

For immediate release

August 5, 2004

FISCAL HIGHLIGHTS FOR THE FIRST QUARTER, ENDED JUNE 30, 2004

Nippon Yusen Kabushiki Kaisha (NYK Line) announces the following statement of accounts for the period ended June 30, 2004.

A. CONSOLIDATED

1. Business Results (From April 1 to June 30, 2004 and 2003)

	¥Million		US\$Thousand*
	Three months ended June 30, 2004	Three months ended June 30, 2003	Three months ended June 30, 2004
Revenues	372,238	326,573	3,432,989
Operating income	32,637	19,628	301,004
Other income(expenses)	(575)	(2,584)	(5,307)
Recurring profit**	32,062	17,043	295,698
Extraordinary gains(losses)	(1,447)	1,504	(13,350)
Net income	17,124	8,767	157,931

2. Balance Sheets (As of June 30, 2004 / March 31, 2004)

	¥Million		US\$Thousand*
	Three months ended June 30, 2004	Fiscal Year ended March 31, 2004	Three months ended June 30, 2004
Assets			
Current assets	397,783	370,673	3,668,571
Fixed assets	1,038,582	1,005,852	9,578,365
Deferred assets	269	137	2,481
Total assets	1,436,634	1,376,664	13,249,418
Liabilities			
Current liabilities	461,590	425,753	4,257,038
Long-term liabilities	581,475	569,196	5,362,679
Total liabilities	1,043,065	994,950	9,619,716
Interest-bearing debt	707,561	654,481	6,525,516
Minority interest	24,323	23,669	224,328
Stockholders' Equity			
Paid-in capital	88,531	88,531	816,481
Additional paid-in capital	94,421	94,421	870,802
Retained earnings	157,618	146,755	1,453,642
Unrealized gains on the holding of other securities	45,267	44,333	417,477
Foreign currency translation adjustments	(13,463)	(12,900)	(124,171)
Treasury stock	(3,129)	(3,096)	(28,857)
Total stockholders' equity	369,244	358,044	3,405,374
Total			
Liabilities, Minority interest and shareholders' equity	1,436,634	1,376,664	13,249,418

3. Revenues by Segment (From April 1 to June 30, 2004 and 2003)

	¥Million		US\$Thousand*
	Three months ended	Three months ended	Three months ended
	June 30, 2004	June 30, 2003	June 30, 2004
Shipping	241,668	213,130	2,228,796
Logistics	79,063	64,548	729,164
Cruise	7,513	5,646	69,295
Terminal and Harbor Transport	24,099	20,049	222,261
Shipping Related Services	10,052	10,706	92,714
Real Estate	2,933	2,990	27,057
Others	23,639	23,682	218,015
Elimination & Unallocation	(16,732)	(14,181)	(154,314)
Total Revenues	372,238	326,573	3,432,989

4. Shipping Revenues by Business (From April 1 to June 30, 2004 and 2003)

	¥Million		US\$Thousand*
	Three months ended	Three months ended	Three months ended
	June 30, 2004	June 30, 2003	June 30, 2004
Liner	104,545	91,959	964,170
Tramp and specialized carrier	111,209	95,743	1,025,629
Tanker	25,913	25,428	238,984

5. Principal Financial Index

		Three months ended	Three months ended
		June 30, 2004	June 30, 2003
Operating Profit Margin	(%)	8.8	6.0
Net Profit Margin	(%)	4.6	2.7
Return on Equity	(%)	4.7	2.9
Debt/Equity Ratio	(Times)	1.9	2.3
Earning Per Share	(¥)	14.02	7.18
Equity Ratio	(%)	25.7	23.2
Shareholders' Equity Per Share	(¥)	302.29	244.60

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

	¥Million	US\$Thousand
Revenue	1,500,000	14,285,714
Operating income	132,000	1,257,142
Recurring Profit**	120,000	1,142,857
Net income	62,000	590,476

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 (from the 2nd quarter to the 4th quarter), bunker price US\$190/MT (the 2nd quarter), US\$195/MT (the 3rd quarter and the 4th quarter)

7. Consumed Bunker Price

	Three months ended June 30, 2004	Three months ended June 30, 2003
Average	US\$178.41/MT	US\$181.86/MT

9. Exchange Rate

	Three months ended June 30, 2004	Three months ended June 30, 2003
Average	¥108.71/US\$1	¥119.38/US\$1
End of March	¥105.69/US\$1	¥120.20/US\$1
End of June	¥108.43/US\$1	¥119.80/US\$1

B. NON-CONSOLIDATED

1. Business Results (From April 1 to June 30, 2004 and 2003)

	¥Million		US\$Thousand*
	Three months ended June 30, 2004	Three months ended June 30, 2003	Three months ended June 30, 2004
Revenue	199,785	183,459	1,842,528
Operating income	19,641	15,526	181,147
Other income (expenses)	922	(1,347)	8,511
Recurring profit**	20,564	14,179	189,658
Extraordinary gains (losses)	(2,094)	1,236	(19,321)
Net income	11,007	8,708	101,513

2. Balance Sheets (As of June 30, 2004 / March 31, 2004)

	¥Million		US\$Thousand*
	Three months ended June 30, 2004	Fiscal year ended March 31, 2004	Three months ended June 30, 2004
Assets			
Current assets	192,823	172,070	1,778,323
Fixed assets	695,211	680,828	6,411,616
Deferred assets	266	134	2,457
Total assets	888,301	853,032	8,192,395
Liabilities			
Current liabilities	214,537	190,186	1,978,585
Long-term liabilities	351,118	345,762	3,238,202
Total liabilities	565,656	535,948	5,216,787
Interest-bearing debt	404,811	368,781	3,733,389

Stockholders' Equity

Paid-in capital	88,531	88,531	816,481
Additional paid-in capital	93,198	93,198	859,525
Retained earnings	101,616	96,797	937,158
Unrealized gains on the holding of other securities	42,414	41,639	391,165
Treasury stock	(3,114)	(3,081)	(28,722)
Total stockholders' equity	322,645	317,083	2,975,608
Total			
Liabilities and shareholders' equity	888,301	853,032	8,192,395

3. Principal Financial Index

		Three months ended June 30, 2004	Three months ended June 30, 2003
Operating Profit Margin	(%)	9.8	8.5
Net Profit Margin	(%)	5.5	4.7
Return on Equity	(%)	3.4	3.3
Debt/Equity Ratio	(Times)	1.3	1.5
Earning Per Share	(¥)	9.01	7.13
Equity Ratio	(%)	36.3	33.3
Shareholders' Equity Per Share	(¥)	264.13	215.69

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

	¥Million	US\$Thousand
Revenue	780,000	7,428,571
Operating income	84,000	800,000
Recurring profit**	80,000	761,904
Net income	44,000	419,047

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 (from the 2nd quarter to the 4th quarter), bunker price US\$190/MT (the 2nd quarter), US\$195/MT (the 3rd quarter and the 4th quarter)

* The U.S. dollar amounts represent the calculation of exchanging Japanese yen to U.S. dollars on a basis of ¥108.43/US\$1 (as of June 30, 2004).

** Income before income taxes and special items.

Results of Operations

For the three months from April 1 to June 30, 2004, NYK Line's consolidated revenues were ¥372.2 billion compared with ¥326.5 billion in the previous corresponding period. Operating income was ¥32.6 billion compared with ¥19.6 billion, whereas recurring profit was ¥32.0 billion compared with ¥17.0 billion and net income was ¥17.1 billion compared with ¥8.7 billion.

<Overview>

In the first quarter, ended June 30, 2004, consolidated revenues gained 14.0%, operating income climbed 66.3% and the operating profit margin was 8.8%, favorably influenced by higher volumes and freight rates in the shipping segment as well as expansion in logistics operation. Recurring profit soared 88.1% due principally to increases in interest and dividend income and a decrease in interest expenses, and net income surged 95.3% over the previous corresponding period.

The impact on recurring profit of fluctuations in foreign exchange rates and bunker oil prices was as follows:

	April 1 to June 30, 2004	April 1 to June 30, 2003	Change	Impact
Average exchange rates	¥108.71/US\$1.00	¥119.38/ US\$1.00	Yen up ¥10.67	– ¥3.7 billion
Average bunker oil prices	US\$178.41/ metric ton	US\$181.86/ metric ton	Price down US\$3.45	+ ¥0.3 billion

Notes:

1. A ¥1 change against the dollar has an impact of around ¥1.4 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>

<Shipping>

The shipping segment comprises three areas: the liner trade, which includes container operations; trampers and specialized carriers, which covers bulk, ore, and coal carrier and car carrier operations; and the tanker business, which encompasses petroleum, LNG, petroleum products and chemical carrier operations.

(Billions of yen)

	Revenues			
	April 1 to June 30, 2004	April 1 to June 30, 2003	Change	Percentage change
Liner trade	104.5	91.9	12.5	13.7
Trampers and specialized carriers	111.2	95.7	15.4	16.2
Tanker business	25.9	25.4	0.4	1.9

Liner Trade: Rising demand on all routes and a tight supply-demand situation allowed us to restore freight rates on each route, considerably exceeding revenues and earnings from a year earlier. For several routes, the NYK Line continued to promote cost-cutting measures, in addition to the expansion of services with an increase in carriers and the adoption of larger ships.

Trampers and Specialized Carriers: Car carrier transports grew steadily in volume and performance mainly to such destinations as Europe and the Middle East. Bulk carriers, for which market conditions had weakened since February 2004 regardless of vessel or freight type, rallied rapidly in the fourth

week of June. Compared with the corresponding previous period, the overall performance largely improved, with attractive market conditions especially for handy-size vessel types.

Tanker Business: Under stable crude oil tanker market conditions supported by strong demand in China and North America, our VLCC *Tokachi* safely completed its calls at North American ports. This is the first time in 15 years that an NYK crude oil tanker has visited North American ports. In such an environment, our prospects for the planned full-fledged allocation of our vessels from 2005 looks brighter now. Although the tone of the market weakened due to the effect of periodic repairs at South Korean and Japanese oil refineries relative to the winter season, active demand for destinations in North America firmly supported the market. Moreover, an anticipated considerable decline in freight rates did not occur. As NYK Line's LNG tankers and those owned by group companies operated favorably during the quarter under review, the overall Tanker business performance improved comparing with the previous period.

<Logistics>

The airfreight business continued to do well, especially in Japan, with operating results surpassing the targets. In other businesses, aggressive campaigns were carried out to recover profitability at local affiliated companies that had experienced deficits in the prior fiscal year, as part of the first year of the Logistics Strategy Plan-II (LSP-II) that was implemented in May 2004. Such groupwide earnings generation efforts have achieved good results according to plan.

<Cruise>

Stable earnings were secured during the quarter under review, reflecting a clear tendency of recovery in the Japanese market. In the U.S. market, recovery of passenger numbers in the luxury class was slow owing to concerns about possible terrorist attacks in view of the explosions earlier this year at Spanish railway stations.

<Terminal and Harbor Transport Services>

Sustained by the steady cargo movement of container goods, container handling volume grew substantially at terminals worldwide, including Japan, thereby fulfilling the performance objectives for the first quarter.

<Other Services>

Revenues and earnings declined versus the year-earlier period in such shipping-related services as the wholesaling of shipping machinery and equipment, and tugboat operations. Earnings from the real estate business increased. Revenues were down but earnings grew in such other services as information processing services, oil wholesaling and travel agency services.

Amendments to Forecasts of Results

In view of the above performance for the first quarter, ended June 30, 2004, and the current steady shipping conditions, we have revised our forecasts for consolidated operating results for the interim term ending September 30, 2004, as follows: revenues of ¥750 billion (up ¥30 billion from the previous forecast), operating income of ¥65 billion (up ¥11 billion from the previous forecast), recurring profit of ¥60 billion (up ¥13 billion from the previous forecast) and net income of ¥28 billion (up ¥11 billion from the previous forecast). Similarly, we revised our forecasts for non-consolidated operating results for the period as follows: revenues of ¥395 billion (up ¥15 billion from the previous forecast), operating income of ¥40 billion (up ¥6 billion from the previous forecast), recurring profit of ¥39 billion (up ¥6 billion from the previous forecast) and net income of ¥20 (up ¥4 billion from the previous forecast).

For the second half of this fiscal year, despite higher fuel prices and partial unpredictability of

shipping markets, we forecast consolidated operating results to fulfill the planned performance objectives set for the period. As a result, we have revised our forecasts for consolidated operating results for the fiscal year ending March 31, 2005, as follows: revenues of ¥1,500 billion (up ¥40 billion from the previous forecast), operating income of ¥132 billion (up ¥11 billion from the previous forecast), recurring profit of ¥120 billion (up ¥12 billion from the previous forecast) and net income of ¥62 billion (up ¥7 billion from the previous forecast). We also revised our forecasts for non-consolidated operating results for the period as follows: revenues of ¥780 billion (up ¥30 billion from the previous forecast), operating income of ¥84 billion (up ¥7 billion from the previous forecast), recurring profit of ¥80 billion (up ¥8 billion from the previous forecast) and net income of ¥44 billion (up ¥5 billion from the previous forecast).

(¥Billion)

Forecasts of Results for Fiscal 2004		at September 30, 2004				at March 31, 2004			
		Previous	Revised	Change	Percentage Change	Previous	Revised	Change	Percentage Change
Revenues	Consolidated	720	750	30	4%	1,460	1,500	40	3%
	Non-consolidated	380	395	15	4%	750	780	30	4%
Operating Profit	Consolidated	54	65	11	20%	121	132	11	9%
	Non-consolidated	34	40	6	18%	77	84	7	9%
Recurring Profit	Consolidated	47	60	13	28%	108	120	12	11%
	Non-consolidated	33	39	6	18%	72	80	8	11%
Net Profit	Consolidated	17	28	11	65%	55	62	7	13%
	Non-consolidated	16	20	4	25%	39	44	5	13%