For immediate release

May 12, 2005

FISCAL 2004 FINANCIAL HIGHLIGHTS

Nippon Yusen Kabushiki Kaisha (NYK Line) announces the following statement of accounts for the period ended March 31, 2005.

A. CONSOLIDATED

1. Business Results

	¥Million		US$Thousand*
	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005
Revenues	1,606,098	1,398,320	14,955,753
Operating income	161,375	91,933	1,502,701
Other income(expenses)	(6,571)	(17,270)	(61,194)
Income before extraordinary items	154,803	74,663	1,441,506
Extraordinary gains(losses)	(27,590)	(13,127)	(256,916)
Net income	71,326	34,810	664,181

2. Balance Sheets

	¥Million		US$Thousand*
	As of March 31, 2005	As of March 31, 2004	As of March 31, 2005
Assets			
Current assets	399,500	370,673	3,720,092
Fixed assets	1,076,604	1,005,852	10,025,185
Deferred assets	121	137	1,129
Total assets	1,476,226	1,376,664	13,746,406
Liabilities			
Current liabilities	477,865	425,753	4,449,812
Long-term liabilities	541,673	569,196	5,043,984
Total liabilities	1,019,538	994,950	9,493,796
Interest-bearing debt	630,054	654,481	5,866,974
Minority interest	28,917	23,669	269,271
Stockholders' Equity			
Paid-in capital	88,531	88,531	824,388
Additional paid-in capital	94,421	94,421	879,235
Retained earnings	203,774	146,755	1,897,516
Unrealized gains on the holding of other securities	55,335	44,333	515,279
Foreign currency translation adjustments	(10,819)	(12,900)	(100,749)
Treasury stock	(3,472)	(3,096)	(32,331)
Total stockholders' equity	427,770	358,044	3,983,339
Total			
Liabilities, Minority interest and shareholders' equity	1,476,226	1,376,664	13,746,406

3. Cash Flow

	¥Million		US$Thousand*
	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005
From Operating Activities	175,507	111,360	1,634,302
From Investing Activities	(135,066)	(88,089)	(1,257,722)
From Financing Activities	(41,374)	(34,862)	(385,274)
Cash and Cash Equivalents at end of the year	65,027	63,632	605,528

Depreciation and amortization	66,814	65,689	622,167
Capital expenditure	(193,569)	(143,353)	(1,802,490)

4. Revenues by Segment

	¥Million		US$Thousand*
	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005
Shipping	1,022,694	879,864	9,523,180
Logistics	357,197	294,976	3,326,171
Cruise	33,432	29,869	311,314
Terminal and Harbor Transport	109,009	102,357	1,015,081
Shipping-Related Services	44,744	42,485	416,650
Real Estate	12,955	12,613	120,643
Others	102,029	102,796	950,083
Elimination & Unallocation	(75,964)	(66,642)	(707,370)
Total Revenues	1,606,098	1,398,320	14,955,753

5. Shipping Revenues by Business

	¥Million		US$Thousand*
	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005
Liner Trade	452,466	379,252	4,213,304
Trampers and specialized carriers	462,300	401,586	4,304,874
Tanker Business	107,927	99,026	1,005,002

6. Principal Financial Index

		Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004
Operating Profit Margin	(%)	10.0	6.6
Net Profit Margin	(%)	4.4	2.5
Return on Equity	(%)	18.2	10.8
Debt/Equity Ratio	(Times)	1.5	1.8
Earning Per Share	(¥)	58.12	28.27
Equity Ratio	(%)	29.0	26.0
Shareholders' Equity Per Share	(¥)	350.10	292.88

7. Forecast of Results for Fiscal 2005

	¥Million	US$Thousand
Revenue	1,680,000	16,000,000
Operating income	155,000	1,476,190
Income before extraordinary items	150,000	1,428,571
Net income	90,000	857,142

These forecasts are based on various assumptions made at the date of release of these materials, including the information available at the date of release of these materials and uncertain factors that may affect future earnings. Actual earnings may differ significantly from these forecasts as a consequence of various factors.
(Forecast : exchange rate ¥105/US$1, bunker price US$230/MT)

8. Gross Operation Tonnage

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004
	DWT(kt) No. of vessels	DWT(kt) No. of vessels
Vessels	37,657,418	35,232,784
Total	646	617

9. Consumed Bunker Price

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004
Average	US$193.84/MT	US$174.37/MT

10. Exchange Rate

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004
Average	¥107.46/US$1	¥113.97/US$1
End of March	¥107.39/US$1	¥105.69/US$1
End of December	¥104.21/US$1	¥107.13/US$1

B. NON-CONSOLIDATED

1. Business Results

	¥Million		US$Thousand*
	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005
Revenues	841,137	749,174	7,832,553
Operating income	101,916	67,963	949,034
Other income(expenses)	4,724	(7,830)	43,998
Income before extraordinary items	106,641	60,132	993,032
Extraordinary gains(losses)	(22,761)	(13,370)	(211,955)
Net income	53,116	27,590	494,613

2. Balance Sheets

	¥Million		US$Thousand*
	As of March 31, 2005	As of March 31, 2004	As of March 31, 2005
Assets			
Current assets	220,102	172,070	2,049,564
Fixed assets	718,862	680,828	6,693,942
Deferred assets	120	134	1,123
Total assets	939,085	853,032	8,744,628
Liabilities			
Current liabilities	227,594	190,186	2,119,330
Long-term liabilities	345,912	345,762	3,221,089
Total liabilities	573,507	535,948	5,340,419
Interest-bearing debt	372,486	368,781	3,468,537
Stockholders' Equity			
Paid-in capital	88,531	88,531	824,388
Additional paid-in capital	93,198	93,198	867,849
Retained earnings	134,565	96,797	1,253,052
Unrealized gains on the holding of other securities	52,740	41,639	491,115
Treasury stock	(3,457)	(3,081)	(32,194)
Total stockholders' equity	365,578	317,083	3,404,210
Total			
Liabilities and shareholders' equity	939,085	853,032	8,744,628

3. Principal Financial Index

		Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004
Operating Profit Margin	(%)	12.1	9.1
Net Profit Margin	(%)	6.3	3.7
Return on Equity	(%)	15.6	9.7
Debt/Equity Ratio	(Times)	1.0	1.2
Earning Per Share	(¥)	43.49	22.52
Equity Ratio	(%)	38.9	37.2
Shareholders' Equity Per Share	(¥)	299.34	259.49

4. Forecast of Results for Fiscal 2005

	¥Million	US$Thousand
Revenue	870,000	8,285,714
Operating income	92,000	876,190
Income before extraordinary items	90,000	857,142
Net income	53,000	504,761

These forecasts are based on various assumptions made at the date of release of these materials, including the information available at the date of release of these materials and uncertain factors that may affect future earnings. Actual earnings may differ significantly from these forecasts as a consequence of various factors.
(Forecast: exchange rate ¥105/US$1, bunker price US$230/MT)

* The U.S. dollar amounts represent the calculation of exchanging Japanese yen to U.S. dollars on a basis of ¥107.39=US$1.00 (as of end of March, 2005)

Management Policy

1. Basic Management Policy

Our company has surmounted numerous difficulties since its founding in 1885 and has continued to achieve sound growth as a leader of the world's shipping community. Keenly conscious of the importance of the wide range of exchanges between people and goods as the cornerstone of world economic and cultural development and, simultaneously, fully aware of our social mission to provide safe, quality services as a comprehensive global logistics enterprise and passenger ship operator, the NYK Group strives, day in and day out, to live up to our customers' expectations by focusing on our originality and creativity. We also maintain a basic management policy of rewarding our stockholders by securing reasonable profits through lawful and fair corporate management and by contributing to the development of the international community.

2. Basic Policy on Profit Distribution

NYK considers the return of profits to its shareholders one of its most significant management issues. Therefore, the Company's basic policy is the consistent distribution of stable dividends. To make decisions on the distribution of dividends, the Company bases its forecast on business results, dividend payout ratio and other relevant issues into consideration in a comprehensive manner. Additionally, the Company pays attention to its business development with an eye on the expansion of the maritime business and other logistics businesses. Moreover, the Company carefully observes the standard of retained earnings to flexibly accommodate fluctuations in market conditions in the maritime industry.

Based on this policy, we had planned to allocate a year-end common dividend of ¥7.50 per share. However, in commemoration of the Company's 120th anniversary of foundation and in an effort to proactively demonstrate the appreciation we feel for our shareholders, we have decided to raise this amount ¥3.00, to ¥10.50, including a ¥2.00 per-share commemorative dividend. Including an interim dividend of ¥7.50 per share, this disbursement will bring total dividends per share to ¥18.00, up ¥8.00 per share from the preceding term.

3. Policy for Reducing the Number of Shares Constituting One Unit

Reducing the number of shares that comprise a single unit is recognized to be an effective measure to encourage individual investor participation in trading and to increase a company's liquidity in the stock market. However, after taking into consideration NYK's stock performance, number of shareholders and share liquidity, we do not consider it appropriate at this time to reduce the number of shares constituting one unit. We will continue to monitor the situation, taking into account our share price and investors' concerns.

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

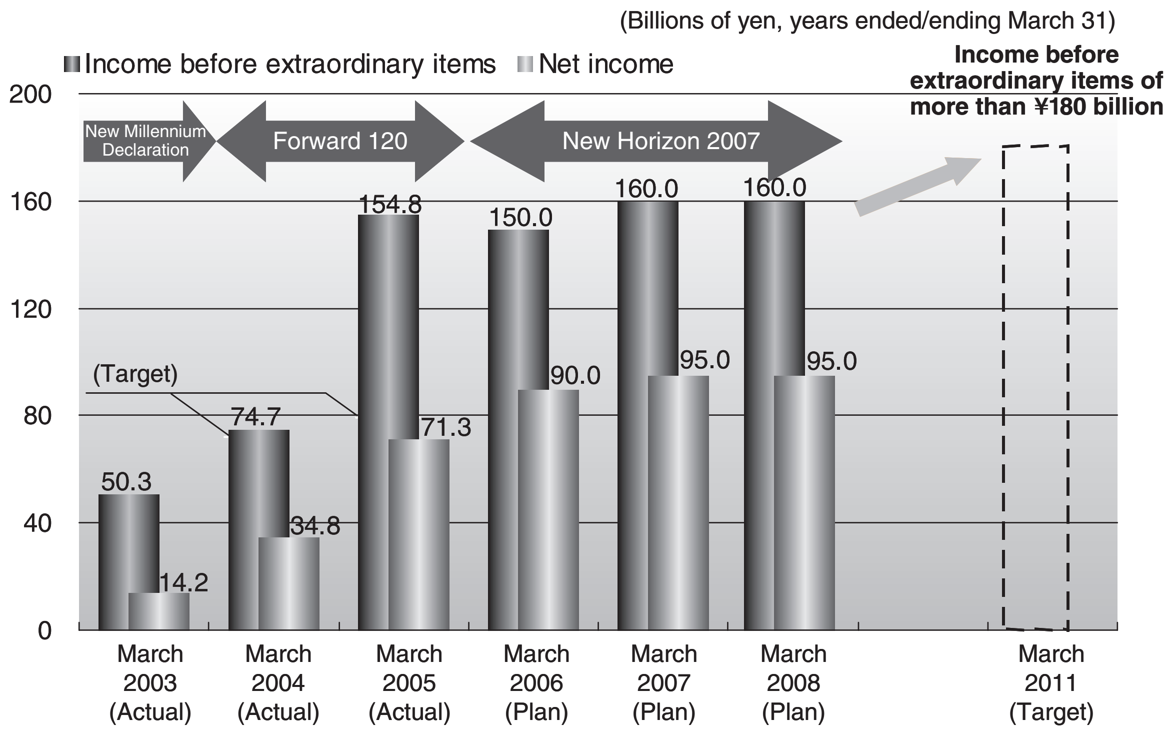
The NYK Group has created its new medium-term management plan, New Horizon 2007, spanning the three fiscal years from April 2005 through March 2008. Centered on the theme of accelerating our strong growth while stabilizing the Group's base, this plan is designed to set our corporate directions through 2010. By the close of the fiscal year ending in March 2008, New Horizon 2007 calls for the achievement of ¥1.8 trillion in annual revenues, income before extraordinary items of ¥160 billion and net income of ¥95 billion, all on a consolidated basis. Furthermore, the plan sets a target of after-tax return on invested capital of 8% or more, and we have set as a target consolidated revenues of more than ¥2 trillion by the end of the fiscal year ending in March 2011.

New Horizon 2007 comprises three key strategies, the first of which is the expansion of our maritime business. To handle the growth that is forecast for the global marine transport market, we will aggressively expand our fleet, concentrating specifically on the Bulk/Energy Resources Transportation Division. We have earmarked ¥750 billion for this purpose, to be invested over the three fiscal years covered by New Horizon 2007. To assure stable profitability in the event of market downturns, we will increase our number of stable, long-term contracts, continue to implement cost-reduction policies and expand the Group’s mainstay marine transport business.

Second, we will evolve towards a logistics integrator. In the past, our customers – particularly those in the automotive, electronics and retail sectors – primarily required port-to-port and door-to-door transport modes. These needs are becoming increasingly complex. To meet more advanced distribution needs, we will accelerate the implementation of the global logistics strategies that were set forth in Forward 120. In particular, as Group we are working to become a logistics integrator by combining the hardware-oriented approach of developing one of the largest fleets in the world with a software-type approach, namely to expand our international transportation network covering the sea, land and air.

Our third strategy focuses on the enhancement of corporate fundamentals. First, in April 2005 we established the CSR Management Headquarters, headed by President Koji Miyahara, to strengthen and promote corporate social responsibility (CSR) activities. Also, we will concentrate on the safe operation of our fleet – our most significant and fundamental management issue – and on environmentally responsible business administration. Centering on its Monohakobi Technology Institute (MTI), NYK will further strengthen its technologies and improve training and education functions. Also, the NYK Group will proactively develop a management system based on information technology and provide personnel training for all Group companies around the world. Ultimately, we will continually strive to increase corporate value throughout the NYK Group, thereby ensuring that we meet our shareholders’ expectations.

New Medium-term Management Plan: “New Horizon 2007”



5. Issues to Be Addressed

In April 2005, the NYK Group initiated New Horizon 2007, the new medium-term management plan that outlines the Group's directions for the three fiscal years ending in March 2008. By the end of its term, this plan outlines the Group's targets, on an annual consolidated basis, of revenues of ¥1.8 trillion, income before extraordinary items of ¥160 billion and after-tax return on invested capital of 8% or more.

First, this plan calls for the Group to meet the anticipated expansion in global demand for marine transport by augmenting its fleet, focusing on the Bulk/energy Resources Transportation Division. NYK will seek out the optimal balance of its capital investment options, procuring funds as appropriate. We will also develop more stable, long-term contracts to guarantee steady profits and continue to enhance profitability through continued cost-cutting efforts.

In addition to the large-scale expansion of our fleet, we will meet customers' increasingly diverse and complex needs by integrating distribution facilities and Group-operated infrastructure and networks, including the logistics center and terminals we manage, to seek out appropriate partnerships that will help expand our role as a logistics integrator.

In spring of 2006, NYK will deploy to Japan the large luxury cruise ship Crystal Harmony, which currently serves the US market, to replace the Asuka cruise ship with the Asuka II. Through this shift, NYK intends to raise profitability in the expanding Japanese cruise market.

Based on its awareness of the key role corporate social responsibility holds for Group management, NYK established the CSR Management Headquarters in April 2005. This organization will strive to raise corporate value by implementing aspects of CSR throughout the Group. As marine transport is our core business, fleet safety and environmental preservation remain of key importance.

In April 2005, we established the Risk Management Chamber to serve as the internal control structure that guarantees appropriate risk management by setting compliance guidelines and ensuring the thorough implementation of compliance measures for NYK and all Group companies. While the Internal Auditing Chamber sees that our operations are legally compliant and efficiently performs internal audits, the Risk Management Chamber will provide the internal control system throughout the NYK Group.

To roll out its CSR and related activities on a global scale, NYK is forming an efficient Group management system that incorporates locally run overseas companies. We also employ the utmost care with our financial information, as we realize that the reliability of this information is of major importance in maintaining and augmenting our trustworthiness in all markets. One effort in this area was the April 2005 establishment of the Disclosure Committee.

As the NYK Group expands its operations globally, personnel training and deployment are becoming more important than ever before. We seek to employ human resources who have the appropriate training and enthusiasm regardless of nationality. Evincing its aggressive stance on the employment of global personnel, for the first time in April 2005 NYK appointed a non-Japanese national to its Committee of Directors.

Improving technical expertise in a host of transport-related areas is central to Group competitiveness as we evolve into a global logistics provider. MTI serves as the primary organ for developing NYK's shipboard transport and logistics management technologies.

6. Fundamental Philosophy for and Implementation of Corporate Governance

To ensure that it maintains the trust of its shareholders, customers, contractors, regional communities and other stakeholders, NYK strives to create and maintain a management structure that provides appropriate management transparency and efficiency.

(1) Organization of Internal Systems

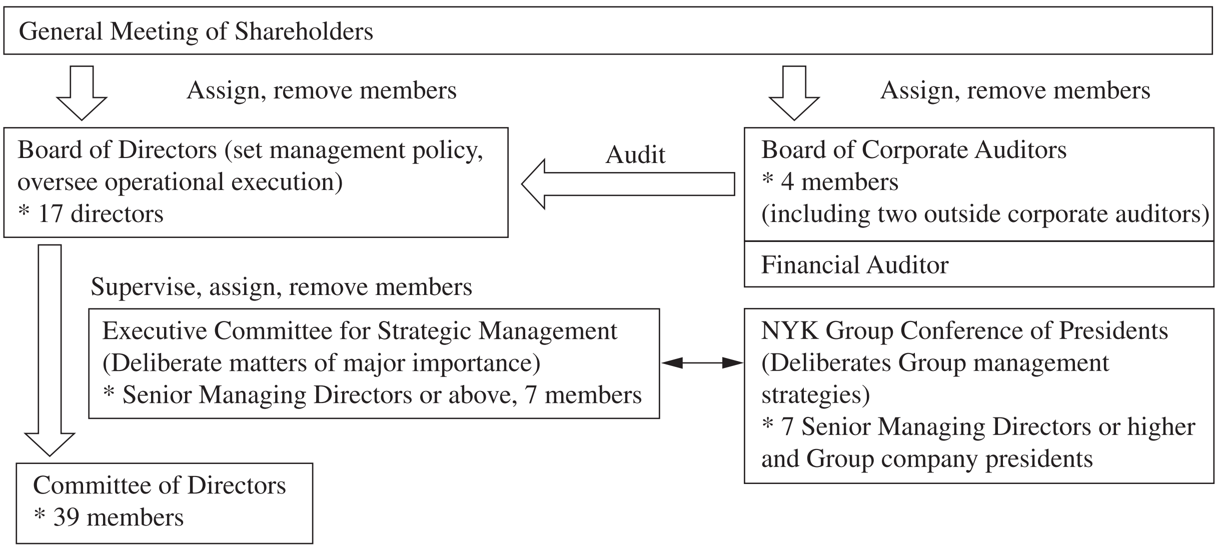
NYK employs an auditing system. Our Board of Corporate Auditors incorporates four members, including two outside corporate auditors, and oversees the activities of Company directors. Full-time auditors are located in the Corporate Auditors' Staff Chamber.

Our Board of Directors, which comprises 17 members, makes decisions involving legal matters, sets major management policies and strategies, and oversees the execution of business activities. We also employ a 39-member Committee of Directors, which includes some members of the Board of Directors. This committee focuses on the execution of business matters, based on Board resolutions and decisions. Six members of the Committee of Directors are outside members of the committee who are employed as directors of Group companies. These members help take ownership of and implement Group management strategies. In April 2005, a non-Japanese outside member was appointed to this committee for the first time.

The Executive Committee for Strategic Management, which deliberates matters of major importance from the viewpoint of management strategy, comprises members at the level of senior managing director or above and determines direction for the Board of Directors. We have also established the NYK Group Conference of Presidents to strengthen Groupwide management and transparency.

This internal structure is designed to provide clear lines of authority and responsibility for business operations, allow fast and appropriate decision-making, and increase management transparency and efficiency.

<NYK Management Organization>



(2) Internal Control System

NYK's internal control system includes the organizations described below. The Internal Audit Chamber, which serves as the primary audit body for all companies in the NYK Group, was established to provide periodic checks and evaluations of Group businesses in an efficient and effective manner.

1. Compliance with Laws and Articles of Association

The business environment in which NYK operates is characterized by tumultuous change, and we are expanding our operations rapidly on a global scale. To elucidate our corporate stance clearly to people both inside and outside the Group, in March 2005 we established the NYK Group business statement. We incorporated this statement into the NYK Line Business Credo, which describes codes of conduct that all directors and employees must follow. These guidelines form the basis for the thorough enforcement of compliance.

Our internal structure for ensuring full compliance with the law and social norms consists of a compliance committee, a chief compliance officer (CCO) and a compliance chamber. We have also set up an office for consultation to encourage reporting from within the Group to prevent even minor problems or potential issues from escaping our notice. Furthermore, we conduct "A Month of General Compliance Review" campaign every year to keep all our directors and employees fully conscious of the need for compliance and to encourage them to take specific measures to that end.

2. Risk Management

Supervisory departments within the Company respond to the various types of operating risks that our business involves, and various controls have been enacted to ensure compliance with internal regulations. To further ensure appropriate risk management, in April 2005 the Company created the Risk Management Chamber to periodically measure the Company's overall risk management activities. With this department at the core, we have created a Companywide internal control system that meets the need for an integrated approach toward ongoing internal control, with controls in place for various types of risk.

3. Financial Reporting to Ensure Trustworthiness and Comply with Disclosure Requirements

In its financial reporting, NYK applies corporate accounting standards that are generally accepted to be fair and appropriate and seeks to maintain its own trustworthiness. We realize the importance of the timely disclosure of corporate information with documentation that conforms to Securities Exchange Law, the Commercial Code and other legal stipulations. Furthermore, we comply with the regulations set forth by securities exchanges and provide shareholders, investors and other stakeholders with a range of information through our investor relations activities and on our website. To gather disclosure information related to our statements of accounts, we have designated a reporting division that gathers disclosure information from each department without allowing leaks, and have set in place a checking system.

In April 2005, we inaugurated the Disclosure Committee, chaired by President Koji Miyahara. After reviewing the disclosure control system and compliance, this committee will create a system to evaluate the Company's conformance in periodic financial securities reports.

(3) Executive Compensation

Executive compensation paid to Company directors and auditors during the year under review is indicated below. This compensation includes director bonuses and executive retirement benefits. (Amounts of less than one million yen have been rounded off.)

	Directors	Auditors (of which, to outside corporate auditors)	Total
Executive compensation	¥812 million	¥59 million (¥13 million)	¥872 million

(4) Auditor Compensation

Compensation paid to auditors during the year under review is indicated below. (Amounts of less than one million yen have been rounded off.)

1) Compensation for activities stipulated by Section 1, Article 2 of Certified Public Accountants Law: ¥53 million
2) Compensation other than that described above: ¥6 million

(5) Corporate Audits, Audit Organizations and Financial Audits

NYK has established the Internal Audit Chamber, comprising 12 members, which performs audits in accordance with our Internal Audit Charter. We have also created overseas group administration offices (GAOs) in five locations – the United States, Europe, South Asia, East Asia and Oceania – to perform internal audits. Each GAO reports to the Internal Auditing Department. All four of our auditors, including two outside corporate auditors, follow the audit procedures set by the Board of Corporate Auditors. These auditors participate in Board of Directors meetings and other important meetings, listen to the status of duties executed by directors, the Internal Auditing Department and other personnel and peruse documents involving important decisions. One member of the Internal Auditing Department supports the auditor in his audit activities. Corporate auditors ensure the impartiality of financial auditors, and corporate and financial auditors work together to ensure seamless communications, a mutual exchange of information and strive to improve auditing efficiency.

Corporate auditors convene each month for a meeting of the Board of Corporate Auditors to review audit results and share other information. These auditors also meet each month with the Internal Auditing Department, and meet every three months with the financial auditors, thereby promoting communication among the three audit groups.

NYK's financial audits are conducted by certified public accountants Masaaki Ayukawa, Koichiro Kimura and Tatsuya Arai, all of whom are with the firm ChuoAoyama PricewaterhouseCoopers. Assisting these three are 18 other certified public accountants, 16 accounting assistants and four others. Audits are performed according to generally accepted standards for audit fairness and appropriateness.

(6) Human, Capital or Other Relationships or Interests Existing between NYK and Its Outside Directors and Outside Corporate Auditors

Keisuke Kitajima, an outside corporate auditor for NYK, is an outside director of the Daiwa Securities Group Inc. Tsuyoshi Miyazaki, also an outside corporate auditor, is a senior advisor for Mitsubishi Logistics Corporation. NYK has business relationships with both Daiwa Securities and Mitsubishi Logistics, but no personal interests exist between NYK and these outside corporate auditors individually.

(7) The Company's Activities during the Past Year to Improve Corporate Governance

As NYK is expanding its operations on a global scale, its compliance initiatives must extend to its overseas companies as well as domestic operations. In the past year, we have conducted compliance training at seven overseas locations, providing instruction and extensively strengthening compliance at our overseas companies and branches. Furthermore, in July 2005 we will implement an e-Learning system that provides an environment enabling anyone, anywhere to study on their own at any time.

In addition to the internal audit activities that NYK conducts in Japan, we distributed questionnaires designed to allow overseas companies in the NYK Group to conduct self-evaluations of their internal compliance. These evaluations were complemented with on-site audits.

Following the General Meeting of Shareholders, we provided an opportunity for shareholders to speak directly and informally with Company directors. At this time, NYK's directors provided shareholders with explanations of management performance and reports on current conditions. In the future, we will continually persevere to manage in a way that is both fair and transparent.

7. Items Pertaining to the Parent Company

None.

Operating Results and Financial Position

1. Operating Results

Overview

In the fiscal year ended March 31, 2005, NYK Line posted consolidated revenues of ¥1,606.0 billion, operating income of ¥161.3 billion, income before extraordinary items of ¥154.8 billion and net income of ¥71.3 billion. Revenues, operating income, income before extraordinary items and net income all reached record highs.

(Billions of yen)

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Change	Percentage change
Revenues	1,606.0	1,398.3	207.7	14.9%
Costs and expenses	1,283.7	1,158.3	125.4	10.8%
Selling, general and adminstrative expenses	160.9	148.0	12.9	8.7%
Operating income	161.3	91.9	69.4	75.5%
Income before extraordinary items	154.8	74.6	80.1	107.3%
Net income	71.3	34.8	36.5	104.9%

Consolidated revenues climbed 14.9%, to ¥1,606.0 billion. This reflected higher freight volumes and rates in the shipping segment, combined with higher revenues from logistics operations. Evincing successful cost-cutting efforts, the Company restrained the expansion of selling, general and administrative expenses. As a result, operating income surged 75.5%, to ¥161.3 billion, and the ratio of operating income to revenues was 10.0%, compared with 6.6% during the preceding term. Owing to such factors as a decrease in interest expenses and an increase in investment income based on the equity method of accounting, other income (expenses) improved, and income before extraordinary items amounted to ¥154.8 billion, increasing 107.3%. Even after the adoption of early impairment accounting for a ¥20.6 billion extraordinary loss, net income rose 104.9%, to ¥71.3 billion. As a result, the Company's after-tax return on invested capital (ROIC) improved sharply, growing from 5.76% to 9.44%

The impact on income before extraordinary items of fluctuations in foreign exchange rates and bunker oil prices was as follows.

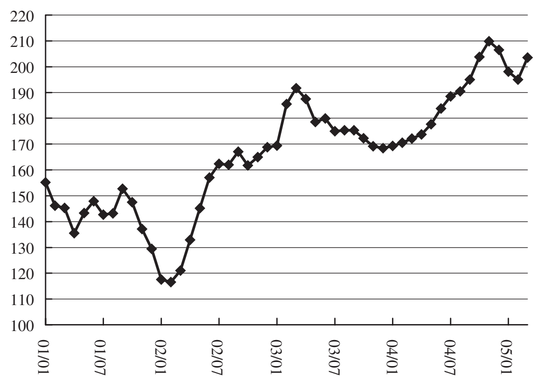
	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Change	Impact
Average exchange rate	¥107.46 / US$1.00	¥113.97 / US$1.00	Yen up 6.51	–¥9.1 billion
Average bunker oil price	US$193.84 / metricton	US$174.37 / metricton	Price up US$19.47	–¥5.8 billion

Notes:
1. A ¥1 change against the dollar has an annualized impact of around ¥1.4 billion on income before extraordinary items.
2. A US$1 change per metric ton in the price of bunker oil alters annual income before extraordinary items by approximately ¥300 million.

Exchange Rate Changes

Period: 01/2001 – 04/2005

Changes in Bunker Fuel Prices



Period: 01/2001 – 03/2005

Segment Information (Billions of yen)

	Revenues				Operating income			Income before extraordinary items		
	Fiscal year ended March 31, 2005	fiscal year ended March 31, 2004	Change	Percentage change	Fiscal year ended March 31, 2005	fiscal year ended March 31, 2004	Change	Fiscal year ended March 31, 2005	fiscal year ended March 31, 2004	Change
Shipping	1,022.6	879.8	142.8	16.2%	149.9	91.3	58.5	146.1	76.8	69.2
Logistics	357.1	294.9	62.2	21.1%	8.3	3.5	4.8	8.1	3.1	4.9
Cruise	33.4	29.8	3.5	11.9%	(3.6)	(5.4)	1.8	(4.7)	(6.6)	1.8
Terminal and Harbor Transport	109.0	102.3	6.6	6.5%	4.1	0.6	3.5	0.3	(2.0)	2.4
Shipping-related	44.7	42.4	2.2	5.3%	0.1	0.0	0.0	0.5	0.2	0.2
Real Estate	12.9	12.6	0.3	2.7%	2.8	3.0	(0.2)	3.3	3.3	(0.0)
Others	102.0	102.7	(0.7)	-0.7%	(0.3)	(1.2)	0.8	1.0	(0.3)	1.4

<Shipping>

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

(Billions of yen)

	Revenues			
	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Change	Percentage change
Liner trade	452.4	379.2	73.2	19.3%
Trampers and specialized carriers	462.3	401.5	60.7	15.1%
Tanker business	107.9	99.0	8.9	9.0%

Liner Trade

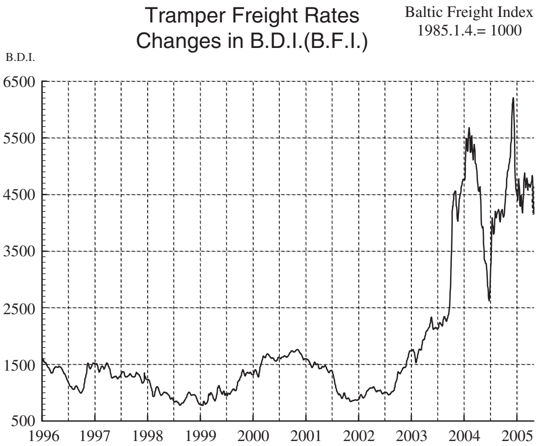
Favorable demand continued on all routes involving North America, Europe, Oceania, Asia and Central and South America. This demand, combined with tighter supply, helped restore freight rates and enabled us to reach revenue targets on each route. Thanks to ongoing efforts to reduce costs, we recorded substantial gains in both revenue and income. Furthermore, operational difficulties on the west coast of North America, brought about by labor shortages, began easing in November.

Trampers and Specialized Carriers

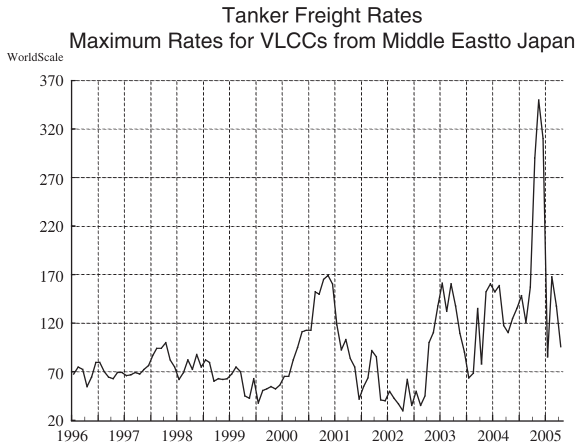
Car carrier transport volume benefited from ongoing strong exports to Europe, and the Near and Middle East, as well as Australia. During the term, we began employing seven new carriers, increasing charters and reworking shipping routes and schedules to improve efficiency. Although market conditions for bulk carriers softened somewhat until June 2004, the recovery in Chinese imports of raw materials for steel caused a surge in demand for all vessel and cargo types from July. Market conditions were particularly favorable for handy-size vessels. NYK was successful in its efforts to improve revenue stability, signing several long-term exclusive contracts in Japan and overseas. As a result, revenues in this segment expanded significantly from the preceding term.

Tanker Business

Thanks to increased demand from China and North America, demand remained robust even during the normally lackluster summer months, and by the end of the year rose to record levels exceeding WS300. Under these circumstances, we concluded new long-term contracts with oil companies domestically and overseas, contributing to revenue stability in this segment. Also helping to achieve the sharp rise in segment revenues compared with the preceding term was a steep rise in market prices, which helped spot demand. Revenues from oil products tankers also reflected these favorable market conditions. During the year, we took delivery of two new LNG carriers for special projects, and business in this area remained solid. Overall, the segment, including chemical and LPG carrier operations, improved year-on-year.



January 1996 – April 2005



January 1996 – April 2005

<Logistics>

Compared with the preceding term, this segment enjoyed higher revenue and income levels and achieved its initial targets. Air cargo remained favorable, supported by vigorous demand. In other areas, we expanded new business areas and improved profits under the three-year Logistics Strategy Plan-II (LSP-II) initiated during the fiscal year. However, owing to congestion at terminals on the west coast of the United States, performance for these businesses fell below planned levels.

<Cruises>

In the US market, competition increased in the high-end luxury market that is served by our three Crystal vessels, and this part of the business failed to achieve its performance targets. A market recovery became apparent in Japan, however, and revenues and income rose to record highs. To meet this growing demand, in spring of 2006 we plan to redeploy the luxury cruise ship Crystal Harmony to Japan as the Asuka II, replacing the Asuka vessel that is currently in operation.

<Terminal and Harbor Transport Services>

Terminal operations improved overall, benefiting from robust container handling volume in Japan, Asia and North America and posting year-on-year revenue and income growth. Beginning in July 2004, a shortage of port workers on the west coast of the United States complicated operations for this segment, although the situation had eased by November.

<Other Services>

The real estate business experienced fluctuations owing to urban redevelopment planning and other market changes, but stable management enabled this business to reach the performance targets set at the beginning of the year. Profits from the shipping agency business were favorable. Profits improved in other business areas, including information processing services, manufacturing and processing, and travel agency services.

Outlook

(Billions of yen)

	Fiscal Year ending March 31, 2006 (Forecast)	Fiscal Year ended March 31, 2005 (Actual)	Change	Percentage Change
Revenues	1,680.0	1,606.0	73.9	4.6%
Operating income	155.0	161.3	(6.3)	-4.0%
Income before extraordinary items	150.0	154.8	(4.8)	-3.1%
Net income	90.0	71.3	18.6	26.2%
Forecast conditions	Exchange rate ¥105/US$1.00		Bunker oil price US$230/metric ton	

- In the fiscal year ending March 31, 2006, we anticipate revenues of ¥1,680.0billion, operating income of ¥155.0 billion, income before extraordinary items of ¥150.0 billion and net income of ¥90.0 billion.
- Demand is expected to remain strong in the liner trade markets. We expect the tramper and specialized carrier markets to be slightly softer than in the fiscal year ended March 31, 2005. However, we anticipate only a slight decline in revenues from shipping segments as a consequence of having formalized long-term contracts and through ongoing cost-cutting efforts.
- In the logistics segment, we anticipate revenue and profits increases, boosted by the continued steady implementation of LSP-II.
- In the cruise segment, we will strive to improve profitability by raising passenger ratios and further reducing costs.
- In the terminal and harbor transport segment, we plan to boost revenues and profits, helped by steady container traffic and improved operational efficiency.

2. Financial Position

Assets, Liabilities and Shareholders' Equity

- Total assets were ¥1,476.2 billion, an increase of ¥99.5 billion from the previous year. Primary factors included a ¥21.7 billion rise in sales receivables, owing to expanded sales, as well as a ¥51.0 billion growth in our investment in shipbuilding – the total increase in the vessels and construction in progress categories. Furthermore, higher share prices expanded our investment in securities ¥17.0 billion.

- Total liabilities grew ¥24.5 billion, to ¥1,019.5 billion. Owing to the Company's ongoing efforts to reduce debt and the effects of yen appreciation, interest-bearing debt dropped ¥24.4 billion. However, current liabilities expanded ¥52.1 billion, attributable to higher accounts payable and prepayments.
- Total shareholders' equity increased ¥69.7 billion, to ¥427.7 billion, owing to a rise in retained earnings.
- The debt-equity ratio was 1.5, a 0.3-point improvement from one year earlier.

Cash Flows

(Billions of yen)

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Change
Net cash provided by operating activities	175.5	111.3	64.1
Net cash provided by (used in) investing activities	(135.0)	(88.0)	(46.9)
Net cash provided by (used in) financing activities	(41.3)	(34.8)	(6.5)
Effect of exchange rate changes on cash and cash equivalents	0.7	(10.1)	10.8
Net increase (decrease) in cash and cash equivalents	(0.1)	(21.6)	21.5
Increase in cash and cash equivalents due to change in consolidation scope	1.5	5.5	(3.9)
Cash and cash equivalents at end of the year	65.0	63.6	1.3

- At the end of the fiscal year, net cash provided by operating activities was ¥175.5 billion, up ¥64.1 billion, owing chiefly to a rise in income before tax and minority interests. Net cash used in investing activities was ¥135.0 billion, up ¥46.9 billion. Factors included higher expenditures for tangible and intangible fixed assets, and lower gains on proceeds from the sale of investment securities and the sale of fixed assets. Net cash used in financing activities was ¥41.3 billion, up ¥6.5 billion.

- As a result of these factors and changes in the scope of consolidation, cash and cash equivalents decreased ¥0.1 billion. However, owing to an increase in cash and cash equivalents due to change in consolidation scope, cash and cash equivalents at the end of the period amounted to ¥65.0 billion, up ¥1.3 billion from one year earlier.

Cash flow trends are indicated below.

	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
1 Capital adequacy ratio (%)	20.2	23.9	22.4	26.0	29.0
2 Capital adequacy ratio at market price (%)	43.9	38.3	38.9	44.1	53.4
3 Debt redemption (years)	7.9	8.5	7.8	5.9	3.6
4 Interest coverage ratio	3.1	2.8	4.1	6.0	10.4

1. Capital adequacy ratio: shareholders' equity/total assets
2. Capital adequacy ratio at market price: total stock value at market price/total assets
3. Debt redemption: 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 flow from operating activities. Interest-bearing debt consists of all interest-bearing liabilities included in liabilities listed in the balance sheet. Payments are based on the interest payments in the consolidated statements of cash flows.

3. Operational and Other Risks

The forecasts disclosed in these documents may differ materially from actual results, owing to risk factors and uncertainty. The general economic conditions in NYK's operating environment are marked by volatility in the maritime market, wide fluctuations in exchange rates, interest and bunker oil prices, marine perils among our fleet and international and social disorders such as war, terrorism and communicable diseases. Such factors in the Company's business environment, which are not limited to those mentioned, can affect NYK's business performance and financial situation adversely.