transport, information-processing business and wholesaling of oil products

4. Common operating expenses are allocated to individual segments.

**(6) Notes in the Event of Significant Changes in Shareholders’ Capital**

The first quarter of this fiscal year (April 1, 2008 – June 30, 2008)

Not applicable

## Supplementary Information

### Consolidated Statements of Income

(In million yen)

	Three months ended
	June 30, 2007
	Amount
Revenues	601,351
Cost and expenses	499,493
Gross profit	101,858
Selling, general and administrative expenses	62,520
Operating income	39,338
Non-operating income	
Interest and dividends income	5,583
Equity in earning of unconsolidated subsidiaries and affiliates	3,256
Other	3,170
Total non-operating income	12,010
Non-operating expenses	
Interest expenses	6,100
Other	747
Total non-operating expenses	6,848
Recurring profit	44,500
Extraordinary gains	
Gain on sales of noncurrent assets	4,033
Other	645
Total extraordinary gains	4,678
Extraordinary losses	
Loss on disposal of noncurrent assets	89
Other	884
Total extraordinary losses	973
Income before income taxes and minority interests	48,204
Income taxes	19,589
Minority interests in net income	-26
Net income	28,642

## Segment information by business

Three Months Ended June 30, 2007 (April 1, 2007 – June 30, 2007)

(In million yen)

	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transportation	Real Estate	Other	Total	Elimination or Corporate	Consolidated Total
Revenues											
(1) Revenues from customer	153,681	231,088	126,928	29,997	12,973	19,905	2,130	24,645	601,351	-	601,351
(2) Inter-segment revenues	1,451	1,630	791	7,887	-	2,503	596	20,597	35,458	(35,458)	-
Total	155,133	232,719	127,719	37,885	12,973	22,409	2,727	45,242	636,810	(35,458)	610,351
Operating income/loss	1,707	35,811	3,283	2,031	2,313	-5,791	746	-764	39,335	2	39,338
Recurring profit/loss	2,487	39,158	3,472	1,654	2,220	-5,655	959	200	44,497	2	44,500

### Notes:

1. Change of classification of business segment:

By the effect of “New Horizon 2007” of medium-term NYK group management plan (aim at global logistics and megacarrier group), Air Cargo Transport, which has been hitherto included “Other” segment, is more important and categorized into “Air Cargo Transportation” is being independent segment.

2. Classification of business segment:

Business segments are categorized primarily based on the type and nature of service and organizational setup as well as by referencing Japan Standard Industrial Classification.

3. Major operation and services in each segment:

Liner Trade	Ocean cargo shipping, ship owning and chartering, shipping agency
Bulk Shipping	Ocean/coastal cargo shipping, ship owning and chartering, shipping agency
Logistics	Warehouse operation, cargo transport/handling business
Terminal and Harbor Transport	Container terminals business, harbor transport services, tugboat operation
Cruise	Ownership and operation of passenger boats
Air Cargo Transportation	Air cargo Transport
Real Estate	Rental, management and sale of real estate properties
Other	Wholesaling of ship machinery and furniture, other services related to transport, information-processing business, wholesaling of oil products and travel agency.

4. Common operating expenses are allocated to individual segments

## 6. Other Supplementary Information

### (1) Statements of Changes in Consolidated Net Assets

Three months ended June 30, 2008 (April 1, 2008 – June 30, 2008)

(In million yen)

	Shareholders' capital					Valuation & translation adjustments				Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance, March 31, 2008	88,531	97,212	401,044	-1,339	585,449	85,668	-20,712	-12,442	52,513	41,074	679,036
Changes of items during the period											
Cash dividends			-14,736		-14,736						-14,736
Net income			44,359		44,359						44,359
Purchase of treasury stock				-72	-72						-72
Disposal of treasury stock		2		4	6						6
Increase by unification of accounting policies applied to foreign subsidiaries			161		161						161
Adjustments due to changes in the fiscal periods of consolidated subsidiaries			186		186						186
Effect by an increase in the number of consolidated subsidiaries			-3		-3						-3
Effect by an increase in the number of affiliates accounted for by the equity method			483		483						483
Other			-18		-18						-18
Net change of items other than shareholders' capital during the period						26,742	18,001	3,325	48,068	-953	47,115
Total changes of items during the period	-	2	30,432	-68	30,365	26,742	18,001	3,325	48,068	-953	77,481
Balance, June 30, 2008	88,531	97,214	431,477	-1,408	615,815	112,410	-2,710	-9,117	100,582	40,121	756,518

## **(2) Quarterly operating results**

Year ended March 31, 2009

(In 100 million yen)

	Apr 1, 2008– Jun 30, 2008	Jul 1, 2008– Sep 30, 2008	Oct 1, 2008– Dec 31, 2008	Jan 1, 2009– Mar 31, 2009
	1Q	2Q	3Q	4Q
Revenues	6,796			
Operating income	581			
Recurring profit	651			
Net income for the quarter	443			
Net income per share for the quarter	¥36.12			
Net income per share for the quarter – fully diluted	¥34.29			
Total assets	24,494			
Net assets	7,565			
Net asset per share	¥583.41			

Year ended March 31, 2008

(In 100 million yen)

	Apr 1, 2007 – Jun 30, 2007	Jul 1, 2007 – Sep 30, 2007	Oct 1, 2007 – Dec 31, 2007	Jan 1, 2008 – Mar 31, 2008
	1Q	2Q	3Q	4Q
Revenues	6,013	6,553	6,807	6,472
Operating income	393	513	579	534
Recurring profit	445	486	565	487
Net income for the quarter	286	263	381	209
Net income per share for the quarter	¥23.32	¥21.45	¥31.07	¥17.09
Net income per share for the quarter – fully diluted	¥22.13	¥20.36	-	-
Total assets	23,125	23,251	23,697	22,860
Net assets	7,546	7,427	7,403	6,790
Net asset per share	¥578.48	¥568.01	¥565.58	¥519.51

Notes:

1. The above operating results are based on the results for the first quarter and the cumulative results for the first six, nine and twelve months, and are computed by taking the difference between the two adjacent periods.
2. Diluted net income per share data for the third and fourth quarter period in the fiscal year ended March 31, 2008 are not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

## **(3) Foreign exchange rate information (on a consolidated basis)**

Exchange rate per US\$1	Three months ended June 30, 2008	Three months ended June 30, 2007	Change	Year ended March 31, 2008
Average exchange rate during the period	¥103.36/US\$	¥119.85/US\$	Yen up ¥16.49	¥115.29/US\$
Exchange rate at the end of the period	¥106.42/US\$	¥123.26/US\$	Yen up ¥16.84	¥100.19/US\$

## **(4) Bunker oil prices information (on a consolidated basis)**

	Three months ended June 30, 2008	Three months ended June 30, 2007	Change	Year ended March 31, 2008
Average bunker oil prices	US\$533.18/MT	US\$330.27/MT	Price up US\$202.91	US\$402.77/MT

**(5) Balance of interest-bearing debt at end of period (on a consolidated basis)**

(In 100 million yen)

	Three months ended June 30, 2008	Year ended March 31, 2008	Change	Three months ended June 30, 2007
Loans	8,127	7,759	368	6,989
Bonds	2,272	2,272	-0	2,483
Commercial papers	640	190	450	330
Other	139	-	139	-
Total	11,179	10,221	957	9,802