

For immediate release

February 9, 2005

## FISCAL HIGHLIGHTS FOR THE THREE QUARTERS, ENDED DECEMBER 31, 2004

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

### A. CONSOLIDATED

#### 1. Business Results

	¥Million		US\$Thousand*
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Nine months ended December 31, 2004
Revenues	1,188,775	1,032,269	11,407,500
Operating income	122,409	69,443	1,174,638
Other income(expenses)	(5,662)	(12,559)	(54,336)
Income before extraordinary items	116,746	56,884	1,120,301
Extraordinary gains(losses)	(24,336)	(1,883)	(233,536)
Net income	52,701	34,455	505,722

#### 2. Balance Sheets

	¥Million		US\$Thousand*
	As of December 31, 2004	As of March 31, 2004	As of December 31, 2004
<b>Assets</b>			
Current assets	409,761	370,673	3,932,070
Fixed assets	1,053,091	1,005,852	10,105,471
Deferred assets	170	137	1,636
Total assets	1,463,022	1,376,664	14,039,177
<b>Liabilities</b>			
Current liabilities	486,376	425,753	4,667,268
Long-term liabilities	547,726	569,196	5,255,989
Total liabilities	1,034,102	994,950	9,923,257
Interest-bearing debt	656,151	654,481	6,296,434
<b>Minority interest</b>	28,430	23,669	272,824
<b>Stockholders' Equity</b>			
Paid-in capital	88,531	88,531	849,545
Additional paid-in capital	94,421	94,421	906,065
Retained earnings	184,720	146,755	1,772,575
Unrealized gains on the holding of other securities	46,514	44,333	446,351
Foreign currency translation adjustments	(10,320)	(12,900)	(99,036)
Treasury stock	(3,376)	(3,096)	(32,404)
Total stockholders' equity	400,489	358,044	3,843,096
<b>Total</b>			
Liabilities, Minority interest and shareholders' equity	1,463,022	1,376,664	14,039,177

### 3. Revenues by Segment

	¥Million		US\$Thousand*
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Nine months ended December 31, 2004
Shipping	758,859	658,158	7,282,022
Logistics	261,066	211,241	2,505,196
Cruise	25,894	21,531	248,487
Terminal and Harbor Transport	82,252	73,518	789,295
Shipping-Related Services	32,218	31,050	309,173
Real Estate	9,284	9,491	89,089
Others	75,080	75,734	720,477
Elimination & Unallocation	(55,881)	(48,457)	(536,240)
Total Revenues	1,188,775	1,032,269	11,407,500

### 4. Shipping Revenues by Business

	¥Million		US\$Thousand*
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Nine months ended December 31, 2004
Liner Trade	339,476	287,354	3,257,614
Trampers and specialized carriers	341,201	298,463	3,274,168
Tanker Business	78,181	72,341	750,226

### 5. Principal Financial Index

	Nine months ended December 31, 2004	Nine months ended December 31, 2003
Operating Profit Margin (%)	10.3	6.7
Net Profit Margin (%)	4.4	3.3
Return on Equity (%)	13.9	10.2
Debt/Equity Ratio (Times)	1.6	2.0
Earning Per Share (¥)	43.15	28.20
Equity Ratio (%)	27.4	24.6
Shareholders' Equity Per Share (¥)	327.99	276.18

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

	¥Million	US\$Thousand
Revenue	1,595,000	15,485,436
Operating income	158,000	1,533,980
Income before extraordinary items	150,000	1,456,310
Net income	65,000	631,067

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 ¥103/US\$1, bunker price US\$200/MT)

## 7. Consumed Bunker Price

	Nine months ended December 31, 2004	Nine months ended December 31, 2003
Average	US\$192.15/MT	US\$175.62/MT

## 8. Exchange Rate

	Nine months ended December 31, 2004	Nine months ended December 31, 2003
Average	¥108.55/US\$1	¥116.09/US\$1
End of December	¥104.21/US\$1	¥107.13/US\$1
End of September	¥111.05/US\$1	¥111.25/US\$1

## B. NON-CONSOLIDATED

### 1. Business Results

	¥Million		US\$Thousand*
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Nine months ended December 31, 2004
Revenues	628,254	562,636	6,028,732
Operating income	76,462	52,482	733,734
Other income(expenses)	4,254	(7,266)	40,829
Income before extraordinary items	80,717	45,216	774,563
Extraordinary gains(losses)	(18,531)	(359)	(177,831)
Net income	40,439	27,271	388,062

### 2. Balance Sheets

	¥Million		US\$Thousand*
	As of December 31, 2004	As of March 31, 2004	As of December 31, 2004
<b>Assets</b>			
Current assets	202,545	172,070	1,943,633
Fixed assets	690,335	680,828	6,624,468
Deferred assets	169	134	1,623
Total assets	893,050	853,032	8,569,724
<b>Liabilities</b>			
Current liabilities	216,356	190,186	2,076,155
Long-term liabilities	332,371	345,762	3,189,444
Total liabilities	548,728	535,948	5,265,599
Interest-bearing debt	371,283	368,781	3,562,836

### Stockholders' Equity

Paid-in capital	88,531	88,531	849,545
Additional paid-in capital	93,198	93,198	894,332
Retained earnings	121,888	96,797	1,169,645
Unrealized gains on the holding of other securities	44,066	41,639	422,867
Treasury stock	(3,362)	(3,081)	(32,263)
Total stockholders' equity	344,322	317,083	3,304,125
<b>Total</b>			
Liabilities and shareholders' equity	893,050	853,032	8,569,724

### 3. Principal Financial Index

		Nine months ended December 31, 2004	Nine months ended December 31, 2003
Operating Profit Margin	(%)	12.2	9.3
Net Profit Margin	(%)	6.4	4.8
Return on Equity	(%)	12.2	9.2
Debt/Equity Ratio	(Times)	1.1	1.3
Earning Per Share	(¥)	33.11	22.32
Equity Ratio	(%)	38.6	35.5
Shareholders' Equity Per Share	(¥)	281.98	243.25

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

	¥Million	US\$Thousand
Revenue	834,000	8,097,087
Operating income	99,000	961,165
Income before extraordinary items	103,000	1,000,000
Net income	52,500	509,708

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 ¥103/US\$1, bunker price US\$200/MT)

\* The U.S. dollar amounts represent the calculation of exchanging Japanese yen to U.S. dollars on a basis of ¥104.21=US\$1.00 (as of end of December, 2004)

## Results of Operations

For the nine months from April 1 to December 31, 2004, NYK Line's consolidated revenues were ¥1,188.7 billion, compared with ¥1,032.2 billion in the previous corresponding period. Operating income was ¥122.4 billion, compared with ¥69.4 billion. Income before extraordinary items was ¥116.7 billion, compared with ¥56.8 billion, and net income was ¥52.7 billion, compared with ¥34.4 billion.

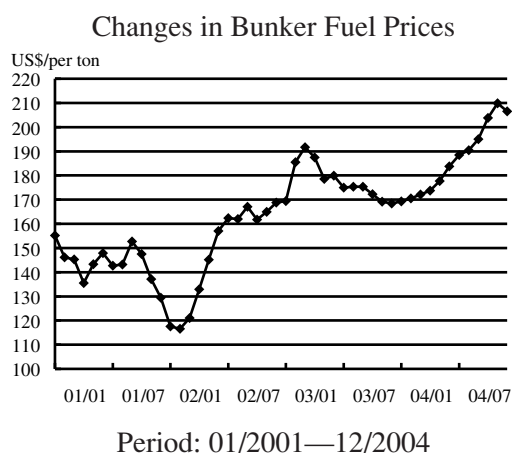
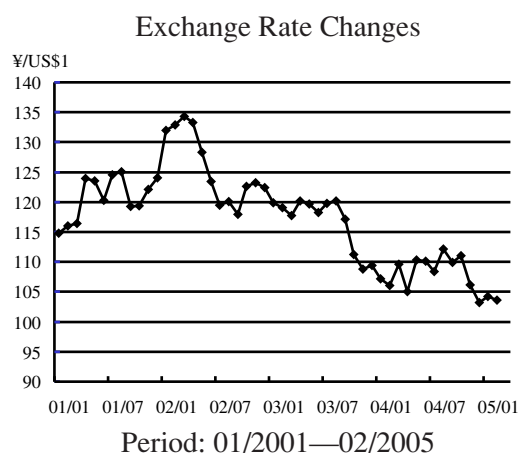
### <Overview>

In the third quarter, ended December 31, 2004, consolidated revenues increased 15.2%, favorably influenced by higher volumes and freight rates in the shipping segment. Operating income rose 76.3%, as successful cost-cutting efforts helped to control increasing costs and expenses as well as selling, general and administrative expenses. The operating profit margin was 10.3%, an improvement of 3.6 percentage points. Income before extraordinary items surged 105.2%, owing primarily to increases in interest and dividend income, combined with reduced other expenses. Net income grew 53.0% despite on ¥20.4 billion of extraordinary loss as a result of the early adoption of accounting for impairment. The impact on income before extraordinary items of fluctuations in foreign exchange rates and bunker oil prices was as follows:

	April 1, 2004 to December 31, 2004	April 1, 2003 to December 31, 2003	Difference	Effect
The average exchange rates	¥108.55 to the dollar	¥116.09 to the dollar	Appreciation of ¥7.54 against the dollar	¥7.9 billion decrease in income before extraordinary items
The average price of bunker oil	US\$192.15 per ton	US\$175.62 per ton	Increase of US\$16.53 per ton	¥3.7 billion decrease in income before extraordinary items

Notes:

1. A ¥1 change against the dollar has an annualized impact of around ¥1.4 billion on recurring profit.
2. A US\$1 change per metric ton in the price of bunker oil alters annual recurring profit by approximately ¥300 million.



## Segment Information

### <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 include bulk ore and coal as well as car carrier operations. The third is the tanker business, which encompasses petroleum, LNG, petroleum products, and chemical carrier operations.

### Segment Revenues

(Billions of yen)

	April 1, 2004 to December 31, 2004	April 1, 2003 to December 31, 2003	Change	Percentage change
Liner trade	¥339.4	¥287.3	¥52.1	18.1%
Trampers and specialized carriers	¥341.2	¥298.4	¥42.7	14.3%
Tanker business	¥78.1	¥72.3	¥5.8	8.1%

**Liner Trade:** Demand on all routes— North America, Europe, Oceania, Asia and Central and South America—was solid. A recovery in freight rates, coupled with ongoing cost-reduction measures, prompted sharp increases in revenues and profits, compared with the same period of the previous term. Furthermore, operational difficulties on the west coast of North America, brought about by labor shortages, began easing in November.

**Trampers and Specialized Carriers:** Car carrier transport volume benefited from ongoing strong exports to the Middle East, as well as Australia. As part of our efforts to ensure shipping stability, we began employing six new carriers from April 2004, and at the same time reworked shipping schedules and routes to improve efficiency. Regardless of vessel or freight type, market conditions for bulk carriers were bullish during the third quarter. Market conditions were particularly favorable for handy-size vessel types, driving business results sharply upward compared with the third quarter of the previous term.

**Tanker Business:** Amid record-high crude oil tanker market conditions—with the world scale peaking at 300 at one point—we enjoyed free vessel operations. In addition, we continue to expand commercial agreements and strove to improve both shipping safety and efficiency. Market conditions for petroleum product carriers were booming, but softened somewhat as the result of a relatively mild winter. LNG carriers business remained solid, as in addition to our existing fleet we took delivery of two new carriers for special projects. Overall, tanker business performance improved in comparison to the previous period.

### <Logistics>

The air cargo business remained strong, supported by vigorous demand. Warehouse business, however, were affected by congestion on the west coast of the United States, so profitability of the business declined. Overall, however, the Logistics Strategy Plan-II (LSP-II) has improved profitability, and is exceeding planned profitability targets.

### <Cruises>

In the United States, the third quarter is summer peak season for cruises, and this business performed according to plan. In Japan, business performance was also favorable. Sales of charter cruises were strong, buoyed by the traditional Christmas cruise business.

### <Terminal and Harbor Transport Services>

Sustained by the stable cargo movement of container goods, container handling volume was strong at terminals worldwide, including Japan. Consequently, this business fulfilled its performance

objectives for the quarter.

#### <Other Services>

Revenues and profits of tugboat operations improved, compared with one year previously. The combined operations of the two commercial companies boasted higher profits, although sales declined. Other businesses, including real estate, restaurants and tourism, travel, shipping agents, transport and services, manufacturing and processing businesses, performed approximately at the same level as one year previously.

#### Financial Position

At the end of the quarter, total assets were ¥1,463.0 billion, up ¥86.3 billion from the previous year, attributable partly to accounts receivable increased ¥18.0 billion in line with an increased business volume. Also, construction in progress expanded ¥43.0 billion for greater investment in vessels. Total liabilities increased ¥39.1 billion, to ¥1,034.1 billion. Although long-term debt decreased ¥24.4 billion, our business expansion caused accounts payable to rise. Current liabilities increased ¥60.6 billion because of the nearing maturity of corporate bond issues and higher advance payments received. Shareholders' equity increased ¥42.4 billion, to ¥400.4 billion, mainly because of retained earnings. The debt-equity ratio at the end of the term was 1.6, an improvement of 0.2 point. The equity ratio also improved 1.4 percentage points, to 27.4%.

#### Amendments to Forecasts of Results

In view of the third-quarter performance, stated above, as well as the favorable marine shipping business environment, we have revised our forecasts for consolidated operating results for the full fiscal year, ending March 31, 2005, as follows: revenues of ¥1,595.0 billion (up ¥55.0 billion from our previous forecast), operating income of ¥158.0 billion (up ¥8.0 billion), income before extraordinary items of ¥150.0 billion (up ¥10.0 billion) and net income of ¥65.0 billion (up ¥2.0 billion). Similarly, we revised our forecasts for non-consolidated operating results for the period as follows: revenues of ¥834.0 billion (up ¥19.0 billion from our previous forecast), operating income of ¥99.0 billion (up ¥7.0 billion), income before extraordinary items of ¥103.0 billion (up ¥8.0 billion) and net income of ¥52.5 billion (up ¥5.5 billion).

Taking into consideration the company's current financial condition, as well as the outlook for the remainder of the fiscal term, we intend to disburse total dividends of ¥15 per share for the fiscal year, including a ¥7.5 per share interim dividend.