Financial Results
For the Year Ended March 31, 2008

April 25, 2008

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code:	9101
Listings:	The First Section of Tokyo, Osaka and Nagoya Stock Exchanges
URL:	http://www.nyk.com/english/index.htm
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Ordinary General Meeting of Shareholders	June 24, 2008
Submit scheduled date of Financial Report	June 24, 2008
Start scheduled date of paying Dividends	June 25, 2008

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Year Ended March 31, 2008
(April 1, 2007 to March 31, 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	%
Year ended March 31, 2008	2,584,626	19.4	202,079	92.6	198,480	84.6	114,139	75.5
Year ended March 31, 2007	2,164,279	12.2	104,941	-25.3	107,534	-23.4	65,037	-29.4

	Net income per share	Net income per share – fully diluted	Net income per share ratio in Shareholders' equity	Recurring profit/Total asset	Recurring profit/ Revenues
	yen	yen	%	%	%
Year ended March 31, 2008	92.93	-	17.6	9.0	7.8
Year ended March 31, 2007	52.99	-	10.6	5.4	4.8

Equity in income or loss of unconsolidated subsidiaries and affiliates:
Year ended March 31, 2008: ¥11,040 million
Year ended March 31, 2007: ¥5,522 million
(Note) Diluted net income per share data are not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

(2) Financial Position

	Total assets	Net Assets	Shareholders' equity ratio	Net Asset per share
	million yen	million yen	%	yen
Year ended March 31, 2008	2,286,013	679,036	27.9	519.51
Year Ended March 31, 2007	2,135,441	700,717	30.8	534.90

Shareholders' Equity
Year ended March 31, 2008: ¥637,962 million
Year ended March 31, 2007: ¥657,088 million

(3) Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2008	199,525	-292,510	146,829	115,963
Year ended March 31, 2007	86,229	-178,043	97,363	87,709

2. Dividends

Date of record	Dividend per share			Total dividends paid (Full year)	Payout ratio (consolidated)	Dividends/ Net Assets (consolidated)
	Interim	End of term	Full year			
	yen	yen	yen	million yen	%	%
Year ended March 31, 2007	9.00	9.00	18.00	22,114	34.0	3.6
Year ended March 31, 2008	12.00	12.00	24.00	29,474	25.8	4.6
Year ended March 31, 2009 (Estimate)	13.00	13.00	26.00		22.8	

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
Interim	1,340,000 6.6%	101,000 11.4%	100,000 7.3%	70,000 27.3%	57.00
Full Year	2,700,000 4.5%	214,000 5.9%	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) 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 without no.1: Yes
Remarks: Refer to page 26 of this document of Change in Significant Information regarding the preparation of Consolidated Financial Statements.

(3) Total issued shares (Ordinary shares)
1.Total issued and outstanding at the end of the period (including treasury stocks)
Year ended March 31, 2008: 1,230,188,073 shares
Year ended March 31, 2007: 1,230,188,073 shares

2. Number of treasury stock at the end of the period
Year ended March 31, 2008: 2,181,765 shares
Year ended March 31, 2007: 1,760,881 shares

Remarks: Refer to page 31 of this document regarding the information per share.

(Reference)

1. Non-consolidated Financial Results for the Year Ended March 31, 2008

(April 1, 2007 to March 31, 2008)

(1) Operating Results

(Percentage figures shown year-on-year changed.)

	Revenues		Operating income		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2008	1,312,566	22.6	93,027	100.5	106,135	102.4	75,920	98.9
Year ended March 31, 2007	1,070,180	11.1	46,403	-36.4	52,430	-36.1	38,172	-28.6

	Net income per share	Net income per share-fully diluted
	yen	yen
Year ended March 31, 2008	61.81	-
Year ended March 31, 2007	31.10	-

(Note) Diluted net income per share-fully diluted are not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

(2) Financial Position

	Total assets	Net Asset	Shareholders' equity ratio	Net Assets per share
	million yen	million yen	%	yen
Year ended March 31, 2008	1,301,423	497,154	38.2	404.83
Year ended March 31, 2007	1,237,635	494,085	39.9	402.20

Shareholders' equity
Year ended March 31, 2008: ¥ 497,154 million
Year ended March 31, 2007: ¥ 494,085 million

2. Forecast of Non-consolidated Earnings for the Year Ending March 31, 2009

(April 1, 2008 to March 31, 2009)

(Percentage figures represent the same period last year.)

	Revenues		Operating income		Recurring profit		Net income		Net income per share
	million yen		million yen		million yen		million yen		yen
Interim	670,000	5.7%	46,000	3.5%	67,000	20.7%	52,000	40.2%	42.34
Full Year	1,350,000	2.9%	102,000	9.6%	125,000	17.8%	90,000	18.5%	73.29

Prerequisites for forecasts: Foreign exchange rate (interim and full year): ¥100/US$
Bunker oil price (interim and full year): US$500/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 pages 5-10 of this document for the assumptions used in producing forecasts for the year ending March 31, 2009 and other related matters.

1. Operating Results

1. Review of Consolidated Operating Results

For the fiscal year (April 1, 2007–March 31, 2008), NYK Line posted consolidated revenues of ¥2,584.6 billion, compared with ¥2,164.2 billion for the same period last year, operating income of ¥202.0 billion, compared with ¥104.9 billion last year, recurring profit of ¥198.4 billion, compared with ¥107.5 billion last year, and net income of ¥114.1 billion, compared with ¥65.0 billion for the same period last year.

(Billions of yen)

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Change	Percentage change
Revenues	2,164.2	2,584.6	420.3	19.4 %
Costs and expenses	1,840.7	2,128.8	288.0	15.6 %
Selling, general and administrative expenses	218.5	253.6	35.1	16.1 %
Operating income	104.9	202.0	97.1	92.6 %
Recurring profit	107.5	198.4	90.9	84.6 %
Net income	65.0	114.1	49.1	75.5 %

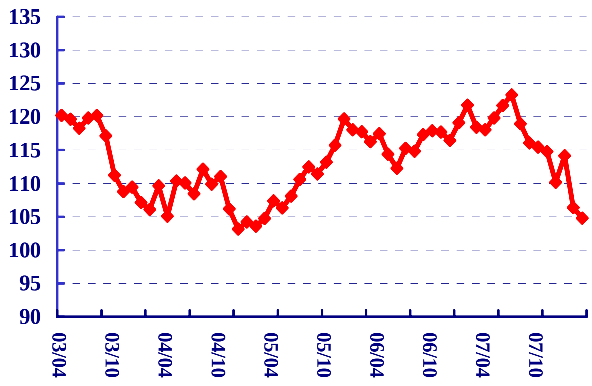
Overview

Overall, consolidated revenues climbed 19.4% year on 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 bulker 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. Increases in non-shipping segments, such as logistics and terminal and harbor transport, also played a part. Meanwhile, efforts to reduce costs through operational efficiency and counter upward pressure from surging bunker oil prices and other factors limited the increase in cost and expenses to 15.6%. As a result, operating income climbed 92.6% year on year, or ¥97.1 billion, and the ratio of operating income to revenues rose 3.0 percentage points from 4.8% to 7.8%. Interest and dividend income and equity in earnings of unconsolidated subsidiaries and affiliates was up, but interest expenses and foreign currency translation adjustments, due the stronger yen, increased. As a result, recurring profit advanced 84.6%, or ¥90.9 billion, and net income rose 75.5%, or ¥49.1 billion, compared with last year.

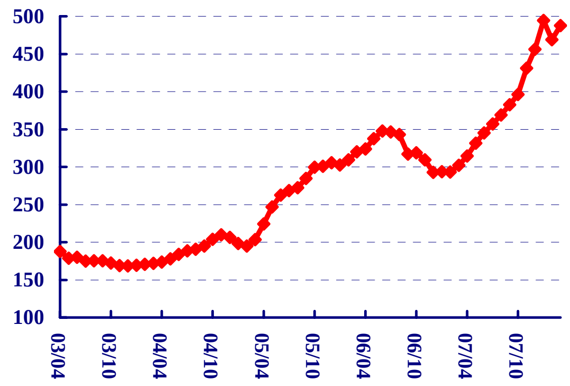
The impact of fluctuations in foreign exchange rates and bunker oil prices on recurring profit for the nine-month period under review is summarized in the following table:

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Change	Impact
Average exchange rate	¥116.91/US$1.00	¥115.29/US$1.00	Yen up ¥1.62	△¥3.2 billion
Average bunker oil price	US$318.77/MT	US$402.77/MT	Price up US$84.00	△¥29.4 billion

Notes:
1. A ¥1 change in the exchange rate against the dollar has an annualized impact of around ¥2.0 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 ¥350 million.



Period: April 2003–March 2008



Period: April 2003–March 2008

Segment Information

(Billions of yen)

	Revenues				Operating income			Recurring profit		
	FY 2006	FY 2007	Change	Percentage change	FY 2006	FY 2007	Change	FY 2006	FY 2007	Change
Liner trade	573.9	666.4	92.4	16.1 %	△9.8	11.5	21.4	△9.6	11.4	21.1
Bulk shipping	783.2	1,039.1	255.8	32.7 %	104.6	178.4	73.8	104.3	174.1	69.7
Logistics	482.7	526.9	44.2	9.2 %	16.1	16.0	△0.0	16.9	17.1	0.2
Terminal and Harbor Transport	126.8	151.3	24.4	19.3 %	7.9	11.0	3.1	5.5	9.4	3.8
Cruises	44.1	46.7	2.5	5.8 %	5.0	5.2	0.2	4.6	5.0	0.4
Air Cargo Transportation	97.0	102.6	5.6	5.8 %	△21.5	△22.0	△0.4	△18.4	△23.2	△4.8
Real Estate	11.6	11.5	△0.1	△1.0 %	2.9	3.4	0.4	3.6	4.1	0.5
Other	178.1	205.0	26.9	15.1 %	△0.8	△1.8	△0.9	0.5	0.2	△0.2

Liner Trade

Revenues in the liner trade increased over last fiscal year as a result of growth in freight volumes due to expanded shipping capacity from the introduction of new vessels and vigorous sales efforts, against a background of continued solid performance in the freight market on all liner routes. We also enjoyed significant year-on-year growth in profits despite the squeeze on earnings of further increases in bunker oil prices and other factors. This comes as a result of the success, mainly on European routes, of efforts to revive freight rates to a certain degree, reductions in fuel consumption and other efforts to reduce costs, and the efficient use of our shipping capacity.

Bulk Shipping

Car Carrier Division

Carrier transport volume benefited from continued buoyancy in global freight markets and outperformed both the previous year's results and our targets for the year. We worked to maintain a stable supply of shipping transport services, as demand continued to outstrip shipping capacity, by implementing efficient shipping schedules, procuring shipping space from other carriers, and putting 11 newly constructed vessels into service during the year. We also made aggressive moves to expand the automotive logistics business, which complements our sea transport activities. In China, we moved into the transport of automobile components and finished automobiles and the operation of dedicated terminals for finished automobiles, while in Europe and Southeast Asia, we newly acquired dedicated terminals for finished automobiles.

Dry Bulk Carrier Division

Demand for dry bulk carrier transport reached new record highs from October through November due to an expansion of sea transport volumes for bulk cargo, such as iron and steel ores, coal, grains, steel materials, and cement, stemming from rapid economic growth in emerging nations such as China and India, and a squeeze on demand for shipping capacity due to shipping congestion at Australian ports. Against this background of historical market highs, although our earnings significantly exceeded last year's, we worked to expand business by investing systematically in our fleet of vessels and made progress in concluding new medium- to long-term contracts, mainly for large vessels, with domestic and overseas customers.

Tanker Division

Despite steady demand from China for imports of crude oil, transport volume growth failed to materialize due to high inventory levels in the U.S. and Europe, reduced OPEC production, and other factors. This led to stagnation in the market for crude oil tanker services, but high levels of demand returned and were maintained following sharp rises in the winter demand season. Demand remained at low levels throughout the year in the market for petroleum product carriers as freight volumes foundered due to a large volume of new vessel completions and high inventory levels. However, the operation of crude oil tankers, LPG carriers, and LNG carriers under long-term contracts continued to produce favorable results, and overall the division produced results comparable with last year.

Fluctuation in Tramper Freight Rate in B.D.I

Period: April 2003—March 2008

Tanker Freight Rates (Maximum)

for VLCCs from Middle East to Japan

Period: April 2003—March 2008

Logistics

NYK Logistics achieved results exceeding last year's figures by meeting the logistics needs of its customers, with a primary focus on those in automobile and manufacturing industries, and cementing the operational efficiency of local subsidiaries, particularly in Europe, Asia, and China. The company has established a smooth operational base in markets that it has recently entered, such as Russia, India, and Vietnam, and is working steadily on efforts to acquire new customers and expand its business. Amid continued vigorous competition, Yusen Air & Sea Service Co., Ltd., posted results that were largely comparable with last year's as a result of stronger sales efforts as well as favorable performances by overseas subsidiaries. Overall, the logistics segment produced year-on-year growth in both revenues and profit.

Terminal and Harbor Transport
Strong operating rates were achieved at terminals in Japan and overseas, and the volume of containers handled increased. This resulted in performance that outstripped both last year's figures and targets for the fiscal year and led to substantial year-on-year growth in revenues and profits. As well as developing berths and acquiring container berth leaseholds at the Port of Tacoma on the west coast of North America, we also received preliminary approval to participate as a joint investor in Dao Xiao Yang Shang Container Terminal .

Cruises
Segment results exceeded last year's as the seat load factor remained at high levels in the U.S. market, and we achieved strong sales in the Japanese market for long cruises, such as the round-the-world cruise on the Asuka II and the Oceania Grand Cruise.

Air Cargo Transportation
Nippon Cargo Airlines Co., Ltd., which handles our air freight operations, achieved independence in the operation and servicing of freight aircraft during the fiscal year, a goal it had been working toward for some time. The company has also been working to bolster cost competitiveness by continually replacing aging aircraft with new models, but prompted by increases in bunker oil prices that exceeded expectations, it brought forward the retirement of all aging aircraft to the end of the fiscal year under review. This resulted in a contraction in the scale of operations at the end of the period. Revenues increased somewhat over the previous fiscal year, but the company was unable to fully absorb increases in repair costs on aging aircraft and the rise in bunker oil prices, and ended on a loss that was greater than last year's.

Real Estate and Other Business Services
The real estate business worked to lift and maintain occupancy rates and rent levels for offices and residential properties and to dispose of properties with low profitability. Elsewhere, in the trading business in particular, sales of bunker oil and ship equipment remained strong, and this resulted in overall growth in revenues and profits.

Outlook
Over the full year, NYK expects revenues of ¥2,700.0 billion, operating income of ¥214.0 billion, recurring profit of ¥210.0 billion, and net income of ¥140.0 billion.

(Billions of yen)

	Fiscal year ended March 31, 2008 (Actual)	Fiscal year ending March 31, 2009 (Forecast)	Change	Percentage change
Revenues	2,584.6	2,700.0	115.3	4.5 %
Operating income	202.0	214.0	11.9	5.9 %
Recurring profit	198.4	210.0	11.5	5.8 %
Net income	114.1	140.0	25.8	22.7 %
	Exchange rate		Bunker oil price	
Forecast conditions	¥100/US$		US$500/MT	

Backed by a solid freight market in the liner trade segment, we will work towards the recovery of freight rates and cost reductions, while in the dry bulk carrier and tanker segments, although we expect the market to soften, we expect to maintain our favorable performance by expanding the size of our fleet and extending contracts to improve revenue and profit levels. We aim to make further advances in performance in the logistics segment by continuing with efforts to improve operational practices and expand the volume of business, while in the terminal and harbor transport segment and the cruise segment, we anticipate results largely on par with the fiscal year under review. The performance of Nippon Cargo Airlines Co., Ltd., is expected to improve significantly now that the company has established an independent framework for the maintenance and operation of aircraft and is set for the efficient operation of its fleet, which is now uniformly cost competitive due to the introduction of new aircraft.

2. Review of Change in Financial Position

Assets, Liabilities, and Net Assets

Total assets at the end of the fiscal year amounted to ¥2,286.0 billion, an increase of ¥150.5 billion from the end of the previous fiscal year. This rise in total assets comes despite a ¥76.4 billion fall in investment securities, due to a decline in share prices, and reflects an increase in current assets of ¥62.0 billion, resulting from an increase in trade receivables in conjunction expansions in the scale of our operations, and an increase in fixed assets of ¥88.2 billion due to an aggregate ¥197.1 billion increase in vessels and construction in progress, mainly attributable to fleet enhancement related investments. Total liabilities grew ¥172.2 billion from the end of the previous fiscal year to ¥1,606.9 billion. This was primarily due to an increase in interest-bearing debt of ¥131.4 billion resulting from increases in corporate bonds issued, long-term debt, and commercial paper, although the effect of these items was offset somewhat by a reduction in deferred tax liabilities. Shareholders' equity—the aggregate of shareholders' capital of ¥585.4 billion and valuation and translation adjustments came in at ¥637.9 billion, and adding minority interests of ¥41.0 billion to this resulted in total net assets of ¥679.0 billion. This resulted in a debt-equity ratio of 1.60.

Cash Flows

(Billions of yen)

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Change
Net cash provided by operating activities	86.2	199.5	113.2
Net cash provided by (used in) investing activities	△ 178.0	292.5	△ 114.4
Net cash provided by (used in) financing activities	97.3	146.8	49.4
Effect of exchange rate changes on cash and cash equivalents	2.7	△ 27.2	△ 30.0
Net increase (decrease) in cash and cash equivalents	8.3	26.5	18.2
Cash and cash equivalents at the beginning of the year	78.4	87.7	9.2
Increase in cash and cash equivalents due to change in consolidation scope	0.8	1.6	0.7
Net increase in cash and cash equivalents merger to at consolidated subsidiaries	0.0	0.0	0.0
Net increase (decrease) in cash and cash equivalents at the beginning of the year due to changes to financial reporting period at consolidated subsidiaries	△0.0	-	0.0
Cash and cash equivalents at end of period	87.7	115.9	28.2

Net cash provided by operating activities was ¥199.5 billion, ¥113.2 billion more than for last year, mainly reflecting higher net income before taxes and minority interests. Net cash used in investing activities was △¥292.5 billion, a ¥114.4 billion decline from last year, primarily reflecting increased outflows for the acquisition of fixed assets, mainly accounted for by investments in vessels. Net cash provided by financing activities was ¥146.8 billion, a rise of ¥49.4 billion over last year, primarily due to an increase in commercial paper and proceeds from long-term debt, despite a decline in proceeds from the issuance of bonds. As a result, cash and cash equivalents increased by ¥26.5 billion during the period. After taking into account increases due to changes in the scope of consolidation, the balance of cash and cash equivalents stood at ¥115.9 billion at the end of the fiscal year, a rise of ¥28.2 billion.

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

	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008
1 Shareholders' equity ratio (%)	26.0	29.0	30.6	30.8	27.9
2 Shareholders' equity ratio at market price (%)	44.1	53.4	46.7	54.4	50.3
3 Cash flows vs ratio of interest-bearing debt (years)	5.9	3.6	5.5	10.3	5.1
4 Interest coverage ratio	6.0	10.4	8.5	5.0	8.8

1. Shareholders' equity ratio: shareholders' equity/total assets
2. Shareholders' equity ratio at market price: total market capitalization/total assets
3. Cash flows versus ratio of interest-bearing debt(years): interest-bearing debt/cash flow from operating activities
4. Interest coverage ratio: cash flow from operating activities/interest payment

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 payments in the consolidated statements of cash flows.

3. Basic Policy on Profit Distribution, and Current and Periodic for the Dividends

NYK Line places the highest priority on the return of profits to shareholders, and the Company's basic policy is to consistently maintain a stable dividend payment. In determining dividend levels, the Company takes into consideration the outlook with respect to its business results, the dividend payout ratio, and the level of retained earnings required to finance further expansions of the shipping, logistics and other related businesses while fortifying the Company against future changes in market conditions. On the basis of this policy, we have decided to pay a year-end dividend of ¥12 per share for the fiscal year ended March 31, 2008. Including an interim dividend of ¥12 per share, the total estimated annual dividend payment is ¥24 per share. For the fiscal year ending March 31, 2008, we intend to maintain the same level of dividend payments of ¥13 per share for both the interim and year-end dividends, for a total annual distribution of ¥26 per share.

2. The Group Overview

The NYK Group (the Group) consists of the reporting company (Nippon Yusen Kabushiki Kaisha (NYK Line), the Company), 687 consolidated subsidiaries and 74 affiliates accounted for by the equity method. The Group's companies are classified into eight business segments which are liner trade, bulk shipping, logistics, terminal and harbor transport services, cruises, real estate business, air cargo transportation and other services. The segments' main businesses and Group companies engaging in respective businesses are as follows:

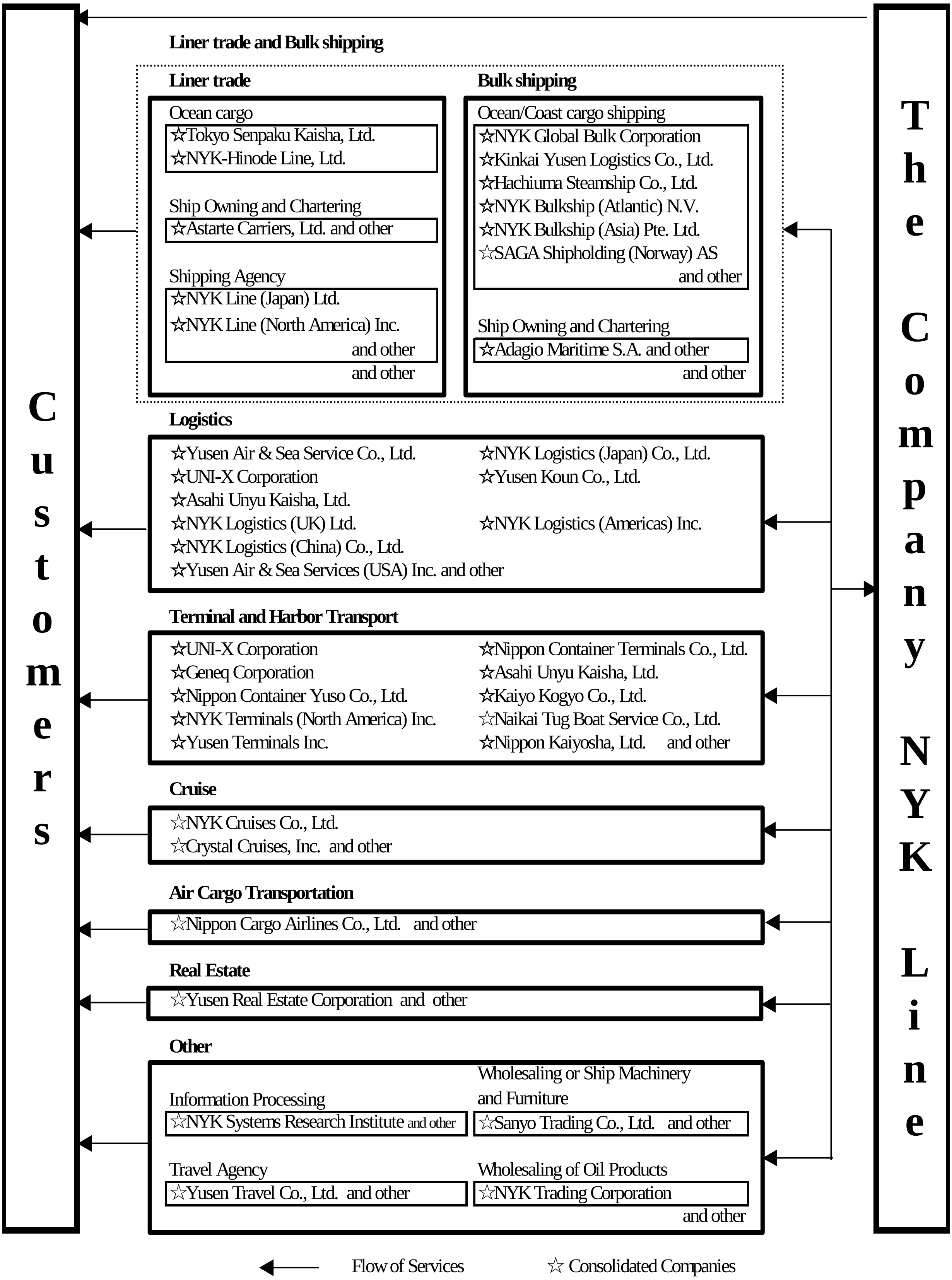
	Lines of Business	Relation with the Company
Liner Trade	The Company and its related companies provide international shipping services using liner ships for freights and charter fees as major revenue sources.	☆Tokyo Senpaku Kaisha, Ltd. ☆NYK-Hinode Line, Ltd. ☆NYK Line (Japan) Ltd. ☆NYK Line (North America) Inc. ☆Astarte Carriers, Ltd.
Bulk Shipping	The Company and its related companies provide international shipping services using bulk carriers, specialized carriers and tankers, and other shipping business etc. for freights, charter fees and vessel service commissions as major revenue sources.	☆NYK Global Bulk Corporation ☆Kinkai Yusen Logistics Co., Ltd. ☆Hachiuma Steamship Co., Ltd. ☆Asahi Shipping Co., Ltd. ☆Camellia Line Co., Ltd. ☆Pacific Maritime Corporation ☆Geneq Corporation ☆NYK Bulkship (Atlantic) N.V. ☆NYK Bulkship (Asia) Pte. Ltd. ☆Saga Shipholding (Norway) AS ☆NYK Reefers Ltd. ☆NYK Bulkship (Europe) LTD. ☆Antwerp Car Processing Center N.V. ☆NYK Bulkship (Korea) Co. Ltd. *Shinwa Kaiun Kaisha, Ltd. *Kyoei Tanker Co., Ltd. *Taiheiyo Kaiun Co., Ltd. *United European Car Carriers B.V. ☆Adagio Maritima S.A.
Logistics	The Company and its related companies globally operate warehousing and cargo transport/handling business, providing a comprehensive logistics service network integrating sea, earth and air freight services.	☆Yusen Air & Sea Service Co., Ltd. ☆NYK Logistics (Japan) Co., Ltd. ☆UNI-X Corporation ☆Yusen Koun Co., Ltd. ☆Asahi Unyu Kaisha, Ltd. ☆NYK Logistics (UK) Ltd. ☆NYK Logistics (Americas) Inc. ☆NYK Ligistics (China) Ltd. ☆Yusen Air & Sea Service (USA) Inc. ☆NYK Logistics (Thailand) Co., Ltd. ☆NYK Logistics (Deutchland) Gmbh ☆NYK Logistics (Hong Kong) Ltd. ☆NYK Logistics (Belgium) N.V. ☆NYK Logistics (Czech Republic) S.R.A. ☆NYK Logistics (Australia) Pty. Ltd. ☆NYK Logistics (France) S.A.S. ☆NYK Logistics (Polska) SP.ZO.O.
Terminal & Harbor Transport	The Company and its related companies engage in container terminals business, harbor transport services and tug boat service in Japan and overseas.	☆UNI-X Corporation ☆Nippon Container Terminals Co., Ltd. ☆Geneq Corporation ☆Asahi Unyu Kaisha, Ltd. ☆Nippon Container Yuso Co., Ltd. ☆Kaiyo Kogyo Co., Ltd.

		☆Naikai Tug Boat Service Co., Ltd. ☆Nippon Kaiyosha, Ltd. ☆NYK Terminals (North America) Inc. ☆Yusen Terminals Inc.
Cruise	The Company's related companies own luxury cruise ships and operate cruise business in the U.S. and Japan.	☆NYK Cruises Co., Ltd. ☆Crystal Cruises, Inc.
Air Cargo Transportation	The Company's related companies engage in air cargo transportation.	☆Nippon Cargo Airlines Co., Ltd.
Real Estate	The Company and its related companies engage in rental, management and sales of real estate.	☆Yusen Real Estate Corporation
Other	The Company's related companies engage in a wide variety of businesses including cargo shipping agency business, tugboat business, ship related machinery and instrumentation wholesaling, transport related ancillary services, information processing, oil wholesaling and travel services.	☆NYK Trading Corporation ☆NYK Systems Research Institute ☆Sanyo Trading Co., Ltd. ☆Yusen Travel Co., Ltd.

(Note) Companies with the "☆" symbol are consolidated subsidiaries. Companies with the "＊" symbol are affiliates accounted for by the equity method.

Yusen Air & Sea Service Co., Ltd., a consolidated subsidiary, is listed on the first section of the Tokyo Stock Exchange.

Diagram of the Group's Business Structure



3. Management Policy

1. We are focusing on the following four areas in our Management Policy.

Through safe and dependable “monohakobi”(transport), we contribute to the betterment of societies throughout the world as a comprehensive global-logistics enterprise offering sea, earth and air transportation.

Together with Our Shareholders and Investors:
We aim to enhance our corporate value by being financially responsible and by conducting business activities in an open, honest, and transparent fashion.

Together with Our Customers:
Through the use of our extensive skill and expertise and by considering each business site to be of utmost importance, we always work to create new value so that our customers will consider us a trusted and reliable partner.

Together with Society:
As a good corporate citizen, we positively take on the tough issues that challenge our society, such as concerns involving the preservation of our natural environment, as we work for the betterment of the world that we inhabit.

Together with All Staff Members in the NYK Group
As a global enterprise that has the utmost respect for diversity in the workplace and the spirit of challenge, we emphasize the development of employee talents so that all staff members can take pride in their work and eventually fulfill their dreams.

2. Medium to Long-Term Group Management Strategy and Management Indicators

The NYK Group initiated a new medium-term management plan, entitled *New Horizon 2010*, for the period from fiscal 2008 to 2010 (April 2008 – March 2011), and with a view to fiscal 2013 (April 2013 – March 2014). Pursuing the strategies set forth in the previous medium-term management plan, *New Horizon 2007*—expand the shipping business, transform into a logistics integrator, and enhance our business platform—saw us achieve new record highs for each component of the balance sheet earnings equation during fiscal 2007 (April 2007 – March 2008). Our new medium-term business plan will allow us to build on these results and achieve further growth in an increasingly difficult operating environment.

Basic Strategies set out in *New Horizon 2010*

Our new medium-term management plan, *New Horizon 2010*, sets out the key concepts of *growth*, *stability*, and *the environment*, along with the task of strengthening CSR-oriented management, which supports efforts in these areas. The plan is organized around the theme of "becoming a continuous-growth, global monohakobi(transport) enterprise".

Underpinning the first key concept, *growth*, is the intensification of our integrated logistics strategy that spans operations at sea, over earth, and in the air. We are actively servicing of our fleet to meet vigorous demand for transportation, mainly for natural resources and energy, as well as expanding our operations in emerging nations and growth regions. The second key concept, *stability*, means promoting our core customer program, which aims to bolster customer-focused services, working to acquire long-term contracts with foreign and domestic customers in the natural resources and energy transport sectors, and maintaining a sound financial position that will enable us to follow through with our strategies. The third key concept, *the environment*, embodies our vision to be an environmentally advanced corporate group that fulfills its responsibilities as a global corporate citizen. We aim to achieve this through absolute dedication to safety in our operations at sea, over earth, and in the air and active investment in the development of environmentally friendly technologies. To develop a firm foundation for achieving these basic strategies, we are working to bolster our CSR-oriented management practices by, for example, developing global human resources, ensuring transparency of management, contributing to society, and carrying out public relations activities.

(billions of yen)

Years ending March 31	2008 Planned	2009 Planned	2010 Planned
Revenues	2,700	2,900	3,200
Recurring profit	210	220	220
Net income	140	145	145

2013 Planned
Revenues should exceed 3.6 trillion and recurring profit should top 260 billion.

(assumptions)

Exchange rates	¥100.00／$
Bunker oil price	$500／MT

(Balance of Growth and Financial Stability)

(billions of yen)

Years ending March 31	2008 Planned	2009 Planned	2010 Planned
Interest-bearing debt at year-end	1,110	1,080	1,070
Total shareholders' equity at year -end	830	9,39	1,030
Shareholders' equity ratio (%)	32%	34%	36%
DER	1.3	1.2	1.0
ROIC	7.1%	7.3%	7.0%
Cash flows from operating activities	210	250	250
Cash flow from investing activities	-250	-190	-190

Dividend Policy

NYK Line regards the return of profits to shareholders as one of the most important issues it faces as part of its operations. The Company's basic policy, therefore, is to consistently maintain stable payment of dividends. In determining dividend levels, the Company takes into consideration the outlook with respect to its business results, the dividend payout ratio and level of retained earnings required to finance further expansions of the maritime and other logistics related businesses and the development of new businesses, as well as to fortify the Company against future changes in market conditions that may occur in the industry. Dividends will be determined with consideration given to our results outlook and a target dividend payout ratio of 25%.

3. Issues to be addressed

The NYK Group is paying particular attention to the following five management issues:

1) Environmental Problems
The environment is the stage on which our Group operates, and our company views the protection of the environment as one of the most pressing management issues. We intend on establishing clear leadership as an environmentally advanced corporate group. In April 2008, we set up a Special Environmental Project, named the "NYK Cool Earth Project", under the direct control of the company president. We have set a target of a 10% reduction in CO2 emissions, compared with our 2006 levels, by 2013, and we implementing business model reforms that include, for example, investing in the development of innovative environmental technologies, leading debate regarding international environmental policy on the shipping business, and low speed navigation aimed at reducing fuel consumption.

2) Strategies related to fuel costs
Fuel oil costs have remained at high levels, continue to account for a rising proportion of our total operating expenses, and exert considerable downward pressure on earnings. Reducing fuel consumption, which results directly in a reduction in CO2 emissions, is an important element of our commitment to environmental problems. It also has a significant affect on our earnings through reduced fuel costs, and we will therefore be emphasizing measures to reduce fuel consumption, such as continuous and detailed route management and reduced-speed navigation.

3) Improving the performance of Nippon Cargo Airlines Co., Ltd.
Improving performance at Nippon Cargo Airlines Co., Ltd., which handles our air freight operations, is a matter of urgency, and the whole Group is working to rebuild in this area. With the aim of developing into a specialist air-freight company that maintains consistent levels of safety and boasts world-class competitiveness in cost, efficiency, and quality, we are working to achieve independence in the operation and servicing of freight aircraft and specialize in leading edge, large-scale freight aircraft. We are strengthening our position in the growing Asian air-freight market by concentrating on trade that connects Japan and Asia with North America and Europe as well as trade that connects Japan with major Asian cities.

4) Strengthening our logistics integration strategy
Our ability to provide transportation and logistics services spanning our operations at sea, over earth, and in the air is our Group's greatest strength. Before the previous medium-term management plan, *New Horizon 2007*, we attempted to revive or increase profits in our separate businesses. After turning the logistics business into a profit-making area, we set out, in *New Horizon 2007*, the strategy of transforming into a logistics integrator with a full range of transportation modes at its disposal—sea, earth, and air. Under our new medium-term management plan, *New Horizon 2010*, we intend to build on the results of the previous plan and aim to bring about stability in our fixed-service operations business and distribution business as well as to strengthen our logistics integration strategy.

5) Bolstering CSR-oriented management practices
Management practices that emphasize corporate social responsibility (CSR) are the foundation of our basic strategies of *growth*, *stability*, and *the environment* under the new medium-term management plan, *New Horizon 2010*, and we will therefore be prioritizing efforts related to safety and environmental problems. We will continue to institute a highly transparent management framework by, for instance, appointing outside directors* and implementing global internal control systems and compliance standards. The NYK Group is a global company with more than 50,000 employees worldwide. We are keenly aware that it is our Group's employees who are the foundation of our company, and we are committed to developing human resources, ensuring respect for human rights, and providing appropriate working environments. To ensure that our employees also support CSR-oriented management practices, we instill the concept of NYK Group Values (integrity, innovation, and intensity) into Group employees around the world. Our vision is to be a corporate group that appropriately meets society’s expectations and justifies society’s trust.
Our efforts are on track to develop internal control systems in accordance with the Financial Instruments and Exchange Act, which comes into effect in April this year.

Note: This is subject to approval at the regular shareholders meeting to be held in June this year.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	As of March 31, 2007 (A)		As of March 31, 2008 (B)		(B) - (A)
	Amount	%	Amount	%	Amount
Assets					
I. Current assets					
1. Cash and time deposits	92,285		120,193		27,907
2. Notes and accounts receivable-trade	232,252		256,204		23,951
3. Marketable securities	2,265		2,457		191
4. Inventories	38,639		54,357		15,717
5. Deferred/prepaid expenses	58,142		67,655		9,512
6. Deferred tax assets	3,415		8,482		5,066
7. Other	118,182		98,666		-19,515
8. Allowance for doubtful accounts	-5,213		-5,948		-734
Total current assets	539,971	25.3	602,067	26.3	62,096
II. Fixed assets					
1. Tangible fixed assets					
(1) Vessels	471,987		624,895		152,908
(2) Buildings and structures	82,125		83,610		1,485
(3) Aircraft	19,764		9,402		-10,362
(4) Machinery, equipment and vehicles	40,778		41,180		401
(5) Equipment and fixtures	8,026		8,262		236
(6) Land	64,339		61,287		-3,052
(7) Construction in progress	251,807		296,040		44,232
(8) Other	7,498		7,265		-232
Total tangible fixed assets	946,328	44.3	1,131,945	49.5	185,617
2. Intangible fixed assets					
(1) Leasehold	2,189		1,516		-673
(2) Software	30,731		29,697		-1,033
(3) Goodwill	31,688		28,797		-2,890
(4) Other	6,537		5,404		-1,132
Total intangible fixed assets	71,146	3.3	65,415	2.9	-5,730
3. Investments and other assets					
(1) Investment securities	454,303		377,899		-76,404
(2) Long-term loans	17,900		15,907		-1,992
(3) Deferred tax assets	9,244		9,387		143
(4) Other	99,036		82,571		-16,464
(5) Allowance for doubtful accounts	-4,055		-963		3,092
Total investments and other assets	576,429	27.0	484,802	21.2	-91,626
Total fixed assets	1,593,903	74.6	1,682,164	73.6	88,260
III. Deferred Assets	1,566	0.1	1,781	0.1	214
Total assets	2,135,441	100.0	2,286,013	100.0	150,571

(In million yen)

	As of March 31, 2007 (A)		As of March 31, 2008 (B)		(B) - (A)
	Amount	%	Amount	%	Amount
Liabilities					
I. Current liabilities					
1. Notes and accounts payable-trade	197,015		215,613		18,597
2. Current portion of long-term corporate bonds	21,000		16,000		-5,000
3. Short-term loans	285,187		287,955		2,768
4. Commercial paper	-		19,000		19,000
5. Income tax payable	25,046		50,997		25,951
6. Deferred tax liabilities	3,877		3,414		-463
7. Advances received	61,545		69,172		7,626
8. Employees' bonuses accrued	9,576		9,381		-195
9. Directors' bonuses accrued	520		560		39
10. Allowance for operating losses	-		2,824		2,824
11. Other	93,280		100,147		6,867
Total current liabilities	697,050	32.6	775,066	33.9	78,016
II. Long-term liabilities					
1. Bonds	167,334		211,266		43,931
2. Long-term debt	417,231		487,975		70,743
3. Deferred tax liabilities	87,503		54,214		-33,289
4. Reserve for employees' retirement benefits	17,479		15,857		-1,621
5. Reserve for directors' retirement benefits	2,597		2,761		164
6. Reserve for periodic dry docking of vessels	3,338		6,946		3,607
7. Other	42,188		52,888		10,699
Total long-term liabilities	737,673	34.6	831,909	36.4	94,235
Total liabilities	1,434,724	67.2	1,606,976	70.3	172,252
Net assets					
I. Shareholders' capital					
1. Common stock	88,531	4.1	88,531	3.9	-
2. Additional paid-in capital	97,188	4.6	97,212	4.3	23
3. Retained earnings	312,605	14.6	401,044	17.5	88,438
4. Treasury stock	-858	-0.0	-1,339	-0.1	-480
Total shareholders' capital	497,466	23.3	585,449	25.6	87,982
II. Valuation and translation adjustments					
1. Net unrealized holding gains on available-for-sale securities	136,954	6.4	85,668	3.7	-51,286
2. Net deferred gains on hedge contracts	14,361	0.7	-20,712	-0.9	-35,073
3. Foreign currency translation adjustments	8,307	0.4	-12,442	-0.5	-20,749
Total valuation and translation adjustments	159,622	7.5	52,513	2.3	-107,109
III. Minority interests	43,628	2.0	41,074	1.8	-2,554
Total net assets	700,717	32.8	679,036	29.7	-21,680
Total liabilities and net assets	2,135,441	100.0	2,286,013	100.0	150,571

(2) Consolidated Statements of Income

(In million yen)

	Year Ended March 31, 2007 (A)		Year Ended March, 2008, 2008 (B)		(B)-(A)	Versus Previous Year
	Amount	%	Amount	%	Amount	%
I. Revenues	2,164,279	100.0	2,584,626	100.0	420,346	19.4
II. Cost and expenses	1,840,784	85.1	2,128,849	82.4	288,064	15.6
Gross profit	323,495	14.9	455,777	17.6	132,282	40.9
III. Selling, general and administrative expenses	218,553	10.1	253,698	9.8	35,144	16.1
Operating income	104,941	4.8	202,079	7.8	97,137	92.6
IV. Non-operating income						
1. Interest and dividend income	12,000		13,784		1,784	
2. Equity in income of non-consolidated subsidiaries and affiliates	5,522		11,040		5,518	
3. Other non-operating income	8,349		6,277		-2,071	
Total non-operating income	25,872	1.2	31,103	1.2	5,230	20.2
V. Non-operating expenses						
1. Interest expenses	18,285		22,781		4,495	
2. Other non-operating expenses	4,994		11,920		6,926	
Total non-operating expenses	23,279	1.0	34,701	1.3	11,421	49.1
Recurring profit	107,534	5.0	198,480	7.7	90,946	84.6
VI. Extraordinary gains						
1. Gain on sale of fixed assets	4,001		13,528		9,526	
2. Gain on sale of investment securities	11,047		4,738		-6,309	
3. Other extraordinary gains	4,344		2,096		-2,248	
Total extraordinary gains	19,393	0.9	20,363	0.8	969	5.0
VII. Extraordinary losses						
1. Loss on disposal of non-current assets	1,140		1,308		167	
2. Reversal of allowance for doubtful accounts	2,720		-		-2,720	
3. Additional expenses for operation and maintenance	1,608		-		-1,608	
4. Impairment losses	-		7,299		7,299	
5. Allowance for operating losses for double accounts	-		3,246		3,246	
6. Other extraordinary losses	6,322		6,498		176	
Total extraordinary losses	11,790	0.6	18,352	0.7	6,561	55.6
Income before income taxes and minority interests	115,136	5.3	200,491	7.8	85,354	74.1
Income taxes - current	44,171	2.0	78,789	3.1	34,618	78.4
Income taxes - deferred	4,430	0.2	3,122	0.1	-1,307	-29.5
Minority interests	1,496	0.1	4,439	0.2	2,942	196.6
Net income	65,037	3.0	114,139	4.4	49,101	75.5

(3) Statements of Changes in Consolidated Net Assets

Year ended March 31, 2007 (April 1, 2006 – March 31, 2007) (In million yen)

	Shareholders' capital					Valuation and translation adjustments					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' capital	Net unrealized holding gains on available-for-sale securities	Net deferred gains on hedge contracts	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2006	88,531	94,427	266,567	-3,770	445,755	127,756	-	1,854	129,610	35,977	611,343
Change during the period											
Distribution of retained earnings*			-10,984		-10,984						-10,984
Distribution of retained earnings			-11,058		-11,058						-11,058
Directors' bonuses*			-461		-461						-461
Net Income			65,037		65,037						65,037
Purchase of treasury stock				-366	-366						-366
Disposal of Treasury stock		2,761		3,278	6,039						6,039
Increase in retained earnings due to an increase in the number of consolidated subsidiaries			2,120		2,120						2,120
Increase in retained earnings due to changes in accounting period of consolidated subsidiary			87		87						87
Decrease in retained earnings due to an increase in the number of consolidated subsidiaries			-14		-14						-14
Increase in retained earnings due to an increase in the number of affiliates accounted by the equity method			503		503						503
Decrease in retained earnings due to an increase in the number of affiliates accounted by the equity method			-218		-218						-218
Other			1,026		1,026						1,026
Net change in items other than shareholders' capital during the period						9,197	14,361	6,452	30,011	7,651	37,663
Total change during the period	-	2,761	46,037	2,911	51,710	9,197	14,361	6,452	30,011	7,651	89,374
Balance as of March 31, 2007	88,531	97,188	312,605	-858	497,466	136,954	14,361	8,307	159,622	43,628	700,717

* Based on a resolution on the appropriation of retained earnings adopted at the Annual General Meeting of Shareholders held in June 2006.

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008) (In million yen)

	Shareholders' capital					Valuation and translation adjustments					
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' capital	Net unrealized holding gains on available-for-sale securities	Net deferred gains on hedge contracts	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2007	88,531	97,188	312,605	-858	497,466	136,954	14,361	8,307	159,622	43,628	700,717
Change during the period											
Distribution of retained earnings			-25,794		-25,794						-25,794
Net Income			114,139		114,139						114,139
Purchase of treasury stock				-518	-518						-518
Disposal of treasury stock		23		38	61						61
Increase in retained earnings due to an increase in the number of consolidated subsidiaries			754		754						754
Increase in retained earnings due to merger of unconsolidated subsidiaries			105		105						105
Decrease in retained earnings due to an increase in the number of consolidated subsidiaries			-243		-243						-243
Decrease in retained earnings due to an decrease in the number of consolidated subsidiaries			-15		-15						-15
Increase in retained earnings due to an increase in the number of affiliates accounted for by the equity method			0		0						0
Decrease in retained earnings due to an increase in the number of affiliates accounted for by the equity method			-1		-1						-1
Other			-507		-507						-507
Net change in items other than shareholders' capital during the period						-51,286	-35,073	-20,749	-107,109	-2,554	-109,663
Total change during the period	-	23	88,438	-480	87,982	-51,286	-35,073	-20,749	-107,109	-2,554	-21,680
Balance as of 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

(4) Consolidated Statements of Cash Flows

(In million yen)

	Year ended March 31, 2007 (A)	Year ended March 31, 2008 (B)	(B)–(A)
	Amount	Amount	Amount
I Cash flows from operating activities:			
Income before income taxes and minority interests	115,136	200,491	85,354
Depreciation and amortization	80,487	92,400	11,913
Impairment loss on non-current assets	806	7,299	6,492
Loss/gain on sale and disposal of tangible and intangible non-current assets, net	-2,861	-12,219	-9,358
Loss/gain on sale of marketable and investment securities, net	-11,068	-4,738	6,329
Loss/gain on devaluation of marketable and investment securities	1,039	656	-383
Equity in earnings of unconsolidated subsidiaries and affiliates	-5,522	-11,040	-5,518
Interest and dividend income	-12,000	-13,784	-1,784
Interest expenses	18,285	22,781	4,495
Loss/gain on foreign currency exchange	-6,772	1,403	8,176
Decrease/increase in notes and accounts receivable	-11,396	-29,630	-18,233
Decrease/increase in inventories	-3,582	-16,553	-12,971
Increase/decrease in notes and accounts payable	6,761	18,810	12,049
Other, net	-29,405	-243	29,162
Subtotal	139,908	255,632	115,724
Interest and dividend received	14,335	18,180	3,845
Interest paid	-17,335	-22,606	-5,271
Payments for income taxes	-50,678	-51,681	-1,002
Net cash provided by operating activities	86,229	199,525	113,295
II Cash flows from investing activities:			
Purchase of marketable securities	-709	-355	353
Proceeds from sale of marketable securities	481	251	-230
Expenditures for tangible and intangible non-current assets	-271,948	-501,330	-229,381
Proceeds from sale of tangible and intangible non-current assets	130,727	217,084	86,357
Purchase of investment securities	-52,466	-20,051	32,415
Proceeds from sale of investment securities	23,035	10,322	-12,713
Lending of loans receivable	-28,049	-5,266	22,783
Collection of loans receivable	15,641	5,861	-9,779
Other, net	5,245	974	-4,270
Net cash used in investing activities	-178,043	-292,510	-114,466
III Cash flows from financing activities			
Net increase/decrease in short-term bank loans	51,660	46,846	-4,813
Net increase/decrease in commercial paper	-32,700	19,000	51,700
Proceeds from long-term loans	110,852	175,304	64,451
Repayments of long-term loans	-96,335	-106,325	-9,989
Proceeds from bonds	84,755	59,788	-24,966
Repayments of bonds	-4,800	-21,000	-16,200
Proceeds from stock issue for minority shareholders	977	120	-856
Purchase of treasury stock	-366	-518	-152
Proceeds from sale of treasury stock	6,039	61	-5,977
Cash dividends paid by the Company	-22,043	-25,794	-3,751
Cash dividends paid by subsidiaries to minority shareholders	-676	-654	21
Net cash provided by financing activities	97,363	146,829	49,465
IV Effect of exchange rate changes on cash and cash equivalents	2,793	-27,289	-30,083
V Increase/decrease in cash and cash equivalents	8,343	26,555	18,211
VI Cash and cash equivalents, at beginning of period	78,487	87,709	9,221
VII Increase in cash and cash equivalents due to change in consolidation scope	869	1,623	754
VIII Increase in cash and cash equivalents due to merger of consolidated subsidiaries	10	75	65
IX Increase/decrease in cash and cash equivalents due to change in accounting periods for consolidated subsidiaries	-1	-	1
X Cash and cash equivalents, at end of period	87,709	115,963	28,254

(5) Significant Information Regarding the Preparation of Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries: 687

(Name of major consolidated subsidiaries:

NYK Global Bulk Corporation, Tokyo Senpaku Kaisha Ltd., Nippon Cargo Airlines Co., Ltd., Hachiuma Steamship Co., Ltd., NYK-Hinode Line, Ltd., NYK Cruises Co., Ltd., Yusen Air & Sea Service Co., Ltd., NYK Trading Corporation, UNI-X Corporation, and 678 other subsidiaries

2. Application of the equity method

Number of subsidiaries accounted for by the equity method: 31

(Yusen Travel (Hong Kong) LTD. and 30 other companies)

Number of affiliated companies accounted for by the equity method: 43

(Shinwa Kaiun Kaisha, Ltd. and 42 other companies)

3. Changes in scope of consolidation and application of the equity method

(1) Consolidated subsidiaries

Number of newly consolidated companies: 79

The names of the companies are as follows:

91 BERMUDA LTD.
AIRPORT SIDE MARITIMA S.A.
ASSAM SHIPHOLDING S.A.
BISCUIT SHIPHOLDING S.A.
BRUNI INTERNATIONAL, INC.
BULBASAUR MARITIMA S.A.
CARANX MARITIMA S.A.
CELLO SHIPHOLDING S.A.
CHARIZARD MARITIMA S.A.
CHARMELEON MARITIMA S.A.
CLICQUOT SHIPHOLDING S.A.
CONTRABASS SHIPHOLDING S.A.
DIPLODUS MARITIMA S.A.
FAGGOT SHIPHOLDING S.A.
FLUTE SHIPHOLDING S.A.
FUKUOKA SHIPHOLDING PTE. LTD.
GANA SHIPPING PTE. LTD.
GLOBAL JOURNEY S.A.
HORN SHIPHOLDING S.A.
KAGOSHIMA SHIPHOLDING PTE. LTD.
KUMAMOTO SHIPHOLDING PTE. LTD.
LOLIGO MARITIMA S.A.
MUMM SHIPHOLDING S.A.
NLV LTD.
NYK DELPHINUS CORPORATION
NYK DENEB CORPORATION
NYK LINE (BANGLADESH) LTD.
NYK LINE (KOREA) CO.,LTD.
NYK LNG TRANSPORT UK 1 LTD.
NYK OLYMPUS CORPORATION
NYK VIRGO CORPORATION
NYK-SCF LNG SHIPPING NO.2 LTD.
OITA SHIPHOLDING PTE. LTD.
POMMERY SHIPHOLDING S.A.
REBUN SHIPPING PTE. LTD.
SAN GABRIEL INDUSTRIES, INC.
SUR MARITIMA S.A.
TROMBONE SHIPHOLDING S.A.
VIOLIN SHIPHOLDING S.A.
ZUSHI MARITIMA S.A.
94 BERMUDA LTD.
ALOSA MARITIMA S.A.
BIEI SHIPPING PTE. LTD.
BRULE SHIPHOLDING S.A.
BUDDHI SHIPPING PTE. LTD.
BUTTERFREE MARITIMA S.A.
CATERPIE MARITIMA S.A.
CHAKRA SHIPPING PTE. LTD.
CHARMANDER MARITIMA S.A.
CLARINET SHIPHOLDING S.A.
CONCHIGLIE SHIPHOLDING S.A.
DAESHIM SHIPPING PTE. LTD.
ECLAIR SHIPHOLDING S.A.
FARFALLE SHIPHOLDING S.A.
FUDOKI SHIPPING PTE. LTD.
GALEUS MARITIMA S.A.
GLOBAL IRIS S.A.
GOSSET SHIPHOLDING S.A.
IVYSAUR MARITIMA S.A.
KRUG SHIPHOLDING S.A.
LANSON SHIPHOLDING S.A.
METAPOD MARITIMA S.A.
NAGASAKI SHIPHOLDING PTE. LTD.
NYK BULKSHIP (ATLANTIC) N.V.
NYK DEMETER CORPORATION
NYK DIANA CORPORATION
NYK LINE (INDIA) LTD.
NYK LINE (MACAU) LTD.
NYK OCEANUS CORPORATION
NYK ORION CORPORATION
NYK-SCF LNG SHIPPING NO.1 LTD.
OBOE SHIPHOLDING S.A.
PAGRUS MARITIMA S.A.
QIMEN SHIPHOLDING S.A.
ROBIGUS SHIPPING PTE. LTD.
SIKKIM SHIPHOLDING S.A.
TIMPANI SHIPHOLDING S.A.
UVA SHIPHOLDING S.A.
WEEDLE MARITIMA S.A.

Number of companies excluded from consolidation: 24

The names of the companies are as follows:

NYK LOGISTICS (JAPAN) CO., LTD.	ANTEVORTE SHIPPING PTE. LTD.
BETULA SHIPHOLDING S.A.	CANTERBURY SHIPHOLDING S.A.
CANTERBURY SHIPHOLDING II S.A.	EBISU MARITIMA S.A.
ERICA SHIPHOLDING S.A.	GANBA MARITIMA S.A.
HIKAWA (SINGAPORE) PTE. LTD.	JYOJIN SHIPHOLDING S.A.
KYOJIN SHIPHOLDING S.A.	LAVENDER NAVIGATION S.A.
MAGIC MARITIMA S.A.	MONDIA ARTOIS S.A.S.
MONDIA GRENOBLE S.A.S.	MONTEDIO MARITIMA S.A.
NYK BULKSHIP (USA) INC.	REYSOL MARITIMA S.A.
TAXA SHIPHOLDING S.A.	TENJIN SHIPHOLDING S.A.
TIDEWAY MARITIMA S.A.	UTOPIA MARITIMA S.A.
VEGALTA MARITIMA S.A.	YUJIN SHIPHOLDING S.A.

(2) Affiliated companies accounted for by the equity method:

Number of companies newly included as companies accounted for by equity method: 33

The names of the companies are as follows:

NYK ARMATEUR S.A.S.	PENINSULA LNG TRANSPORT NO.4 LTD.
TATA NYK SHIPPING PTE. LTD.	And 30 other companies

4. Accounting period of consolidated subsidiaries

For the consolidated subsidiaries whose closing dates of account were different from that of the consolidated statements, financial statements as of the closing date of account of respective companies were used for the purpose of consolidation. Necessary consolidation adjustments have been made to account for significant events, if any, that took place between the two dates. There were 51 consolidated subsidiaries whose closing dates of account fell on December 31 and one consolidated subsidiary whose closing date of account was February 29. For three of the consolidated subsidiaries whose closing dates of account fell on December 31, pro forma financial statements as of the closing date of the consolidated statements were used for the purpose of consolidation.

5. Significant accounting policies

(1) Valuation of principal assets

Securities held-to-maturity	Valued at their amortized cost, determined principally by the straight-line method of amortization
Other securities	
With market quotes	Principally stated at the average of market value for the last month of the fiscal year (All appraisal differentials are capitalized and costs of sales are generally computed by the moving average method.)
Without market quotes	Principally stated at cost, determined by the moving average method
Derivatives	Valued at market quotation
Inventories	Generally stated at the lower of cost or market quotation, determined by principally the moving average method

(2) Depreciation and amortization

Tangible assets	Generally by the straight-line method based on the Japanese Corporation Tax Law
Intangible fixed assets	
Computer software	Generally by the straight-line method based principally on the length of period it can be used internally (five years)
Other intangible assets	Generally by the straight-line method based on the Japanese Corporation Tax Law

(3) Deferred assets

Bond Issue Expense	Bond Issue Expense is amortized monthly on the length of period of redemption of bonds

(4) Recognition of allowances/reserves

Allowance for doubtful accounts	Allowance for doubtful accounts is provided to cover possible losses from bad debts. Allowance with respect to non-classified loans/receivables is calculated based on historical default rates. For classified loans/receivables the Company states an amount deemed to be unrecoverable based on the prospect of recovery of individual loans/receivables.

Reserve for employees' bonuses	Employees' bonuses accrued is reserved for the portion relevant to the current fiscal year of the amount estimated for payment of the bonuses in the future.
Revenue of director's bonuses	Directors' bonuses accrued is reserved for the portion relevant to the current interim fiscal year of the amount estimated for payment of the bonuses in the future.
Reserve for employees' retirement benefits	The Company provides reserve for employees' retirement benefits based on estimated retirement benefit obligations and outstanding amount of pension assets at the end of the interim fiscal year. Past service liabilities are mainly amortized on a straight-line basis over a term(8years) that dose not exceed the average remaining service period of employees who are expected to receive benefits under the plans. Unrecognized actuarial net differences are mainly amortized from the immediately following year on a straight-line basis over a term (8 years) that does not exceed the average remaining service period of employees who are expected to receive benefits under the plans.
Reserve for directors' retirement benefits	The Company provides reserve for directors' retirement benefits based on the amount of retirement benefit payable at the end of the interim fiscal year in accordance with internal regulations of the Company and its 54 consolidated subsidiaries.
Reserve for periodic dry-docking of vessels	Reserve for periodic dry-docking of vessels is provided for based on the estimated amount of expenditure for periodic dry-docking in the future.
Allowance for operating losses	The company records reasonably estimable amounts as of the end of the fiscal period for losses expected to arise in relation to the business activities of consolidated subsidiaries.

(5) Accounting for leases

Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are accounted for by the method similar to that applicable to ordinary operating leases in accordance with accounting principles and practices generally accepted in Japan.

(6) Method of Accounting for Material Hedge Transactions

For the derivative financial instruments used to offset the risks of assets and liabilities due to fluctuations in interest rates, foreign currency exchange rates and cash flow, the Company applies hedge accounting. In addition, hedge accounting is also applied to derivative financial instruments used to mitigate the risks of price fluctuations in fuel procurement, etc. For the hedge accounting, the Company adopts a Deferred Hedge Method that requires the Company to mark the derivative financial instruments, effective as hedges, to market, and to defer the valuation loss/gain. For the currency swap contracts and forward foreign exchange contracts that meet the required conditions of the accounting standard, the Company translates hedged foreign currency assets and liabilities at the rate stipulated in respective contracts. For the interest rate swap contracts and interest rate cap contracts that meet specified conditions of the accounting standard, the related interest differentials paid or received under the contracts are included in the interest income/expenses of the hedged financial assets and liabilities. Interest rate swaps are used to hedge the borrowings and bonds against possible changes in interest rates, while currency swap, forward exchange contracts and foreign currency denominated assets/liabilities are used to hedge monetary assets and liabilities and other foreign currency denominated transactions against possible changes in exchange rates. Swap transactions are used to hedge fuel oil against possible fluctuations in price. Semi-annually, the Company evaluates effectiveness of hedging transactions by comparing accumulated changes in market price and cash flows of hedging transactions with those of the hedged transactions, provided that interest rate swap and interest rate cap transactions that are subject to special accounting treatment as noted above are excluded from the evaluation.

6. Evaluation of Assets and Liabilities of Consolidated Subsidiaries

The entire assets and liabilities of consolidated subsidiaries are evaluated at market.

7. Goodwill disposal

Goodwill is amortized evenly for the length from 5years to 20years.

8. Scope of cash and cash equivalents in the interim consolidated statements of cash flows

Cash and cash equivalents in the interim consolidated statements of cash flows are composed of cash on hand, bank deposits withdrawable on demand, and short-term investments with original maturities of three months or less, which are exposed to minor value fluctuation risks.

(6) Changes in Significant Accounting Policies Used in the Preparation of Consolidated Financial Statements

Changes to Accounting Procedures

1. In accordance with revisions to the Corporate Tax Act and effective from the interim period under review, the Company and certain consolidated subsidiaries switched to depreciation methods based on the revised Corporate Tax Act for tangible fixed assets acquired on or after April 1, 2007. The effect of this change on the Company's profit and loss account is negligible.
2. Effective from the current period, the Company altered the business segment classifications under which it provides segment information. Details are provided in the relevant section.

Changes in the Presentation of Accounts

The “Reversal for allowance for doubtful accounts” (762 million yen), which was presented separately in the previous fiscal year, is included in “Other” under extraordinary losses since it accounted for less that 10/100 of the total value of extraordinary losses.
“Impairment losses” (806 million yen), which were included in “Other” under extraordinary losses in the previous fiscal year, were presented separately in the fiscal year under review since they accounted for more than 10/100 of the total value of extraordinary losses.

Additional Information

1. In accordance with revisions to the Corporate Tax Act, assets acquired on or before March 31, 2007, are depreciated using methods based on the Corporate Tax Act before its revision until they reach 5% of their acquisition cost; from the following fiscal period, the difference between 5% of the acquisition cost and the memorandum price is depreciated straight-line over five years and recorded in depreciation. The effect of this change on the Company's profit and loss account is negligible.
2. From April 1, 2007, the Company switched from the use of retirement benefit plans consisting mainly of tax-qualified pension plans to defined benefit corporate pension plans. This change gave rise to a pension liability of ¥3,328 million.
3. US and European authorities are investigating major airlines worldwide in relation to suspicions of a price-fixing cartel in cargo transport. Nippon Cargo Airlines Co., LTD. (NCA), a consolidated subsidiary of the Company, has been under investigation by US authorities since February 2006 and by the European Commission since December 2006 and has given its full cooperation. In Europe, NCA received an official statement of objections from the European Commission in December 2007. In the US, class-action suits against NCA are pending, although a value has not yet been set for the claims. The results of these investigations and law suits have the potential to impact NCA’s operating results. However, producing reasonable estimates of this impact is difficult as the investigations are still on going.
4. On April 16, 2008, Yusen Air & Sea Service Co., Ltd., a consolidated subsidiary of the Company, and other leading air-cargo companies in Japan were raided by Japan's Fair Trade Commission on suspicion of violating the Anti-Monopoly Act with respect to international air-cargo fees and fuel surcharges. The results of the investigation have the potential to impact the operating results of Yusen Air & Sea Service Co., Ltd. However, producing reasonable estimates of this impact is difficult at this stage.

(7) Explanatory Notes to Financial Statements

(Segment Information)

(1) Segment information by business

Year Ended March 31, 2007 (April 1, 2006 – March 31, 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
I Revenues and Operating costs and expenses											
(1) Revenues from customer	568,459	776,823	480,558	94,487	44,140	88,215	9,054	102,541	2,164,279	-	2,164,279
(2) Inter-segment revenues	5,534	6,476	2,141	32,412	-	8,797	2,580	75,598	133,540	-133,540	-
Total	573,993	783,299	482,700	126,899	44,140	97,012	11,634	178,139	2,297,820	-133,540	2,164,279
Operating costs and expenses	583,873	678,689	466,579	118,995	39,058	118,611	8,643	178,993	2,193,443	-134,105	2,059,337
Operating income/loss	-9,879	104,610	16,120	7,904	5,082	-21,598	2,991	-853	104,376	564	104,941
Recurring profit/loss	-9,670	104,341	16,963	5,593	4,611	-18,437	3,618	502	107,522	11	107,534
II											
Assets	301,698	1,108,961	243,737	147,293	41,504	98,849	65,837	497,876	2,505,759	-370,317	2,135,441
Depreciation and amortization	7,118	50,540	6,995	4,516	2,199	6,031	1,046	2,049	80,497	-10	80,487
Capital expenditures	70,512	129,079	6,324	7,753	3,481	51,678	390	2,728	271,948	-	271,948

Year ended March 31, 2008 (April 1, 2007 – March 31, 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
I Revenues and Operating costs and expenses											
(1) Revenues from customer	660,289	1,032,405	524,247	115,191	46,713	92,217	9,049	104,511	2,584,626	-	2,584,626
(2) Inter-segment revenues	6,168	6,704	2,689	36,167	-	10,396	2,470	100,582	165,179	-165,179	-
Total	666,457	1,039,109	526,936	151,359	46,713	102,614	11,519	205,093	2,749,805	-165,179	2,584,626
Operating costs and expenses	654,864	860,659	510,890	140,271	41,417	124,661	8,045	206,926	2,547,737	-165,189	2,382,547
Operating income/loss	11,592	178,450	16,046	11,088	5,295	-22,047	3,474	-1,832	202,068	10	202,079
Recurring profit/loss	11,478	174,100	17,172	9,447	5,069	-23,238	4,199	241	198,469	10	198,480
II											
Assets	317,102	1,290,191	247,500	148,754	44,303	109,244	61,361	546,135	2,764,593	-478,580	2,286,013
Depreciation and amortization	9,534	59,211	7,688	6,269	1,917	4,780	946	2,061	92,409	-8	92,400
Impairment losses	-	-	104	266	-	6,893	-	34	7,299	-	7,299
Capital expenditures	135,100	291,821	9,536	7,083	1,540	50,957	3,337	1,952	501,330	-	501,330

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. The result for the previous interim period and previous fiscal year are calculated on the basis of the present business classification.
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 (dedicated to the servicing of Group company needs)
Bulk Shipping ····················	Ocean/coastal cargo shipping, ship owning and chartering, overseas shipping agency (dedicated to the servicing of Group company needs)
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 ····························	Domestic shipping agency (providing services to clients inside and outside the Group), 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
5. The title of "Other shipping" has been changed to "Bulk Shipping" from this interim period. There's no change of classification of business segment.
6. Of the total assets as the end of March 2008, ¥17,592 million are accounted for by the assets included in elimination or corporate (¥13,978 million for the previous year) which is mainly surplus funds invested in form of cash or deposit.

(2) Segment information by region

Year ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(In million yen)

	Japan	North America	Europe	Asia	Other areas	Total	Elimination or Corporate	Consolidated Total
I Revenues and Operating costs and expenses								
(1) Revenues from customer	1,659,923	204,218	176,414	116,491	7,231	2,164,279	-	2,164,279
(2) Inter-segment revenues	17,051	41,289	13,306	13,927	3,666	89,240	-89,240	-
Total	1,676,974	245,508	189,720	130,418	10,898	2,253,520	-89,240	2,164,279
Operating costs and expenses	1,602,086	231,381	183,188	121,427	10,709	2,148,794	-89,456	2,059,337
Operating income/loss	74,888	14,126	6,531	8,991	188	104,726	215	104,941
Recurring profit/loss	74,486	14,235	6,190	13,839	714	109,467	-1,933	107,534
II Assets	1,846,348	100,847	236,280	162,960	9,781	2,356,217	-220,776	2,135,441

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(In million yen)

	Japan	North America	Europe	Asia	Other areas	Total	Elimination or Corporate	Consolidated Total
I Revenues and Operating costs and expenses								
(1) Revenues from customer	1,975,820	207,260	248,950	142,063	10,531	2,584,626	-	2,584,626
(2) Inter-segment revenues	23,698	40,243	18,839	15,684	3,544	102,010	-102,010	-
Total	1,999,518	247,503	267,789	157,747	14,076	2,686,636	-102,010	2,584,626
Operating costs and expenses	1,844,989	231,459	246,718	148,015	13,585	2,484,768	-102,221	2,382,547
Operating income/loss	154,529	16,044	21,070	9,732	490	201,868	211	202,079
Recurring profit/loss	151,299	16,270	17,429	15,505	1,057	201,562	-3,081	198,480
II Assets	1,902,300	101,103	345,617	305,358	11,279	2,665,659	-379,646	2,286,013

Notes: Classification of geographic segment and major countries or regions in each segment
1. Classification method of geographic segment: by geographic proximity
2. Major countries or regions in each segment:
   (1) North America U.S.A., Canada
   (2) Europe U.K., Germany, Netherlands, Italy, France, Belgium
   (3) Asia Singapore, Thailand, Hong Kong, China
   (4) Other areas Australia
3. Common operating expenses are allocated to individual segments.
4. Of the total assets as the end of March 2008, ¥17,592 million are accounted for by the assets included in elimination or corporate (¥13,978 million for the previous year) which is mainly surplus funds invested in form of cash or deposit.

(3) Overseas Sales

Year ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(In million yen)

	North America	Europe	Asia	Other areas	Total
I. Overseas revenues	618,980	402,881	438,544	375,491	1,835,897
II. Consolidated revenues					2,164,279
III. Ratio of overseas to total consolidated revenues	28.6%	18.6%	20.3%	17.3%	84.8%

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(In million yen)

	North America	Europe	Asia	Other areas	Total
I. Overseas revenues	661,493	533,394	552,613	427,897	2,175,399
II. Consolidated revenues					2,584,626
III. Ratio of overseas to total consolidated revenues	25.6%	20.6%	21.4%	16.6%	84.2%

Notes:
Classification of geographic segment and major countries or regions in each segment
1. Classification method of geographic segment: by geographic proximity
2. Major countries or regions in each segment:
   (1) North America U.S.A., Canada
   (2) Europe U.K., Germany, France, Italy, and other European countries
   (3) Asia Countries in Southeast Asia, East Asia, Southwest Asia and Middle East
   (4) Other areas Countries in Oceania, Central and South America, and Africa
3. Overseas revenues are largely accounted for by the revenue from ocean cargo shipping and logistics businesses.

(Omitted Indication)
Lease and related party's transactions, tax effect accounting, securities, derivative transactions, retirement benefits , stock options and company's integration.

(Information per share)

	As of March 31, 2007	As of March 31, 2008
Net asset per share (yen)	534.90	519.51
Net income per share (yen)	52.99	92.93
Net income per share fully diluted (yen)	-	-

Notes :
1. Net income per share fully diluted in previous period is not reflected due to no share fully diluted.
2. The base on Net income per share is summarized in the following table.

	As of March 31, 2007	As of March 31, 2008
Net income (million yen)	65,037	114,139
Accounting ordinary stock (million yen)	-	-
Net income on ordinary share (million yen)	65,037	114,139
Interim average shares (thousand shares)	1,227,372	1,228,172
Refers to latent shares outstanding that have not been included in the calculation for net income per share assuming full dilution as no dilution has taken place.	Euro yen-denominated notes with convertible bond-type stock acquisition rights and conversion restrictions due 2026 (face value: ¥55,000 million)	Euro yen-denominated notes with convertible bond-type stock acquisition rights and conversion restrictions due 2026 (face value: ¥55,000 million)

(Important subsequent event)
None

5. Non Consolidated Financial Statements
(1) Balance Sheets

(In million yen)

	As of March 31, 2007 (A)		As of March 31, 2008 (B)		(B) - (A)
	Amount	%	Amount	%	Amount
Assets					
I. Current assets					
1. Cash and time deposits	13,465		17,088		3,623
2. Account receivable-trade	71,317		87,128		15,810
3. Short-term loans	118,084		125,596		7,512
4. Inventories	22,786		34,085		11,298
5. Deferred/prepaid expenses	46,763		52,386		5,622
6. Receivable from agencies	9,627		11,055		1,427
7. Deferred tax assets	7,467		6,536		-930
8. Other	18,895		23,199		4,304
9. Allowance for doubtful accounts	-19,819		-21,956		-2,137
Total current assets	288,589	23.3	335,120	25.8	46,531
II. Fixed assets					
1.Tangible fixed assets					
(1) Vessels	81,666		71,967		-9,698
(2) Buildings	20,960		20,481		-479
(3) Structures	812		744		-68
(4) Machinery and equipment	486		525		39
(5) Vehicles	59		44		-15
(6) Equipment and fixtures	1,409		1,260		-149
(7) Land	29,705		28,220		-1,484
(8) Construction in progress	410		14,051		13,641
Total tangible fixed assets	135,510	10.9	137,295	10.5	1,785
2.Intangible fixed assets					
(1) Leasehold	511		511		-
(2) Software	26,966		25,620		-1,345
(3) Other	118		110		-7
Total intangible fixed assets	27,596	2.2	26,242	2.0	-1,353
3.Investments and other assets					
(1) Investment securities	352,923		274,032		-78,890
(2) Share of affiliates	222,731		288,525		65,794
(3) Investment in affiliates	5,383		10,711		5,328
(4) Long-term loans	180,261		196,664		16,402
(5) Other	33,765		37,804		4,038
(6) Allowance for doubtful accounts	-10,691		-6,642		4,049
Total investments and other assets	784,372	63.5	801,096	61.6	16,723
Total fixed assets	947,479	76.6	964,635	74.1	17,155
III. Deferred assets					
1. Bond issuance expenses	1,566		1,667		100
Total deferred assets	1,566	0.1	1,667	0.1	100
Total assets	1,237,635	100.0	1,301,423	100.0	63,787

(In million yen)

	As of March 31, 2007 (A)		As of March 31, 2008 (B)		(B) - (A)
	Amount	%	Amount	%	Amount
Liabilities					
I. Current liabilities					
1. Accounts payable-trade	76,054		86,556		10,502
2. Current portion of long-term corporate bonds	21,000		16,000		-5,000
3. Short-term bank loans	83,506		32,492		-51,013
4. Commercial paper	-		19,000		19,000
5. Accounts payable - other	6,036		8,887		2,850
6. Income tax payable	10,694		25,310		14,615
7. Advances received	29,899		34,982		5,083
8. Deposits payable	45,306		74,329		29,022
9. Payable to agencies	2,252		2,522		269
10. Employees' bonuses accrued	2,515		3,086		571
11. Directors' bonuses accrued	155		185		30
12. Other	11,460		10,050		-1,410
Total current liabilities	288,880	23.4	313,402	24.1	24,521
II. Long-term liabilities					
1. Bonds	167,334		211,266		43,931
2. Long-term debt	205,748		220,182		14,433
3. Deferred tax liabilities	65,636		41,185		-24,450
4. Reserve for periodic dry docking of vessels	2,300		3,062		761
5. Other	13,649		15,170		1,520
Total long-term liabilities	454,669	36.7	490,866	37.7	36,196
Total liabilities	743,550	60.1	804,268	61.8	60,718
Net assets					
I. Shareholders' capital					
1. Common stock	88,531	7.2	88,531	6.8	-
2. Additional paid-in capital					
(1) Capital reserve	93,198		93,198		-
(2) Other additional paid-in capital	2,761		2,784		23
Total additional paid-in capital	95,959	7.8	95,983	7.4	23
3. Retained earnings					
(1) Legal reserve	13,146		13,146		-
(2) Other retained earnings					
Reserve for dividends payable	50		50		-
Special depreciation reserve	702		314		-387
Reserve for possible losses on investment	0		0		-0
Reserve for advanced depreciation	2,712		6,982		4,270
General reserve	98,324		108,324		10,000
Retained earnings carried forward	65,125		101,368		36,243
Total retained earnings	180,061	14.5	230,187	17.7	50,126
4. Treasury stock	-850	-0.1	-1,330	-0.1	-480
Total shareholders' capital	363,701	29.4	413,371	31.8	49,669
II. Valuation and translation adjustments					
1. Net unrealized holding gains on available-for-sale securities	130,606		79,644		-50,961
2. Net deferred gains on hedge contracts	-222		4,138		4,361
Total valuation and translation adjustments	130,383	10.5	83,783	6.4	-46,600
Total net assets	494,085	39.9	497,154	38.2	3,069
Total liabilities and net assets	1,237,635	100.0	1,301,423	100.0	63,787

(2) Summary of Non-consolidated Statements of Income

(In million yen)

	Year ended March 31, 2007 (A)		Year ended March 31, 2008 (B)		(B) - (A)	Versus Previous year
	Amount	%	Amount	%	Amount	%
I. Revenues from shipping business	1,062,239	99.3	1,305,079	99.4	242,839	22.9
II. Cost of shipping business	973,941	91.0	1,161,791	88.5	187,849	19.3
Profit from shipping business	88,297	8.3	143,288	10.9	54,990	62.3
III. Revenues from other businesses	7,941	0.7	7,487	0.6	-453	-5.7
IV. Cost of other businesses	5,692	0.5	5,025	0.4	-667	-11.7
Profit from other businesses	2,248	0.2	2,461	0.2	213	9.5
Gross operating income	90,546	8.5	145,750	11.1	55,203	61.0
V. General and administrative expenses	44,142	4.2	52,722	4.0	8,580	19.4
Operating income	46,403	4.3	93,027	7.1	46,623	100.5
VI. Non-operating income						
1. Interest and dividend income	13,985		23,270		9,284	
2. Other non-operating income	3,327		4,553		1,226	
Total non-operating income	17,313	1.6	27,824	2.1	10,510	60.7
VII. Non-operating expenses						
1. Interest expenses	7,378		8,795		1,416	
2. Other non-operating expenses	3,907		5,920		2,012	
Total non-operating expenses	11,286	1.0	14,716	1.1	3,429	30.4
Recurring Profit	52,430	4.9	106,135	8.1	53,705	102.4
VIII. Extraordinary gains						
1. Gain on sale of non-current assets	1,454		9,192		7,738	
2. Gain on Sale of investment securities	10,883		4,294		-6,588	
3. Other extraordinary gains	2,887		1,307		-1,579	
Total extraordinary gains	15,224	1.4	14,794	1.1	-430	-2.8
IX. Extraordinary losses						
1. Loss on disposal of non-current assets	376		896		519	
2. Reversal of allowance for doubtful accounts	4,054		612		-3,442	
3. Other extraordinary losses	3,375		1,983		-1,391	
Total extraordinary losses	7,806	0.7	3,492	0.3	-4,314	-55.3
Income before income taxes	59,848	5.6	117,437	8.9	57,588	96.2
Income taxes – current	20,244	1.9	37,076	2.8	16,832	83.1
Income taxes - deferred	1,431	0.1	4,439	0.3	3,008	210.2
Net income	38,172	3.6	75,920	5.8	37,748	98.9

(3) Statements of Changes in Non-consolidated Net Assets

Year ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(In million yen)

	Shareholders' capital												Valuation & translation adjustments			Total net assets
	Common stock	Additional paid-in capital		Retained earnings							Treasury stock	Total share-holders' capital	Net unrealized holding gains on available-for-sale securities	Net deferred gains on hedge contracts	Total valuation and translation adjustments	
					Other retained earnings											
		Capital reserve	Other additional paid-in capital	Legal reserve	Reserve for dividends payable	Special depreciation reserve	Reserve for possible loss on investment	Reserve for advanced depreciation	General reserve	Retained earnings carried forward						
Balance as of March 31, 2006	88,531	93,198	-	13,146	50	3,420	2	3,102	73,324	71,070	-3,762	342,083	120,807	-	120,807	462,891
Change during the period																
Distribution of retained earnings *										-10,984		-10,984				-10,984
Distribution of retained earnings										-11,058		-11,058				-11,058
Directors' bonuses *										-185		-185				-185
Reversal of special depreciation reserve *						-1,581				1,581		-				-
Reversal of reserve for possible loss on investment *							-0			0		-				-
Reversal of reserve for advanced depreciation *								-155		155		-				-
Provision for reserve for advanced depreciation *								9		-9		-				-
Provision for general reserve *									25,000	-25,000		-				-
Reversal of special depreciation						-1,136				1,136		-				-
Reversal of reserve for possible loss on investment							-0			0		-				-
Reversal of reserve for advanced depreciation								-382		382		-				-
Provision for reserve for advanced reserving								137		-137		-				-
Net income										38,172		38,172				38,172
Purchase of treasury stock											-366	-366				-366
Disposal of treasury stock			2,761								3,278	6,039				6,039
Net change in items other than shareholders' capital during the period													9,798	-222	9,575	9,575
Total change during the period	-	-	2,761	-	-	-2,718	-1	-390	25,000	-5,945	2,911	21,617	9,798	-222	9,575	31,193
Balance as of March 31, 2007	88,531	93,198	2,761	13,146	50	702	0	2,712	98,324	65,125	-850	363,701	130,606	-222	130,383	494,085

* Based on a resolution on the appropriation of retained earnings adopted at the Annual General Meeting of Shareholders held in June 2007.

Year ended March 31, 2008 (April 1, 2007 – March 31,2008)

(In million yen)

	Shareholders' capital												Valuation & translation adjustments			Total net assets
		Additional paid-in capital		Retained earnings												
					Other retained earnings											
	Common stock	Capital reserve	Other additional paid-in capital	Legal reserve	Reserve for dividends payable	Special depreciation reserve	Reserve for possible loss on investment	Reserve for advanced depreciation	General reserve	Retained earnings carried forward	Treasury stock	Total share-holders' capital	Net unrealized holding gain on available-for-sale securities	Net deferred gains on hedge contracts	Total valuation and translation adjustments	
Balance as of March 31, 2007	88,531	93,198	2,761	13,146	50	702	0	2,712	98,324	65,125	-850	363,701	130,606	-222	130,383	494,085
Change during the period																
Distribution of retained earnings										-25,794		-25,794				-25,794
Reversal of special depreciation reserve						-387				387		-				-
Reversal of reserve for possible loss on investment							-0			0		-				-
Reversal of reserve for advanced depreciation								-375		375		-				-
Provision for reserve for advanced depreciation								4,646		-4,646		-				-
Provision for general reserve									10,000	-10,000		-				-
Net income										75,920		75,920				75,920
Purchase of treasury stock											-518	-518				-518
Disposal of treasury stock			23								38	61				61
Net change in items other than shareholders' capital during the period													-50,961	4,361	-46,600	-46,600
Total change during the period	-	-	23	-	-	-387	-0	4,270	10,000	36,243	-480	49,669	-50,961	4,361	-46,600	3,069
Balance as of March 31, 2008	88,531	93,198	2,784	13,146	50	314	0	6,982	108,324	101,368	-1,330	413,371	79,644	4,138	83,783	497,154

Supplementary Information

*All amounts are rounded down to the nearest 100 million yen.

1. Consolidated operating results

(In 100 million yen)

	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008
Revenues	13,983	16,060	19,293	21,642	25,846
Operating income	919	1,613	1,404	1,049	2,020
Recurring profit	746	1,548	1,404	1,075	1,984
Net income for the year	348	713	920	650	1,141

2. Quarterly operating results

Year ending 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 asset	23,125	23,251	23,697	22,860
Net asset	7,546	7,427	7,403	6,790
Net asset per share	¥578.48	¥568.01	¥565.58	¥519.51

Year ended March 31, 2007

(In 100 million yen)

	Apr 1, 2006– Jun 30, 2006	Jul 1, 2006– Sep 30, 2006	Oct 1, 2006– Dec 31, 2006	Jan 1, 2007– Mar 31, 2007
	1Q	2Q	3Q	4Q
Revenues	5,247	5,288	5,486	5,620
Operating income	225	246	298	279
Recurring profit	223	266	314	271
Net income for the quarter	123	171	191	163
Net income per share for the quarter	¥10.09	¥14.01	¥15.55	¥13.33
Net income per share for the quarter – fully diluted	-	-	-	-
Total asset	19,143	19,835	20,572	21,354
Net asset	6,128	6,434	6,698	7,007
Net asset per share	¥468.06	¥490.85	¥511.32	¥534.90

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 quarter period, fourth quarter period, and the year ended March 31, 2007 are not shown in the above table, as there are no residual shares outstanding.

3. Change in number of NYK fleet

Following are the fleet owned or co-owned by the Company and its consolidated subsidiaries.
The tonnage figures for the co-owned vessels are adjusted to represent the equity ownership in respective vessels by the Company and its consolidated subsidiaries.

		Year ended March 31, 2007		Decrease during the period		Increase during the period		Year ended March 31, 2008	
		Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)
Containerships (including semi-container ship)	Owned	27	950,597	1	20,544	6	191,442	32	1,121,495
	Co-owned	1	21,813					1	21,813
Bulk Carriers (Capesize)	Owned	43	6,233,016			2	405,348	45	6,638,364
	Co-owned	5	329,045			3	35,831	8	364,876
Bulk Carriers (Panamax and Handysize)	Owned	41	1,803,320	1	26,472	9	488,311	49	2,265,159
Wood Chip Carriers	Owned	13	566,722			1	45,334	14	612,056
Car Carriers	Owned	36	554,211			4	54,288	40	608,499
	Co-owned	2	12,942					2	12,942
Reefer Carriers	Owned	12	118,766					12	118,766
Tankers	Owned	24	4,417,111	2	496,788	4	695,748	26	4,616,071
	Co-owned	17	1,404,191					17	1,404,191
LNG Carriers	Owned	0	0			2	164,030	2	164,030
	Co-owned	23	666,605			2	96,773	25	763,378
Cruise Ships	Owned	2	13,417					2	13,417
Other	Owned	16	194,115					16	194,115
	Co-owned	3	5,025					3	5.025
Total	Owned	214	14,851,275	4	543,804	28	2,044,501	238	16,351,972
	Co-owned	51	2,439,621	0	0	5	132,604	56	2,572,225

4. Vessels under construction as of March 31, 2008 (on a consolidated basis)

Vessels under construction by the Company and its consolidated subsidiaries are as follows:
The vessels which will be scheduled to be sold in future are not included.

Type of vessel	Number of vessels	Kt (dwt)
Containerships (including semi-container ship)	34	1,755,082
Bulk Carriers (Capesize)	32	5,051,677
Bulk Carriers (Panamax and Handysize)	28	1,487,760
Wood Chip Carriers	8	468,100
Car Carriers	19	374,750
Tankers	9	1,620,760
LNG Carriers	4	265,160
Other	0	0
Total	134	11,023,289

5.Fleet in Operation as of March 31, 2008 (on a consolidated basis)

Type of vessel	Year ended March 31, 2007		Year ended March 31, 2008		Change	
	Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)
Containerships (including semi-containership)	142	5,070,477	155	5,785,780	13	715,303
Bulk Carriers (Capesize)	115	16,617,499	113	16,519,007	-2	-98,492
Bulk Carriers (Panamax and Handysize)	161	7,390,512	173	8,425,394	12	1,034,882
Wood Chip Carriers	48	2,268,511	55	2,633,777	7	365,266
Car Carriers	115	1,724,406	113	1,762,834	-2	38,428
Reefer Carriers	26	244,675	21	204,502	-5	-40,173
Tankers	73	12,347,425	79	12,587,615	6	240,190
LNG Carries	24	1,705,469	30	2,183,377	6	477,908
Cruise Ships	3	21,577	3	21,577	0	0
Other	36	415,339	35	406,600	-1	-8,739
	743	47,805,890	777	50,530,463	34	2,724,573

6. Aircrafts in Operation as of March 31, 2008 (on a consolidated basis)

	Year ended March 31, 2007		Year ended March 31, 2008		Change	
	Number of aircrafts	Maximum take-off weight (t)	Number of aircrafts	Maximum take-off weight (t)	Number of aircrafts	Maximum take-off weight (t)
Aircrafts	10	3,855	6	2,381	-4	-1,474

7. Number of employees as of March 31,2008 (on a consolidated basis)

	Year ended March 31, 2007	Year ended March 31, 2008	Change
Liner Trade	3,577	4,010	433
Bulk Shipping	1,432	1,531	99
Logistics	16,097	16,876	779
Terminal Harbor & Transport	5,314	5,329	15
Cruise	361	353	-8
Air Cargo Transportation	629	712	83
Real Estate	58	54	-4
Other	2,120	2,209	89
Corporate and elimination	284	295	11
Total	29,872	31,369	1,497

8. Containers in operation as of fiscal year-end (on a consolidated basis)

Year ended March 31, 2007	Year ended March 31, 2008	Change
604,669 TEU	683,486 TEU	78,817 TEU (13.03%)

9. Foreign exchange rate information (on a consolidated basis)

Exchange rate per US$1	Year ended March 31, 2007	Year ended March 31, 2008	Change
Average exchange rate during the period	¥116.91 /US$	¥115.29 /US$	Yen up ¥1.62
Exchange rate at the end of the period	¥118.05 /US$	¥100.19 /US$	Yen up ¥17.86

10. Bunker oil prices information (on a consolidated basis)

	Year ended March 31, 2007	Year ended March 31, 2008	Change
Average bunker oil prices	US$318.77/MT	US$402.77/MT	Price up US$84.00

11. Balance of interest-bearing debt at end of period (on a consolidated basis)

(In 100 million yen)

	Year ended March 31, 2007	Year ended March 31, 2008	Change
Loans	7,024	7,759	735
Corporate bonds	1,883	2,272	389
Commercial paper	-	190	190
Total	8,907	10,221	1,314