

Financial Results for FY15/3 and Forecast for FY16/3

April 2015



Contents

- 1) Results for FY15/3** p.2-4
- 2) Forecast for FY16/3** p.5-6
- 3) Overview of Each Industrial Segment** p.7-11
- 4) Financial Position** p.12
- 5) Fleet in Operation** p.13



Summary of FY15/3 Results

Increase in revenues and profits by more than 40% compared to FY14/3, due to yen depreciation, lower bunker oil price, and substantial improvement of air cargo business in 2H.

(billion yen)	FY14/3					FY15/3					Year-on-year	Previous forecast 4Q	Change from previous forecast
	1Q	2Q	3Q	4Q	Full-Year	1Q	2Q	3Q	4Q	Full-year			
Revenues	528.4	560.6	565.2	582.8	2,237.2	582.3	596.7	603.7	618.9	2,401.8	164.5	597.3	21.6
Operating Income	6.7	13.2	15.7	9.2	44.9	11.5	16.3	13.0	25.2	66.1	21.1	18.2	7.0
Recurring Profit	11.4	14.1	24.7	8.0	58.4	12.0	24.7	24.8	22.4	84.0	25.5	10.5	11.9
Net Income	8.5	11.9	7.8	4.6	33.0	10.2	9.7	8.4	19.1	47.5	14.5	11.6	7.5

Exchange Rate ¥97.72 ¥98.34 ¥99.56 ¥103.39 ¥99.75 ¥102.40 ¥102.65 ¥112.34 ¥119.36 ¥109.19 ¥9.44 ¥115.00

Bunker Oil Price \$643.46 \$613.86 \$621.30 \$617.82 \$624.11 \$616.36 \$610.64 \$574.02 \$428.10 \$557.28 -\$66.83 \$400.00

FY15/3 Cash dividend forecast : ¥7/share (¥2/share for interim and ¥5/share for year-end)

- Increase by ¥1/share for year-end compared to previous forecast
- Increase by ¥2/share compared to FY14/3
- Payout ratio: 25%



Comparison of Financial Results between FY14/3 and FY15/3 by Industrial Segments

	Industrial Segments (billion yen)	FY14/3					FY15/3					Year-on-year	Previous forecast 4Q	Change from previous forecast
		1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year			
Global Logistics	Liner	148.5	155.8	154.0	159.0	617.4	166.8	177.2	171.3	180.9	696.3	78.8	178.7	2.2
		-0.6	-0.2	1.2	-1.1	-0.7	-0.1	5.1	1.0	3.7	9.8	10.5	0.6	3.1
	Air Cargo	20.1	21.8	24.0	22.7	88.8	22.3	24.0	26.8	25.9	99.1	10.2	22.4	3.5
		-2.4	-2.3	-0.3	-2.2	-7.3	-2.2	-1.1	2.0	1.9	0.6	8.0	-1.2	3.1
	Logistics	104.7	107.0	111.2	108.5	431.5	109.8	116.7	127.2	133.1	486.9	55.3	120.3	12.8
	0.5	2.4	2.2	1.1	6.5	1.4	2.8	3.0	3.4	10.7	4.2	2.3	1.1	
Total	273.3	284.7	289.3	290.3	1,137.9	299.0	317.9	325.4	340.0	1,282.3	144.4	321.2	18.8	
	-2.4	-0.1	3.2	-2.2	-1.6	-1.0	6.8	6.2	9.2	21.3	22.9	1.5	7.7	
Bulk Shipping	Bulk Shipping	230.4	246.6	250.8	260.5	988.4	252.5	245.4	249.2	248.7	995.8	7.3	261.4	-12.6
		13.2	11.6	20.2	9.7	54.8	11.9	15.5	18.1	14.4	60.0	5.1	11.0	3.4
Others	Cruises	10.8	13.2	10.3	10.8	45.2	12.1	13.9	11.5	12.1	49.8	4.5	11.4	0.7
		-0.5	1.7	0.0	-0.3	0.7	0.3	2.2	-0.3	0.0	2.1	1.4	-0.7	0.6
	Real Estate	2.4	2.5	2.5	2.4	9.9	2.4	2.4	2.3	2.3	9.5	-0.4	2.4	0.0
		0.9	0.9	0.9	0.9	3.8	0.9	0.8	0.8	0.6	3.2	-0.5	0.4	0.2
	Other	45.9	47.5	45.1	54.1	192.7	44.9	44.5	41.2	39.9	170.6	-22.1	43.9	-3.9
	0.3	0.0	0.4	0.0	0.6	0.1	-0.3	0.5	-0.9	-0.5	-1.2	-0.9	0.0	
Elimination/ Unallocation	-34.6	-34.0	-32.9	-35.4	-137.1	-28.7	-27.4	-26.0	-24.1	-106.3	30.8	-42.9	18.7	
	0.0	0.0	0.0	0.0	0.0	-0.4	-0.4	-0.4	-0.8	-2.1	-2.0	-0.8	0.0	
Consolidated	528.4	560.6	565.2	582.8	2,237.2	582.3	596.7	603.7	618.9	2,401.8	164.5	597.3	21.6	
	11.4	14.1	24.7	8.0	58.4	12.0	24.7	24.8	22.4	84.0	25.5	10.5	11.9	

* (Upper) Revenues (Lower) Recurring Profit

- Liner business and air cargo business moved to the black. (Both spent FY14/3 in the red.)
- Increase in bulk shipping business profits under the depression of dry bulker market situation, due to the good performance of the car carrier division and liquid division.



Analysis of Change in Recurring Profit between FY14/3 and FY15/3

Substantial profit growth compared to FY14/3, contributed from increase in profit under non-shipping business as well as cost reduction, yen depreciation, and lower bunker oil prices.

(billion yen)

Yen Depreciation	15.1	¥ 109.19/\$, Depreciated by ¥ 9.44
Lower Bunker Oil Price	9.4	\$557.28/MT, Decreased by \$66.83
Market Effects etc	-45.8	
Cost Reduction	25.1	Liner 19.5
Foreign Exchange Gain	6.7	
Others	15.1	Extention of depreciation period 5.8
Total	25.6	

Forecast for FY16/3

Increase in revenues and all profits from FY15/3 based on our assumption of yen depreciation, lower bunker oil prices, and structural reform.

(billion yen)	FY15/3(Result)					FY16/3 (Forecast)			Year-on-year
	1H		2H		Full-year	1H	2H	Full-year	
	1Q	2Q	3Q	4Q					
Revenues	1,179.0		1,222.7		2,401.8	1,214.5	1,205.5	2,420.0	18.2 1%
	582.3	596.7	603.7	618.9					
Operating Income	27.8		38.2		66.1	44.5	43.5	88.0	21.9 33%
	11.5	16.3	13.0	25.2					
Recurring Profit	36.7		47.2		84.0	45.5	44.5	90.0	6.0 7%
	12.0	24.7	24.8	22.4					
Net Income	20.0		27.5		47.5	35.0	20.0	55.0	7.5 16%
	10.2	9.7	8.4	19.1					

Exchange Rate ¥102.40 ¥102.65 ¥112.34 ¥119.36 ¥109.19 ¥115.00 ¥115.00 ¥115.00 ¥5.81

Bunker Oil Price ¥616.36 ¥610.64 ¥574.02 ¥428.10 ¥557.28 \$370.00 \$370.00 \$370.00 -\$187.28

- Sensitivity on recurring profit

- Exchange rate : ¥ 1.4 billion (Full-year) increase per ¥1/\$ depreciation
- Bunker oil price : ¥ 1.0 billion(Full-year) increase per \$10/MT decrease

- FY16/3 cash dividend forecast :Annual dividend of ¥8/share (¥4/share for interim and ¥4/share for year-end)

- Increase dividend by ¥1/share.

Comparison between FY15/3 Results and FY16/3 Forecast by Industrial Segments

	Industrial Segment (billion yen)	FY15/3(Result)							FY16/3(Forecast)			Change
		1Q	2Q	1H	3Q	4Q	2H	Full-year	1H	2H	Full-year	
Global Logistics	Liner	166.8	177.2	344.0	171.3	180.9	352.2	696.3	391.0	381.0	772.0	75.6
		-0.1	5.1	4.9	1.0	3.7	4.8	9.8	17.0	10.5	27.5	17.6
	Air Cargo	22.3	24.0	46.3	26.8	25.9	52.7	99.1	46.5	45.5	92.0	-7.1
		-2.2	-1.1	-3.3	2.0	1.9	4.0	0.6	0.5	1.5	2.0	1.3
	Logistics	109.8	116.7	226.5	127.2	133.1	260.3	486.9	270.0	272.5	542.5	55.5
	1.4	2.8	4.2	3.0	3.4	6.5	10.7	5.0	6.0	11.0	0.2	
	Total	299.0	317.9	616.9	325.4	340.0	665.4	1282.3	707.5	699.0	1,406.5	124.1
		-1.0	6.8	5.8	6.2	9.2	15.4	21.3	22.5	18.0	40.5	19.1
Bulk Shipping	Bulk Shipping	252.5	245.4	497.9	249.2	248.7	497.9	995.8	475.0	473.0	948.0	-47.8
		11.9	15.5	27.4	18.1	14.4	32.6	60.0	22.5	27.0	49.5	-10.5
Others	Real Estate	2.4	2.4	4.8	2.3	2.3	4.6	9.5	4.5	4.5	9.0	-0.5
		0.9	0.8	1.8	0.8	0.6	1.4	3.2	1.5	1.5	3.0	-0.2
	Other*	57.0	58.4	115.5	52.8	52.0	104.9	220.4	103.5	103.0	206.5	-13.9
		0.5	1.9	2.4	0.1	-1.0	-0.9	1.5	0.5	-0.5	0.0	-1.5
	Elimination/ Unallocation	-28.7	-27.4	-56.1	-26.0	-24.1	-50.1	-106.3	-76.0	-74.0	-150.0	-43.6
		-0.4	-0.4	-0.8	-0.4	-0.8	-1.2	-2.1	-1.5	-1.5	-3.0	-0.8
	Consolidated	582.3	596.7	1179.0	603.7	618.9	1222.7	2401.8	1,214.5	1,205.5	2,420.0	18.2
		12.0	24.7	36.7	24.8	22.4	47.2	84.0	45.5	44.5	90.0	6.0

* From FY16/3, previous "Cruises" segment is merged with " Other" segment due to sale of Crystal Cruises, Inc.

- Global Logistics business : Liner, air cargo, logistics, all increase in profit compared to FY15/3.
- Bulk Shipping business : Forecast of decrease in profit due to historically low Dry Bulk market at the beginning of FY16/3, and decrease in revenues caused by delayed bunker surcharge reduction.



Overview of Each Industrial Segment 1)

1. Liner – Container:

Container Lifting, Slot (1,000TEU)

		FY14/3 (Result)	FY15/3(Result)					Change from previous forecast	FY16/3(Forecast)			Year- on- Year
			1Q	2Q	3Q	4Q	Full- year		1H	2H	Full- year	
Asia→ North America	Lifting	663	180	198	179	160	718	-18	401	359	761	43
	Slot	787	202	213	193	166	774	-22	435	377	812	38
	Utilizaion	84%	89%	93%	93%	96%	93%	0%	92%	95%	94%	1%
Asia→Europe	Lifting	512	148	150	141	135	574	0	313	290	603	29
	Slot	560	153	158	150	144	605	1	324	308	631	26
	Utilizaion	91%	97%	95%	94%	94%	95%	0%	96%	94%	95%	1%

Trend of Container Freight Rate (Index, FY09/3 1Q=100)

		FY14/3 (Result)	FY15/3(Result)					FY16/3(Forecast)			Year- on- Year
			1Q	2Q	3Q	4Q	Full- year	1H	2H	Full- year	
Asia→North America		96	91	91	89	94	91	92	92	92	1
Asia→Europe		72	72	74	66	69	70	69	67	68	-2

- Liftings
 - FY15/3 Increase in cargo volume by 8% (North America) and 12% (Europe) compared to FY14/3, though the volume didn't reach the previous forecast due to the effect of U.S. West Coast port congestion.
 - FY16/3 Increase in lifting volume according to increase in slots
- Freight Rates
 - FY15/3 Freight rates dropped by 5 points in North America year on year due to cargo portfolio review, though profitability has shown improvement.
 - FY16/3 Expect a slight rise (North America), whereas the market condition is wholly bearish due to peak timing in the delivery of new large ships.

Overview of Each Industrial Segment 2)

2. Air Cargo Transportation (NCA)

	FY14/3 (Result)	FY15/3 (Result)				Full- year	FY16/3 (Forecast)		
		1H		2H			1H	2H	Full- Year
		1Q	2Q	3Q	4Q				
Revenues billion yen	88.8	46.3		52.7		99.1	46.5	45.5	92.0
		22.3	24.0	26.8	25.9				
Recurring Profit billion yen	-7.3	-3.3		4.0		0.6	0.5	1.5	2.0
		-2.2	-1.1	2.0	1.9				
Chargeable Weight 1,000 ton	407	233		237		470	247	237	484
		115	118	119	118				
Volume (RTK) Mil.ton kilo	2,470	1,410		1,485		2,895	1,476	1,431	2,907
		690	720	736	749				
Capacity (ATK) Mil.ton kilo	3,498	1,984		2,004		3,988	1,985	1,893	3,878
		975	1,009	1,017	987				
YIELD FY09/3 1Q=100	93	94		103		98	85	87	86
		93	94	105	101				
MOPS US\$ per bbl	\$121	\$118		\$80		\$99	\$70	\$70	\$70
		\$120	\$116	\$90	\$69				

- **FY15/3** :Substantial improvement in profits resulting from yield improvement and an increase in transport volume resulting from lower fuel costs and an immediate demand for a quick transport alternative to mitigate the impact of U.S. West Coast port congestion in 4Q.
- **FY16/3** :Expect an increase in profit due to lower bunker oil prices and cost reduction caused by structural reform, etc.

3. Logistics Segment

(billion yen)	FY14/3 (Result)	FY15/3(Result)				FY16/3 (Forecast)			
		1H		2H		Full-year	1H	2H	Full-year
		1Q	2Q	3Q	4Q				
Revenues	431.5	226.5		260.4		486.9	270.0	272.5	542.5
		109.8	116.7	127.2	133.1				
Recurring Profit	6.5	4.2		6.5		10.7	5.0	6.0	11.0
		1.4	2.8	3.0	3.4				

- FY 15/3 :Handling volume in air freight forwarding was greater than FY14/3, and demand is increasing because of the steady growth in volume involved with U.S. economic recovery and West Coast port congestion. Handling volume in ocean-freight forwarding showed steady growth ex-Japan, but low volume ex-Asia. The logistics business is continuously growing, mainly in South Asian countries.
- FY16/3 Steady growth of handling volume should be expected.

Overview of Each Industrial Segment 4)

4. Bulk Shipping – 1) Market trend and forecast:

		FY14/3 (Result)	FY15/3(Result)					FY16/3(Forecast)		
			1Q	2Q	3Q	4Q	Full-Year	1H	2H	Full-Year
Dry Bulk Carrier	B D I	1,348	983	950	1,120	614	917	775	1,140	958
	Cape (4TC)	17,256	11,884	12,665	14,148	4,610	10,827	7,500	14,500	11,000
	Panamax (Pac)	9,914	6,834	5,218	8,752	4,535	6,335	6,000	9,000	7,500
	Handymax (Pac)	9,201	9,022	8,639	8,928	5,980	8,142	6,750	7,250	7,000
	Handy (Pac)	7,628	8,083	6,405	7,003	5,527	6,755	6,250	6,750	6,500
Tanker	VLCC	22,913	14,050	21,497	48,792	56,493	35,208	37,500	37,500	37,500

* Spot charterage by vessel type 4TC = average of 4 routes, Pac = Pacific-round, Currency Unit = US\$ / day

- Dry Bulk Carriers

FY15/3 Market condition for all the types was aggravated seriously compared to FY14/3

FY16/3 Expect the same level of market on full year average as FY15/3 after slow improvement, even though the current level is in a historically low range.

- Tankers

FY15/3 Market condition improved due to strong oil demand resulting from lower oil prices since 3Q, as well as an increase in transport distance due to the diversification of export countries.

FY16/3 Expect the strong market to continue.

Overview of Each Industrial Segment 5)

4. Bulk Shipping –2) Car Carrier:

Car Transportation Result/Forecast(1,000Cars)

	FY14/3 (Result)	FY15/3(Result)					FY16/3 (Forecast)		
		1H		2H		Full- year	1H	2H	Full- year
		1Q	2Q	3Q	4Q				
All Trade (1,000cars)	3,600	1,840		1,820		3,650	1,850	1,850	3,700
		930	900	930	890				
Change	4%	1%		3%		2%	1%	2%	1%
		6%	-4%	-1%	7%				

- FY15/3

Increased by 2% compared to FY14/3.

As far as NYK is concerned, loading volume ex-Japan has shown steady growth, supported by good sales in the U.S., etc.

- FY16/3

Expect increase in loading volume by 1% compared to FY15/3, mainly due to increase in loading volume from other countries than Japan.



Financial Position

		FY13/3 (Result)	FY14/3 (Result)	FY15/3 (Previous Forecast)	FY15/3 (Result)	FY16/3 (Forecast)
Interest-bearing debt	billion yen	1,292.1	1,241.9	1,110.0	1,098.3	1,000.0
Shareholders' equity	billion yen	650.4	720.2	750.0	810.3	840.0
Shareholders' equity ratio		27%	28%	30%	32%	33%
DER		1.99	1.72	1.48	1.36	1.19
ROE		3.1%	4.8%	4.7%	6.2%	6.7%
Cash flow from operating activities	billion yen	93.9	136.5	110.0	136.4	140.0
Cash flow from investing activities	billion yen	-135.5	6.4	-70.0	26.7	-120.0
(Depreciation and amortization)	billion yen	(97.5)	(105.9)	(95.0)	(101.0)	(100.0)

FY15/3

- Satisfactory progress of reducing interest-bearing debt.
- Improvement in shareholder's equity ratio, DER, ROE.
- Lighten cash flow from investing activities due to sales of shares of U.S. terminal business, promoting sales and lease back scheme, and delay of planned projects, etc..



Fleet in Operation

Industrial Segment	Type of vessel	FY14/3 (Result)						FY15/3 (Result)					
		Owned (incl. co-owned)		Chartered		Total		Owned (incl. co-owned)		Chartered		Total	
		Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)
Liner	Container ships (incl. semi-container ships)	25	1,333	76	4,239	101	5,572	20	1,219	84	4,772	104	5,991
Bulk Shipping	Bulk carriers (capesize)	36	6,806	93	17,769	129	24,576	36	6,806	87	17,054	123	23,861
	Bulk carriers (panamax)	41	3,583	73	6,133	114	9,716	42	3,696	71	5,846	113	9,542
	Bulk carriers (handysize)	67	2,936	105	4,943	172	7,880	67	3,010	105	4,838	172	7,848
	Wood chip carriers	9	438	40	2,141	49	2,580	8	416	40	2,141	48	2,558
	Car carriers	30	500	95	1,730	125	2,230	28	477	95	1,738	123	2,215
	Tankers	52	8,581	25	3,475	77	12,056	47	8,107	21	3,206	68	11,313
	LNG carriers	26	1,944	3	228	29	2,172	27	2,015	3	228	30	2,243
	Multi-purpose carriers	15	302	37	606	52	909	15	302	32	455	47	758
	Others	11	109	15	208	26	318	1	7	0	0	1	7
Cruises	Cruise ships	1	7	2	14	3	21	1	7	2	14	3	21
Total		313	26,544	564	41,491	877	68,036	292	26,067	540	40,295	832	66,363

-Co-owned ships's dwt is including not only NYK Group companies' ownership but also other non-affiliated

-The number of owned LNG Carriers including equity method affiliates are 67 as of FY14/3, 69 as of FY15/3.

- Capesize: Over 120,000DWT
- Panamax: 60,000-119,999DWT
- Handysize: Under 60,000DWT