

Financial Results
For the Year Ended March 31, 2010

April 27, 2010

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>
Head Office: Tokyo, Japan
Representative: Yasumi Kudo, President
Contact: Tsuyoshi Endo, General Manager, IR Group Tel: +81-3-3284-5986
Ordinary General Meeting of Shareholders June 23, 2010
Submit scheduled date of Financial Report June 23, 2010
Start scheduled date of paying Dividends June 24, 2010

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(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, 2010	1,697,342	-30.1	(18,094)	-	(30,445)	-	(17,447)	-
Year ended March 31, 2009	2,429,972	-6.0	144,914	-28.3	140,814	-29.1	56,151	-50.8

	Net income per share	Net income per share – fully diluted	Net income per share ratio in shareholders' equity	Recurring profit/total assets	Operating income/revenues
	yen	yen	%	%	%
Year ended March 31, 2010	(12.71)	-	-2.9	-1.4	-1.1
Year ended March 31, 2009	45.73	-	9.5	6.5	6.0

Equity in income or loss of unconsolidated subsidiaries and affiliates:

Year ended March 31, 2010: ¥2,417 million

Year ended March 31, 2009: ¥4,204 million

Note: Diluted net income per share-fully diluted data for year ended March 31, 2010 is not shown in the above table, because net income per share is negative although there are residual shares. Diluted net income per share data for year ended March 31, 2009 is 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 assets per share
	million yen	million yen	%	yen
Year ended March 31, 2010	2,207,163	703,394	30.0	389.46
Year ended March 31, 2009	2,071,270	581,237	26.3	443.16

Shareholders' equity

Year ended March 31, 2010: ¥661,232 million

Year ended March 31, 2009: ¥544,121 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, 2010	62,105	(43,706)	137,396	281,660
Year ended March 31, 2009	150,474	(170,253)	29,571	126,768

2. Dividends

Date of record	Dividend per share					Total dividends paid (Full year) million yen	Payout ratio (Consolidated) %	Dividends/ Net assets (Consolidated) %
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-end	Full year			
	yen	yen	yen	yen	yen			
Year ended March 31, 2009	-	13.00	-	2.00	15.00	18,417	32.8	3.1
Year ended March 31, 2010	-	2.00	-	2.00	4.00	5,851	-	1.0
Year ending March 31, 2011 (Forecast)	-	2.50	-	2.50	5.00		24.3	

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(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
Cumulative second quarter ending September 30, 2010	940,000	18.3	37,000	-	34,000	-	15,000	-	8.83
Year ending March 31, 2011	1,900,000	11.9	74,000	-	65,000	-	35,000	-	20.61

Note and special instructions for the use of financial forecasts provided in this document

Assumptions for above forecasts: Foreign exchange rate: ¥90/US\$

Bunker oil price: 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 page 4-9 of the attachment for assumptions and other matters related to the forecast.

4. Others

(1) Changes of important subsidiaries in the period

(Changes of specific subsidiaries with that of the scope of consolidation): Yes

New: None Exclusion: 1 (Corporate name: Antwerp Car Processing Center N.V.)

Remarks: Refer to page 10 of 2. Diagram of the Group's Business Structure

(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 other than No.1: None

Remarks: Refer to page 26 of Changes in Significant Accounting Policies Used in 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, 2010: 1,700,550,988 shares

Year ended March 31, 2009: 1,230,188,073 shares

2. Number of treasury stock at the end of the period

Year ended March 31, 2010: 2,726,440 shares

Year ended March 31, 2009: 2,376,101 shares

Remarks: Refer to page 30 of this document regarding the information per share.

(Reference)

1. Non-consolidated Financial Results for the Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(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, 2010	808,125	-34.9	(40,018)	-	(31,696)	-	(7,212)	-
Year ended March 31, 2009	1,240,421	-5.5	56,256	-39.5	113,190	6.6	16,076	-78.8

	Net income per share	Net income per share-fully diluted
	yen	yen
Year ended March 31, 2010	(5.26)	-
Year ended March 31, 2009	13.09	-

Note: Diluted net income per share-fully diluted data for year ended March 31, 2010 is not shown in the above table, because net income per share was negative although there are residual shares. Diluted net income per share data for year ended March 31, 2009 is 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 assets per share
	million yen	million yen	%	yen
Year ended March 31, 2010	1,408,463	526,351	37.4	310.01
Year ended March 31, 2009	1,138,526	408,989	35.9	333.09

Shareholders' equity

Year ended March 31, 2010: ¥ 526,351 million

Year ended March 31, 2009: ¥ 408,989 million

1. Operating Results

(1) Review of Consolidated Operating Results

Operating Results for the fiscal year 2009

For the fiscal year (April 1, 2009—March 31, 2010), NYK Line posted consolidated revenues of ¥1,697.3 billion, compared with ¥2,429.9 for the same period last year, operating loss of ¥18.0 billion, compared with operating income of ¥144.9 billion, for the same period last year, recurring loss of ¥30.4 billion, compared with recurring profit of ¥140.8 billion for the same period last year, and net loss of ¥17.4 billion, compared with net income of ¥56.1 billion for the same period last year

(In billion yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Change	Percentage change
Revenues	2,429.9	1,697.3	-732.6	-30.1 %
Costs and expenses	2,054.5	1,520.9	-533.6	-26.0 %
Selling, general and administrative expenses	230.4	194.5	-35.9	-15.6 %
Operating income	144.9	(18.0)	-163.0	- %
Recurring profit	140.8	(30.4)	-171.2	- %
Net income	56.1	(17.4)	-73.5	- %

Overview

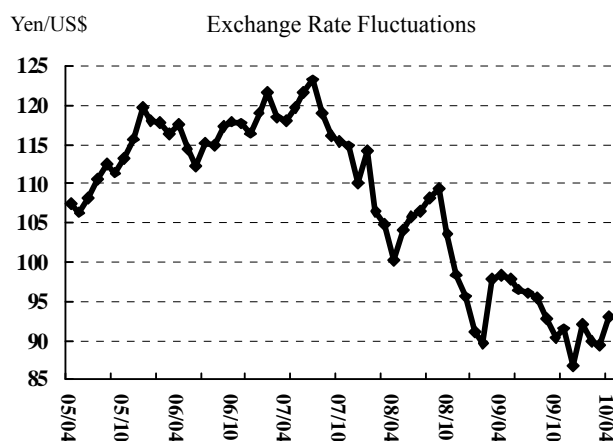
In the fiscal year ended March 31, 2010, the global economy emerged from the nadir of its downturn dating back to autumn 2008 by virtue of worldwide fiscal and monetary policy mobilization. Shipping operators' business environment likewise embarked on a gradual recovery trend, but the recovery has yet to gain much momentum. NYK Line consequently saw unprecedentedly drastic deterioration in its operating performance. Consolidated revenues declined ¥732.6 billion, or 30.1%, from the previous fiscal year as a result of a steep drop in revenues from shipping segments (composed of the Liner Trade and Bulk Shipping), and a decline in handling volumes in the Logistics, Terminal and Harbor Transport, and Air Cargo Transportation segments. The decline in shipping segment's revenues was chiefly attributable to a falloff in container transport volume and decline in container freight rates, mainly in the fiscal first half, a slump in tanker rates, and delayed recovery in cargo volumes in the Car Carrier Division. Despite a ¥533.6 billion, or 26.0%, reduction in cost and expenses relative to the previous fiscal year and cuts in selling, general and administrative expenses also, the large decrease in revenues resulted in a ¥163.0 billion decline in operating income. The ratio of operating income to revenues fell to -1.1% from 6.0% in the previous fiscal year, a decrease of 7.0 percentage points. Both recurring profit and net income deteriorated sharply. Recurring profit declined ¥171.2 billion from the previous fiscal year. Net income was down ¥73.5 billion despite extraordinary income on the sales of investment securities and fixed assets and a decrease in extraordinary loss due to a decrease in impairment loss.

The impact of fluctuations in foreign exchange rates and bunker oil prices on recurring profit is summarized in the following table:

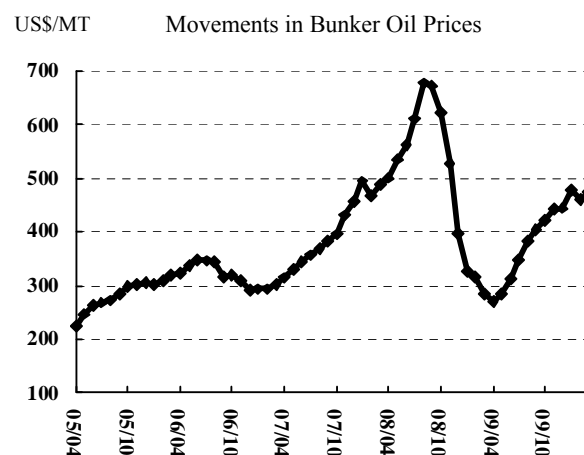
	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Change	Impact
Average exchange rate	¥100.82/US\$	¥93.04/US\$	Yen up ¥7.78	¥ -5.4 billion
Average bunker oil price	US\$503.21/MT	US\$393.83/MT	Price down US\$109.38	¥21.8 billion

Notes:

1. A ¥1 change in the exchange rate against the dollar has an annualized impact of around ¥700 million 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 ¥200 million.



Period: April 2005–April 2010



Period: April 2005–March 2010

Note: Exchange rates and bunker oil prices are our corporate values.

Segment Information

(In billion yen)

	Revenues				Operating income			Recurring profit		
	FY2008	FY2009	Change	Percentage change	FY2008	FY2009	Change	FY2008	FY2009	Change
Liner Trade	595.3	378.0	-217.2	-36.5 %	(24.3)	(51.7)	-27.4	(25.8)	(55.4)	-29.5
Bulk Shipping	1,087.0	733.4	-353.6	-32.5 %	172.7	45.7	-127.0	168.9	36.6	-132.3
Logistics	448.1	341.7	-106.3	-23.7 %	4.8	1.1	-3.6	5.1	1.5	-3.6
Terminal and Harbor Transport	132.0	110.2	-21.7	-16.5 %	6.0	3.3	-2.7	5.1	2.9	-2.2
Cruises	44.2	35.1	-9.0	-20.5 %	1.3	(3.7)	-5.0	1.1	(4.0)	-5.1
Air Cargo Transportation	79.4	62.5	-16.8	-21.2 %	(17.9)	(15.3)	2.5	(18.8)	(15.1)	3.6
Real Estate	11.7	12.1	0.4	3.7 %	3.6	3.7	0.1	4.3	4.9	0.5
Other	207.8	155.9	-51.9	-25.0 %	(1.5)	(1.3)	0.2	0.6	(1.7)	-2.4

Liner Trade

With container transport volume in a recovery trend from the fiscal third quarter, cargo lifting volumes surpassed their year-ago levels in both the fiscal fourth quarter and second half on many routes, mainly North American and European routes. On a full-year basis, however, cargo lifting volumes fell short of their year-ago level as a result of a slump in transport volume in the fiscal first half. Additionally, freight rates rebounded substantially from the fiscal second half by virtue of improvement in the supply-demand balance, particularly on European and Latin American routes. Annual-average freight rates, however, fell below their year-ago level, resulting in decreased revenues. Although the Liner Trade segment realized substantial cost savings, partly as a result of a decline in the price of bunker oil, its overall earnings nonetheless were down substantially versus the previous fiscal year.

Bulk Shipping

Car Carrier Division

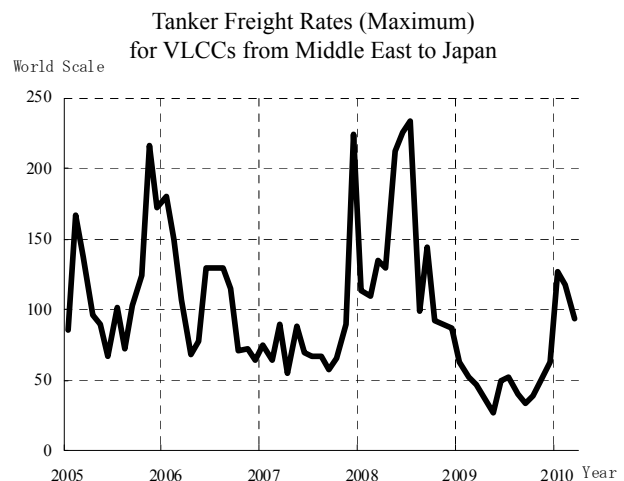
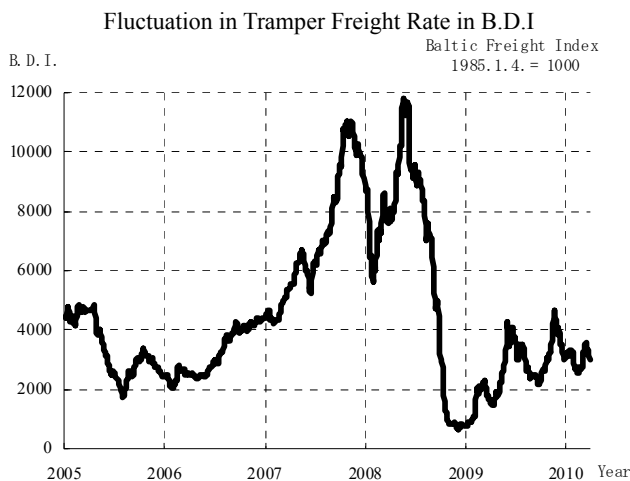
Transport volumes were sluggish in the fiscal first half amid the global economic downturn and failed to fully recover in the fiscal second half. Car transport volume recovered to around 70% of its year-ago level in the fiscal third quarter and remained in a recovery trend in the fourth quarter also, but full-year car transport volume fell below its year-ago level. Amid such an environment, the Car Carrier Division added nine newly built vessels, scrapped five vessels, mainly superannuated ones, and laid up seven vessels. It also endeavored to adapt to changes in the environment through fuel conservation activities and efficient vessel deployment. In the auto logistics business, which complements car carrier operations, the Car Carrier Division endeavored to expand its operations to proactively capture demand in India and other emerging market economies in addition to conducting car transport operations in China and car terminal operations in China, Europe, and Singapore.

Dry Bulk Carrier Division

Seaborne dry bulk cargo volumes resumed growing amid an early recovery in global steel and energy demand by virtue of V-shaped recoveries in Asian emerging market economies, most notably China and India, and improvement in economic conditions in developed countries as well. On the supply side, bulk carrier capacity did not increase as much as initially feared, due to newbuild order cancellations and postponement of newbuild delivery dates. Additionally, chronic shipping congestion developed in China and Australia. The bulk carrier supply-demand balance consequently started to improve. Freight rates generally remained in a rising trend throughout the fiscal year, except for Cape-size freight rates, which were highly volatile. The Dry Bulk Carrier Division's full-year revenues and earnings fell from the previous fiscal year, but the Division emerged from the worst depths of the recent downturn.

Tanker Division

Petroleum demand recovered in emerging market economies such as China and India but remained weak in developed countries. Seaborne cargo volumes of both crude oil and petroleum products were generally sluggish, depressed by high inventory levels. On the supply side, many newly built tankers were added into service, although the increase in capacity was partially offset by scrapping and retrofitting of single-hull tankers and leasing of tankers by speculators for floating storage. The tanker market's supply-demand balance consequently failed to improve. Tanker freight rates likewise languished, but showed signs of having bottomed, bolstered by last winter's cold wave in the Northern Hemisphere. The Tanker Division's earnings embarked on recovery in the fiscal second half, but its full-year revenues and earnings fell short of their respective year-ago levels.



Logistics

Amid a falloff in demand from major customers in manufacturing (e.g., auto, electronics) industries and the retail industry, NYK Logistics endeavored to further cut costs and improve operating efficiency through such means as worldwide headcount reductions and downsizing of warehouse capacity. Although earnings improved in Asia as handling volumes grew in tandem with economic recovery, this improvement failed to offset earnings deterioration in the Americas, Europe, and Japan. Yusen Air & Sea Service Co., Ltd. also saw its earnings fall below their year-ago level due to a global slump in airfreight demand and margin compression stemming from increased costs in the wake of rising air freight rates in the fiscal second half. The Logistics segment's overall revenues and earnings consequently decreased relative to the previous fiscal year.

Terminal and Harbor Transport

Domestic and overseas container terminals' handling volumes decreased relative to the previous fiscal year in the wake of a global slump in container transport volume, resulting in a decline in the Terminal and Harbor Transport segment's revenues and earnings relative to the previous fiscal year.

Cruises

In the U.S. market, Crystal Cruises' sales declined as the global economic downturn dampened consumer demand across all luxury goods markets. In the Japanese market, Asuka II's sales were buoyant during the summer cruise season, tracking in line with their year-ago level, but ended up declining on a full-year basis, largely because of cruise cancellations due to typhoons in the fiscal second half. Despite efforts to reduce expenses, most notably ship repair and maintenance, the Cruises segment's overall revenues and earnings declined relative to the previous fiscal year.

Air Cargo Transportation

In the fiscal first half, Nippon Cargo Airlines Co., Ltd. (NCA) was hurt by a slump in transport volume dating back to autumn 2008. From the fiscal second half, however, it captured resurgent demand with not only its regularly scheduled flights but also expansion of its charter service. It also endeavored to offset rising fuel prices with fuel surcharges. On a full-year basis, the recovery in demand was modest. Although revenues were down from the previous fiscal year, NCA reduced its losses through radical cost-cutting inclusive of aircraft operation and maintenance expenses.

Real Estate and Other Business Services

Despite a real estate market slump, the Real Estate business achieved growth in both revenues and earnings relative to the previous fiscal year by maintaining high occupancy rates at its main office building properties. In Other Business Services, the trading business's revenues were reduced by decline in unit sales and a decrease in bunker oil prices. The manufacturing and processing business also was hurt by price declines. As a result, the Other Business Services' revenues and earnings decreased relative to the previous fiscal year.

Forecast of Consolidated Financial Results

	Fiscal year ended March 31, 2010 (Actual)	Fiscal year ending March 31, 2011 (Forecast)	Change	Percentage change
Revenues	1,697.3	1,900.0	202.6	11.9 %
Operating income	(18.0)	74.0	92.0	- %
Recurring profit	(30.4)	65.0	95.4	- %
Net income	(17.4)	35.0	52.4	- %
Assumptions for forecasts:	Exchange Rate ¥90/US\$		Bunker oil price US\$500/MT	

Over the full year, NYK expects revenues of ¥1,900.0 billion, operating income of ¥74.0 billion, recurring profit of ¥65.0 billion, and net income of ¥35.0 billion.

In the Liner Trade, freight rates are recovering steadily amid supply adjustments by shipping operators and improved cargo movements, so NYK Line will continue efforts to cut costs, by operating vessels at reduced speed for example, and endeavor to improve earnings. In Bulk Shipping, the company expects car transport unit volume to recover, and it expects dry bulk and tanker freight rates to be firm as emerging economies experience economic growth. In the Air Cargo Transportation segment, the company will continue actively working to capture resurgent demand while streamlining operations. In the Logistics segment, NYK Line will proceed with integration of its business with Yusen Air & Sea Service Co., Ltd.'s, and endeavor to boost operating revenue by driving up sales and optimizing and streamlining operations.

(2) Review of Change in Financial Position

Assets, Liabilities, and Net Assets

Consolidated assets totaled ¥2,207.1 billion at fiscal year-end (March 31, 2010), an increase of ¥135.8 billion compared with the end of the previous fiscal year (March 31, 2009). This mainly reflects an increase in current assets of ¥163.0 billion due to an increase in cash and deposits and short-term investment securities. Consolidated liabilities totaled ¥1,503.7 billion at fiscal year-end, an increase of ¥13.7 billion compared with the end of the previous fiscal year. This mainly reflects an increase in interest-bearing debt resulting from corporate bonds issued, which offset a decrease in loans payable. In December 2009, NYK Line received payment for shares issued via public offering and completed an exchange of shares with Taiheiyo Kaiun Co., Ltd., which increased NYK Line's common stock by ¥55.7 billion and capital surplus by ¥58.4 billion. Consequently, at March 31, 2010, shareholders' equity—the aggregate of shareholders' capital and valuation and translation adjustments—totaled ¥661.2 billion, and adding minority interests of ¥42.1 billion to this resulted in total net assets of ¥703.3 billion. As a result, the debt-equity ratio finished at 1.64.

Cash Flows

Net cash provided by operating activities in the fiscal year ended March 31, 2010 was ¥62.1 billion, reflecting net loss before income taxes and minority interests of ¥-9.9 billion as well as depreciation and amortization of ¥98.0 billion, and ¥-21.0 billion in interest expenses paid. Net cash used in investing activities was ¥-43.7 billion, primarily reflecting increased expenditure for noncurrent assets, mainly accounted for by investments in vessels. Net cash provided by financing activities was ¥137.3 billion, reflecting issuance of common stock of ¥110.7 billion. As a result, the balance of cash and cash equivalents stood at ¥281.6 billion at fiscal year-end, an increase of ¥154.8 billion compared with the beginning of the fiscal year (April 1, 2009), after taking into account the effect of exchange rate change on cash and cash equivalents.

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

	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
1 Shareholders' equity ratio (%)	30.6	30.8	27.9	26.3	30.0
2 Shareholders' equity ratio at market price (%)	46.7	54.4	50.3	22.3	28.4
3 Cash flows vs ratio of interest-bearing debt (years)	5.5	10.3	5.1	7.2	17.4
4 Interest coverage ratio	8.5	5.0	8.8	6.6	2.9

1. Shareholders' equity ratio: shareholders' equity/total assets

2. Shareholders' equity ratio at market price: total market capitalization/total assets

3. Cash flows vs ratio of interest-bearing debt (years): interest-bearing debt/cash flow from operating activities

4. Interest coverage ratio: cash flow from operating activities/interest payments

Notes:

1. All indices are calculated using consolidated figures.

2. Gross equity market capitalization is calculated by multiplying the closing price of our shares at the end of the period by the number of ordinary shares issued and outstanding at the end of the period.

3. Cash flow indices are computed by 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 expenses paid in the consolidated statements of cash flows.

(3) Dividend Policy and Dividends for the Fiscal Year ended March 31, 2010, and the Fiscal Year ending March 31, 2011

NYK considers returning profits to shareholders one of its highest priorities. It sets dividends in light of its earnings outlook, dividend payout ratio, and other factors. In November 2009, NYK conducted an equity offering to solidify its financial foundation and fund capital expenditures, mainly for vessels. Taking into consideration internal retention of earnings to withstand volatility in freight rates and other market prices, NYK plans to pay a year-end dividend of ¥2 per share for the fiscal year ended March 31, 2010, as announced on January 29, 2010. Including a previously paid interim dividend of ¥2 per share, NYK plans to pay total dividends of ¥4 per share for the fiscal year ended March 31, 2010. For the fiscal year ending March 31, 2011, NYK plans to pay an interim dividend and a year-end dividend of ¥2.5 per share each, for an annual total of ¥5 per share, in accord with its target of maintaining a consolidated dividend payout ratio of 25%.

(4) Operational and Other Risks

This document contains forward looking statements regarding business performance which may differ materially from the results actually realized due to the presence of certain risks and uncertainties. These include, but are not limited to, accidents involving the Group's fleet or aircraft, economic conditions prevailing in the markets in which the Group operates, volatility in the shipping market, large swings in exchange rates, interest rates and bunker oil prices, and social unrest such as war, terrorism and the outbreak of epidemics. Such risks and uncertainties have the potential to impact negatively on the Group's business activities, performance and financial position. Furthermore, it must be noted that potential sources of such negative impacts are not limited to those listed above.

2. Diagram of the Group's Business Structure

The NYK Group (the Group) consists of the reporting company (Nippon Yusen Kabushiki Kaisha (NYK Line), the Company), 711 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, air cargo transportation, real estate and other services.

The segments' main businesses and Group companies engaging in respective businesses are as follows:

	Lines of Business	Major Consolidated Subsidiaries and Affiliates
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, charterage 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. *Geneq Corporation *Camellia Line Co., Ltd. *Taiheiyō Kaiun Co., Ltd. *NYK Bulkship (Atlantic) N.V. *NYK Bulkship (Asia) Pte. Ltd. *Saga Shipholding (Norway) AS *NYK LNG (Atlantic) Ltd. *International Car Operators N.V. *NYK Reefers Ltd. *NYK Bulkship (Korea) Co. Ltd. **Shinwa Kaiun Kaisha, Ltd. **Kyoei Tanker 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 (Americas) Inc. *NYK Logistics (UK) Ltd. *NYK Logistics (China) Co., Ltd. *NYK Logistics (Hong Kong) Ltd. *Yusen Air & Sea Service (USA) Inc. *NYK Logistics (Thailand) Co., Ltd. *NYK Logistics (Deutschland) GmbH *NYK Logistics (Belgium) N.V. *NYK Logistics (Australia) Pty. Ltd. *NYK Logistics (Czech Republic) S.R.O. *NYK Logistics (France) S.A.S. *NYK Logistics (Polska) Sp.Zo.O.
Terminal and 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 *Nippon Container Yuso Co., Ltd. *Asahi Unyu Kaisha, Ltd. *Kaiyo Kogyo Co., Ltd. *Naikai Tug Boat Service Co., Ltd. *Wing Maritime Service Corporation *Pacific Maritime Corporation *NYK Terminals (North America) Inc. *Yusen Terminals Inc.

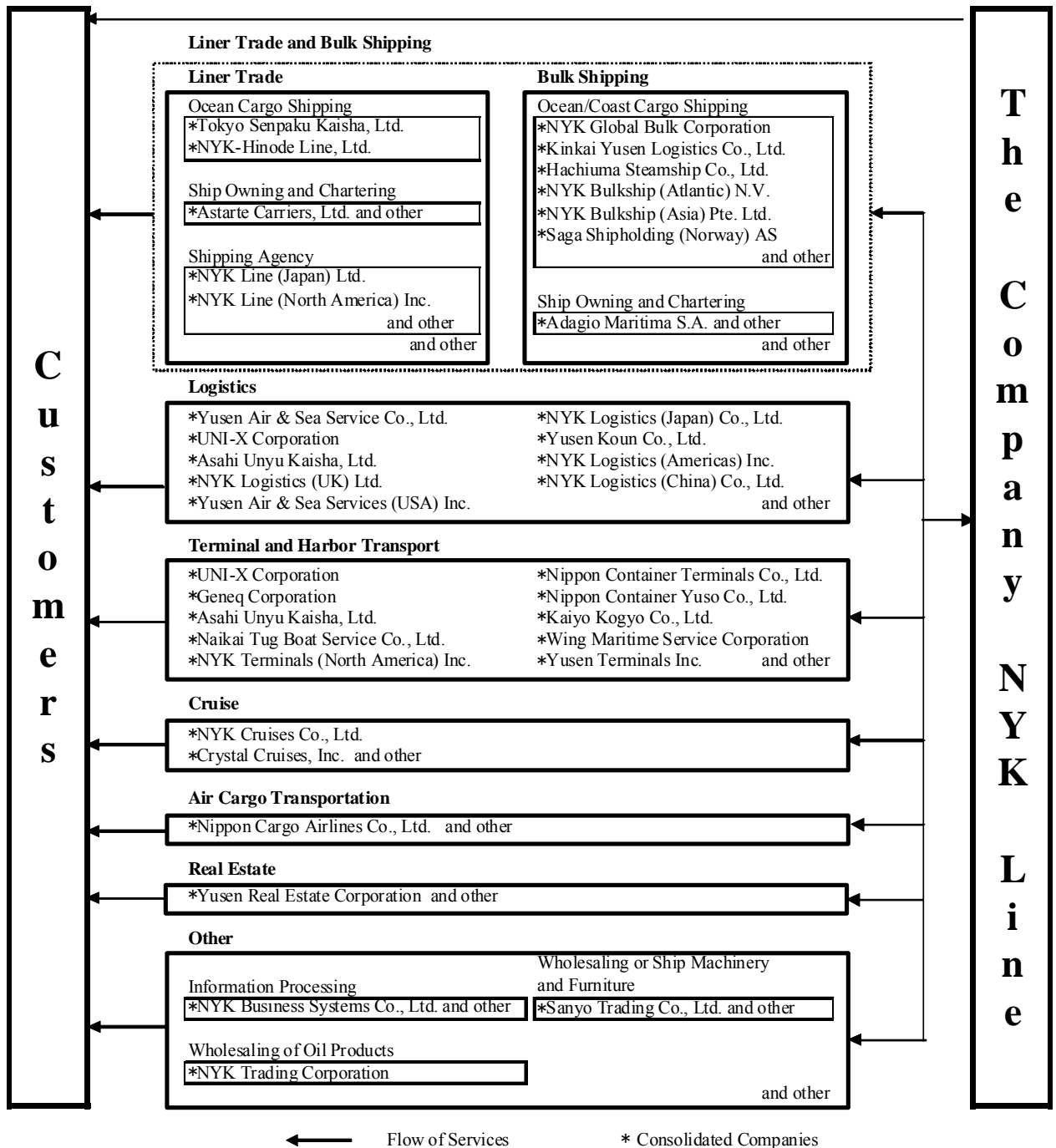
Cruise	The Company's related companies own luxury cruise ships and operate cruise business in the U.S. and Japan.	*NYK Cruises Co., Ltd. *Crystal Cruises, Inc.
Air Cargo Transportation	The Company's related companies engage in air cargo transportation.	*Nippon Cargo Airlines Co., Ltd.
Real Estate	The 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 ship related machinery and instrumentation wholesaling, transport related ancillary services, information processing, oil wholesaling, and other services.	*NYK Trading Corporation *NYK Business Systems Co., Ltd. *Sanyo Trading Co., Ltd.

Notes: 1. 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.

2. Antwerp Car Processing Center N.V., our specific subsidiary, was liquidated after merging with 4 other subsidiaries. The name of the new company after merging 5 companies is International Car Operators N.V.

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

In April 2008, the NYK Group launched a new three-year medium-term management plan, *New Horizon 2010*, and has been striving to be a global *monohakobi* (transport) enterprise. However, in response to drastic changes in the external environment, the NYK revised the target value of this plan in April 2009, and in October 2009, restructured the business portfolio by being selective and concentrating on core competencies. In particular, it's (1) Downsizing core containership fleet and changing to a light asset business, (2) fundamentally reviewing expansion strategy of air cargo business, (3) developing non-asset business of global logistics business, (4) strengthening sea and land car transportation business, and (5) expanding natural resources and energy resources transportation business and pursuing new business opportunities such as offshore business. In addition, NYK solidified its financial foundation by thorough cost reduction and careful selection of capital expenditures, and for further strategic investment, conducted an equity offering in November 2009.

To get through the challenging environment, NYK Group will adhere to the Emergency Structural Reform Project (*Yosoro*) and work as one to achieve the plans laid out in and medium-term management plan.

(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 carrying out procurement of ships to meet demand for transportation, mainly for natural resources and energy, as well as expanding our operations in emerging nations. 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.

(Targets and achievements of *New Horizon 2010*)

(In billion yen)	FY2008 Actual	FY2009 Actual	FY2010 Planned (*)
Revenues	2,429.9	1,697.3	1,900.0
Recurring profit	140.8	(30.4)	65.0
Net income	56.1	(17.4)	35.0

(Assumption)

Foreign exchange rates	¥100.82/US\$	¥93.04/US\$	¥90.00/US\$
Bunker oil price	US\$503.21/MT	US\$393.83/MT	US\$500.00/MT

(Financial Indicator)

(In billion yen)	FY2008 Actual	FY2009 Actual	FY2010 Planned (*)
Interest-bearing debt at year-end	1,077.9	1,081.8	1,040.0
Shareholders' equity at year-end	544.1	661.2	680.0
Shareholders' equity ratio	26.3%	30.0%	30.4%
DER	1.98	1.64	1.53
ROIC	5.9%	-0.4%	3.0%
Cash flows from operating activities	150.4	62.1	120.0
Cash flow from investing activities	(170.2)	(43.7)	(140.0)

(*) Reviewed on April 27, 2010

(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. Dividends will be determined with consideration given to level of retained earnings required to finance further to fortify the Company against future changes in market conditions that may occur in the industry, our results outlook, and a target dividend payout ratio of 25%.

(3) Issues to be Addressed

The NYK Group is stepping up its responses to the following three management issues.

1. Drastic Changes in the External Environment

In response to the tumultuous economic environment that Group has faced since autumn 2008, NYK has been carrying out a two-year Emergency Structural Reform Project (*Yosoro*) since January 2009, and reviewed a medium-term management plan *New Horizon 2010* in October 2009 to restructure the business portfolio by being selective and concentrating on core competencies. In particular, to strengthen operations and financial position, NYK decided to downsize core containership fleet and change to a light asset business, fundamentally reviewed expansion strategy of air cargo business and developed the charter flight business, and conducted thorough cost-reduction activities in each individual operation. For growth strategies after economic recovery, NYK has been working to develop non-asset business and deepen the scope of global logistics business, to strengthen sea and land car transportation business, and to expand natural resources and energy resources transportation business and pursue new business opportunities such as offshore business.

In order to meet the needs of global customers, NYK Group decided to integrate NYK's logistics business and the logistics services of Yusen Air & Sea Service Co., Ltd. (YAS) to maximize group synergy. As a total logistics provider, Yusen Logistics Co., Ltd., a newly integrated company, aims to establish two main pillars of business, namely freight forwarding (air/ocean) and contract logistics, to meet the needs of global customers for optimized logistics. Nippon Cargo Airlines Co., Ltd. (NCA), in the meantime, was in negotiations with Japan Airlines International Co., Ltd. (JALI) to reform involving a possible merger for further efficiency of the air cargo business. However, both parties have reached an amicable conclusion to end the negotiations because the structure of the merger could not be organized within the scope of the agreement. Nevertheless, JALI and NCA will continue their existing business relationships, such as operating code-sharing flights and coordinating ground handling activities, and maintain close communication in their current business partnership.

2. Environmental Initiatives

Protecting the environment is one of the most important management issues for the NYK Group. In 2008, NYK launched an environmental project, *NYK Cool Earth Project*, aiming to reduce greenhouse gas emissions by a minimum of 10% on ton/mile basis by 2013 compared with fiscal 2006 emissions. Under this project, we are developing innovative environmental technologies such as *NYK Super Eco Ship 2030*, reduction of fuel consumption, practice of low-speed navigation, and implementation of other reforms to realize an environmentally friendly business model.

3. Enhancing CSR (Corporate Social Responsibility) -oriented Management

CSR-oriented management is the bedrock of our medium-term management plan's core strategies, and is based on the pillars of (1) sound and highly transparent management, (2) safe, environmentally friendly operations, and (3) workplaces that instill pride. For sound and highly transparent management, we will continue to enhance our internal controls and our compliance framework. Safe, environmentally friendly operations are high-priority issue. To ensure that our ships travel the waters safely, we will continue to raise employee awareness and establish procedures for preventing accidents. To protect the environment, we will work to reduce greenhouse gas emissions regardless of vessel or non-vessel business. To achieve workplaces that instill pride, we are working to build strong relationships with all of our stakeholders, including our customers, shareholders and investors, business partners, non-profit and non-governmental organizations, and local communities, and enhance our service quality by putting into practice the NYK Group Values (Integrity, Innovation, and Intensity) which embody the Group's corporate philosophy.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(In million yen)

	As of	As of
	March 31, 2009	March 31, 2010
	Amount	Amount
Assets		
Current assets		
Cash and deposits	135,770	257,245
Notes and operating accounts receivable-trade	172,458	188,292
Short-term investment securities	779	30,983
Inventories	32,856	44,344
Deferred and prepaid expenses	42,401	49,381
Deferred tax assets	5,130	14,755
Other	104,208	71,811
Allowance for doubtful accounts	(3,015)	(3,226)
Total current assets	490,588	653,590
Noncurrent assets		
Vessels, property, plant and equipment		
Vessels, net	688,860	651,501
Buildings and structures, net	76,163	81,075
Aircraft, net	5,222	4,764
Machinery, equipment and vehicles, net	29,566	28,816
Equipment, net	6,499	6,226
Land	59,952	62,578
Construction in progress	295,423	271,659
Other, net	5,968	4,499
Net vessels, property, plant and equipment	1,167,656	1,111,122
Intangible assets		
Leasehold right	1,502	2,570
Software	10,834	9,013
Goodwill	20,043	21,014
Other	4,102	3,227
Total intangible assets	36,482	35,825
Investments and other assets		
Investment securities	253,879	282,459
Long-term loans receivable	13,520	18,594
Deferred tax assets	31,698	16,639
Other	79,438	90,144
Allowance for doubtful accounts	(3,612)	(3,570)
Total investments and other assets	374,925	404,267
Total noncurrent assets	1,579,063	1,551,214
Deferred assets	1,618	2,359
Total assets	2,071,270	2,207,163

(In million yen)

	As of	As of
	March 31, 2009	March 31, 2010
	Amount	Amount
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	145,087	164,875
Current portion of bonds	20,000	-
Short-term loans payable	239,163	135,771
Commercial paper	4,000	-
Income taxes payable	12,399	8,037
Deferred tax liabilities	367	655
Advances received	36,953	45,226
Provision for bonuses	8,043	7,004
Provision for directors' bonuses	469	285
Provision for losses related to antitrust law	8,518	4,579
Other	99,983	84,101
Total current liabilities	574,988	450,537
Noncurrent liabilities		
Bonds payable	191,197	251,128
Long-term loans payable	613,640	687,718
Deferred tax liabilities	10,504	7,955
Provision for retirement benefits	16,060	16,348
Provision for directors' retirement benefits	2,571	2,462
Provision for periodic dry docking of vessels	13,498	19,434
Provision for losses related to antitrust law	1,728	1,728
Other	65,844	66,456
Total noncurrent liabilities	915,045	1,053,232
Total liabilities	1,490,033	1,503,769
Net assets		
Shareholders' capital		
Common stock	88,531	144,319
Capital surplus	97,189	155,663
Retained earnings	426,217	408,017
Treasury stock	(1,493)	(1,576)
Total shareholders' capital	610,444	706,424
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,935	30,007
Deferred gains (loss) on hedges	(37,889)	(30,155)
Foreign currency translation adjustments	(39,369)	(45,044)
Total valuation and translation adjustments	(66,323)	(45,192)
Minority interests	37,116	42,162
Total net assets	581,237	703,394
Total liabilities and net assets	2,071,270	2,207,163

(2) Consolidated Statements of Income

(In million yen)

	Year ended	Year ended
	March 31, 2009	March 31, 2010
	Amount	Amount
Revenues	2,429,972	1,697,342
Cost and expenses	2,054,595	1,520,932
Gross profit	375,377	176,410
Selling, general and administrative expenses	230,463	194,504
Operating income (loss)	144,914	(18,094)
Non-operating income		
Interest income	4,574	2,646
Dividends income	6,758	3,875
Foreign exchange gains	358	-
Equity in earning of unconsolidated subsidiaries and affiliates	4,204	2,417
Other	5,343	6,546
Total non-operating income	21,240	15,485
Non-operating expenses		
Interest expenses	22,366	19,467
Foreign exchange losses	-	3,466
Other	2,974	4,902
Total non-operating expenses	25,340	27,836
Recurring profit (loss)	140,814	(30,445)
Extraordinary income		
Gain on sales of noncurrent assets	8,569	9,887
Gain on sales of investment securities	2,972	14,893
Gain on sales of subsidiaries and affiliates' stocks	4,092	-
Reversal of provision for periodic dry docking of vessels	-	3,690
Other	5,455	6,011
Total extraordinary income	21,090	34,482
Extraordinary loss		
Loss on sales of noncurrent assets	3,075	649
Impairment loss	27,050	4,098
Software development costs	14,411	-
Provision for losses related to antitrust law	10,246	-
Loss on cancellation of chartered vessels	8,872	-
Loss on valuation of investment securities	8,675	-
Provision of allowance for doubtful accounts	-	1,852
Other	11,913	7,410
Total extraordinary loss	84,244	14,011
Income (loss) before income taxes and minority interests	77,660	(9,974)
Income taxes – current	30,996	12,818
Income taxes – deferred	(11,968)	(8,041)
Total income taxes	19,028	4,776
Minority interests in net income	2,480	2,696
Net income (loss)	56,151	(17,447)

(3) Statements of Changes in Consolidated Net Assets

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Shareholders' capital		
Common stock		
Balance at the end of previous period	88,531	88,531
Changes of items during the period		
Issuance of new shares	-	55,788
Total changes of items during the period	-	55,788
Balance at the end of current period	88,531	144,319
Capital surplus		
Balance at the end of previous period	97,212	97,189
Changes of items during the period		
Issuance of new shares	-	55,788
Disposal of treasury stock	(22)	(19)
Increase by share exchanges	-	2,704
Total changes of items during the period	(22)	58,474
Balance at the end of current period	97,189	155,663
Retained earnings		
Balance at the end of previous period	401,044	426,217
Changes of items during the period		
Dividends from surplus	(30,698)	(4,911)
Net income (loss)	56,151	(17,447)
Effect of changes in accounting policies applied to foreign subsidiaries	161	-
Adjustments due to change in the fiscal periods of consolidated subsidiaries	186	(91)
Change of scope of consolidation	(5)	3,488
Change of scope of equity method	482	933
Other	(1,104)	(171)
Total changes of items during the period	25,172	(18,199)
Balance at the end of current period	426,217	408,017
Treasury stock		
Balance at the end of previous period	(1,339)	(1,493)
Changes of items during the period		
Purchase of treasury stock	(300)	(129)
Disposal of treasury stock	146	46
Total changes of items during the period	(154)	(83)
Balance at the end of current period	(1,493)	(1,576)
Total shareholders' capital		
Balance at the end of previous period	585,449	610,444
Changes of items during the period		
Issuance of new shares	-	111,577
Dividends from surplus	(30,698)	(4,911)
Net income (loss)	56,151	(17,447)
Purchase of treasury stock	(300)	(129)
Disposal of treasury stock	123	26
Increase by share exchanges	-	2,704
Effect of changes in accounting policies applied to foreign subsidiaries	161	-
Adjustments due to change in the fiscal periods of consolidated subsidiaries	186	(91)
Change of scope of consolidation	(5)	3,488
Change of scope of equity method	482	933
Other	(1,104)	(171)
Total changes of items during the period	24,995	95,979
Balance at the end of current period	610,444	706,424

(In million yen)

	Year ended	Year ended
	March 31, 2009	March 31, 2010
	Amount	Amount
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	85,668	10,935
Changes of items during the period		
Net change of items other than shareholders' capital	(74,732)	19,071
Total changes of items during the period	(74,732)	19,071
Balance at the end of current period	10,935	30,007
Deferred gains or losses on hedges		
Balance at the end of previous period	(20,712)	(37,889)
Changes of items during the period		
Net change of items other than shareholders' capital	(17,177)	7,734
Total changes of items during the period	(17,177)	7,734
Balance at the end of current period	(37,889)	(30,155)
Foreign currency translation adjustments		
Balance at the end of previous period	(12,442)	(39,369)
Changes of items during the period		
Net change of items other than shareholders' capital	(26,926)	(5,675)
Total changes of items during the period	(26,926)	(5,675)
Balance at the end of current period	(39,369)	(45,044)
Total valuation and translation adjustments		
Balance at the end of previous period	52,513	(66,323)
Changes of items during the period		
Net change of items other than shareholders' capital	(118,836)	21,130
Total changes of items during the period	(118,836)	21,130
Balance at the end of current period	(66,323)	(45,192)
Minority interests		
Balance at the end of previous period	41,074	37,116
Changes of items during the period		
Net change of items other than shareholders' capital	(3,958)	5,046
Total changes of items during the period	(3,958)	5,046
Balance at the end of current period	37,116	42,162
Total net assets		
Balance at the end of previous period	679,036	581,237
Changes of items during the period		
Issuance of new shares	-	111,577
Dividends from surplus	(30,698)	(4,911)
Net income (loss)	56,151	(17,447)
Purchase of treasury stock	(300)	(129)
Disposal of treasury stock	123	26
Increase by share exchanges	-	2,704
Effect of changes in accounting policies applied to foreign subsidiaries	161	-
Adjustments due to change in the fiscal periods of consolidated subsidiaries	186	(91)
Change of scope of consolidation	(5)	3,488
Change of scope of equity method	482	933
Other	(1,104)	(171)
Net change of items other than shareholders' capital	(122,794)	26,177
Total changes of items during the period	(97,799)	122,157
Balance at the end of current period	581,237	703,394

(4) Consolidated Statements of Cash Flows

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Net cash provided by (used in) operating activities:		
Income (loss) before income taxes and minority interests	77,660	(9,974)
Depreciation and amortization	100,124	98,019
Impairment loss	27,050	4,098
Software development costs	14,411	-
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(4,179)	(8,248)
Loss (gain) on sales of short-term and long-term investment securities	(6,956)	(14,589)
Loss (gain) on valuation of short-term and long-term investment securities	8,851	737
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(4,204)	(2,417)
Interest and dividends income	(11,333)	(6,521)
Interest expenses	22,366	19,467
Foreign exchange losses (gains)	(4,166)	50
Decrease (increase) in notes and accounts receivable-trade	69,943	(11,039)
Decrease (increase) in inventories	22,422	(11,544)
Increase (decrease) in notes and accounts payable-trade	(66,164)	15,295
Other, net	6,241	(5,612)
Subtotal	252,065	67,721
Interest and dividends income received	16,488	10,338
Interest expenses paid	(22,903)	(21,095)
Income taxes (paid) refund	(95,176)	5,142
Net cash provided by (used in) operating activities	150,474	62,105
Net cash provided by (used in) investing activities:		
Purchase of short-term investment securities	(1,851)	(2,146)
Proceeds from sales of short-term investment securities	3,225	2,492
Purchase of vessels, property, plant and equipment and intangible assets	(417,555)	(237,969)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	248,233	183,732
Purchase of investment securities	(15,125)	(14,249)
Proceeds from sales of investment securities	13,012	28,184
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(3,358)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(331)	(2,930)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	213
Payments of loans receivable	(6,675)	(8,667)
Collection of loans receivable	9,274	5,069
Other, net	(2,462)	5,923
Net cash provided by (used in) investing activities	(170,253)	(43,706)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	(35,522)	(85,903)
Increase (decrease) in commercial paper	(15,000)	(4,000)
Proceeds from long-term loans payable	223,311	169,632
Repayment of long-term loans payable	(94,519)	(84,570)
Proceeds from issuance of bonds	-	59,787
Redemption of bonds	(16,000)	(20,000)
Proceeds from issuance of common stock	-	110,776
Purchase of treasury stock	(300)	(129)
Proceeds from sales of treasury stock	123	26
Cash dividends paid to shareholders	(30,698)	(4,911)
Cash dividends paid to minority shareholders	(778)	(719)
Other, net	(1,042)	(2,592)
Net cash provided by (used in) financing activities	29,571	137,396
Effect of exchange rate change on cash and cash equivalents	(2,477)	(5,520)
Net increase (decrease) in cash and cash equivalents	7,314	150,275
Cash and cash equivalents at beginning of period	115,963	126,768
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	3,475	4,665
Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries	-	14
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	13	(63)
Cash and cash equivalents at end of period	126,768	281,660

(5) Notes Regarding Going Concern Assumption

Not applicable

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

1. Scope of consolidation

Number of consolidated subsidiaries: 711

(NYK Global Bulk Corporation, Taiheiyo Kaiun Co., Ltd., 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 701 other subsidiaries)

2. Application of the equity method

Number of subsidiaries accounted for by the equity method: 13

(Yusen Travel (Hong Kong) Ltd. and 12 other companies)

Number of affiliated companies accounted for by the equity method: 61

(Shinwa Kaiun Kaisha, Ltd. and 60 other companies)

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

(1) Consolidated subsidiaries

Number of newly consolidated companies: 60

AMCO Engineering Corporation	NCA Japan Co., Ltd.
NCT Service Co., Ltd.	Ocean Hotel Systems Co., Ltd.
Global Ocean Development Inc.	Hojoh General Development Co., Ltd.
ACE Forward Navigation S.A.	Bombon Shipholding S.A.
Brillo Shipholding Inc.	Compass Insurance Company Ltd.
Discover Ship Navigation S.A.	Dvorak Shipholding S.A.
Energy Confidence Shipping S.A.	Global Prince Shipping S.A.
Grand Pacific Maritime S.A.	Hayate Maritima S.A.
Hikari Shipholding S.A.	Jacquart Shipholding S.A.
Kodama Shipholding S.A.	Kombinasi Restu (M) Sdn. Bhd.
Lacimech Ikasas Maritime S.A.	Laem Chabang Cruise Centre Co., Ltd.
Margin Raiser Shipping S.A.	Merit Raiser Shipping S.A.
Mighty Raiser Shipping S.A.	N.Y.K. Distribution Service (Thailand) Co., Ltd.
Nozomi Shipholding S.A.	NYG Shipping Ltd.
NYK Business Systems Europe Ltd.	NYK Car Carrier (China) Co., Ltd.
NYK Line (Italy) S.P.A.	NYK LINE (Vietnam) Co., Ltd.
NYK Logistics (Vietnam) Co., Ltd.	NYK RORO Terminal (Thailand) Co., Ltd.
P.T. NYK Line Indonesia	Pacific Glory Maritime S.A.
Pacific Queen Maritime S.A.	Pidgeot Maritima S.A.
Pine Crest Shipping Corp.	Plus One Shipping S.A.
Raticate Maritima S.A.	TASCO Bhd.
Totoir Shipping S.A.	Triton Shipping Navigation S.A.
Tsubasa Shipholding S.A.	Twinkle Navigation S.A.
Wartortle Maritima S.A.	Yusen Air & Sea Service (Guangdong) Ltd.
Yusen Air & Sea Service (India) Pvt. Ltd.	And 11 other companies

Number of companies change from unconsolidated subsidiaries application of the equity method: 6

Frigorifico LCL Ltda.	Global Shipping Sservices Ltda.
LCL Caribbean Corp.	LCL De Centroamerica, S.A.
LCL Logistica Chile Ltda.	LCL Sweden AB

Number of companies change from application of the equity method: 1

Taiheiyo Kaiun Co., Ltd.

Number of companies change to application of the equity method: 2

NYK-SCF LNG Shipping No.1 Ltd.	NYK-SCF LNG Shipping No.2 Ltd.
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Number of companies excluded from consolidation: 47

Accessory Plant Zeebrugge N.V.	Antwerp Car Processing Center N.V.
Ardija Maritima S.A.	Aries Maritime Enterprises S.A.
Blancmange Shipholding S.A.	Bubona Shipping Pte. Ltd.
Carter Maritima S.A.	Cedar Shipholding S.A.
Cerezo Maritima S.A.	Combined Terminal Operators N.V.
Elka Shipholding S.A.	Fors Shipping Pte. Ltd.
Frontale Maritima S.A.	Global Courage S.A.
Grandis Shipholding S.A.	Hesnes Rita AS
Hesnes Sissle Inc.	Hesnes Stina AS
Kure Shipping S.A.	Lorang France S.A.S.

Maple Shipholding S.A.
Mondia Logistics S.A.
NYK Logistics 2008 Pte. Ltd.
Platana Shipholding S.A.
Rodman Maritima S.A.
Rubia Shipholding S.A.
Stoudamire Maritima S.A.
Taipen Yusen Wharf & Godown Co., Ltd.
Vega Shipholding S.A.
Viola Maritima S.A.

Marinos Maritima S.A.
NYK Logistics (Fuzhou Bonded Zone) Ltd.
Orion Shipholding S.A.
Rhodes Maritima II S.A.
Rosa Shipholding S.A.
Spruce Shipholding S.A.
Sun Tay Kee Ltd.
Uriah Shipping S.A.
Ventforet Maritima S.A.
Zeebrugge Shipping And Bunkering Company N.V.
And 7 other companies

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

Number of companies newly included as companies accounted for by equity method: 5

Mantle Quest Japan Company Ltd.	Giga Shipping Sdn. Bhd.
Tianjin Port RO-RO Terminal Co., Ltd.	And 2 other companies

Number of companies reclassified from consolidated subsidiaries: 2

NYK-SCF LNG Shipping No.1 Ltd.	NYK-SCF LNG Shipping No.2 Ltd.
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Number of companies reclassified as consolidated subsidiaries: 7

Taiheiyō Kaiun Co., Ltd.	Frigorifico LCL Ltda.
Global Shipping Services Ltda.	LCL Caribbean Corp.
LCL De Centroamerica, S.A.	LCL Logistica Chile Ltda.
LCL Sweden AB	

Number of companies excluded from equity method: 4

Stolt NYK (Aust) Pty Ltd.	And 3 other companies
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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 65 consolidated subsidiaries whose closing dates of account fell on December 31. For one of the consolidated subsidiaries whose closing dates of account fell on December 31 and one consolidated subsidiary whose closing date of account was February 28, pro forma financial statements as of the closing date of the consolidated statements were used for the purpose of consolidation.

From this fiscal year, Geneq Corporation, a consolidated subsidiary of the Company, has changed the closing date from February 28 to March 31. The impact to retained earnings from this change is stated in the statements of changes in consolidated net assets.

5. Accounting policies

(1) Standards and methods of valuation of significant assets

Securities	
Bonds held to maturity	Amortized cost method (principally straight-line method)
Available-for-sale securities	
Securities with market value	Primarily, market value method based on the average market price during the month before the closing date, etc. (Differences in valuation are included directly in net assets and costs of securities sold are calculated primarily using the moving-average method)
Securities without market value	Primarily, stated at cost using the moving-average method
Derivatives	Market value method
Inventories	Primarily, stated at cost using the moving-average method (reducing book value in accordance with declines in profitability)

(2) Depreciation methods for significant depreciable assets

Vessel, property, plant and equipment (except for lease assets)	Primarily, the straight-line method pursuant to the provisions of the Corporation Tax Law
Intangible assets (except for lease assets)	
Software	Primarily, the straight-line method based on useful life of five years in-house
Other intangible assets	Primarily, the straight-line method pursuant to the provisions of the Corporation Tax Law
Lease assets	
Lease assets arising from ownership-transfer finance leases	Identical to depreciation method applied to self-owned noncurrent assets

Lease assets arising from non-ownership-transfer finance leases	Straight-line method that assumes a useful life is equal to the lease period and an estimated residual value is zero
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The conventional accounting treatment has applied non-ownership-transfer finance leases that start-up date commenced before March 31, 2008.

(3) Disposition method of significant deferred assets

Stock issuance cost	Amortized equally each month over the three years
Bond issuance cost	Amortized equally each month over the period of redemption of the bond

(4) Standard of accounting for significant allowances and provisions

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables.
Provision for bonuses	Provided for bonus payments to employees based on estimated amounts of future payments attributed to the fiscal year
Provision for director's bonuses	Provided for bonus payments to directors based on estimated amounts of future payments attributed to the fiscal year
Provision for retirement benefits	Provision for retirement benefits is calculated based on the estimates of retirement benefit obligations and pension assets as of the end of the fiscal year. Prior service cost is amortized primarily by the straight-line method over a certain period (8 years) which is not more than the average remaining service period of employees. Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a certain period (8 years) which is not more than the average remaining service period of employees.
Provision for directors' retirement benefits	Provision for directors' retirement benefits at the end of fiscal term are calculated based on internal rules as for 53 consolidated subsidiaries.
Provision for periodic dry docking of vessels	Provision for periodic dry docking of vessels is calculated based on future estimated amount for periodic dry docking of vessels.
Provision for losses to related antitrust law	<ol style="list-style-type: none"> 1. Nippon Cargo Airlines Co., LTD. (NCA), a consolidated subsidiary of the Company, has been under investigation in relation to suspicions of a price-fixing cartel in cargo transport by European and Korean authorities. For European investigation, NCA received an official statement of objections from the European Commission in December 2007. For the investigation of Korean Fair Trade Commission, NCA received an examiner's report on suspicion of violating the Korean Fair Trade Law in October 2009. With regard to the European and Korean Commission's investigation, NCA recorded provisions based on the estimated value of potential future losses. 2. Major international air cargo transportation companies in Japan, including NYK's consolidated subsidiary Yusen Air & Sea Service Co., Ltd.(YAS) received a cease and desist order and an order for payment of administrative surcharge from the Japan Fair Trade Commission (JFTC) in March 2009, for alleged violations of Article 3 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (prohibition of unreasonable restraints on trade) related to international air cargo transportation. YAS had since carefully investigated said orders and, as a result, passed a resolution to petition the JFTC to commence administrative hearing procedures in April 2009. After that, in receipt of the commencement notice of administrative hearing procedures in July 2009, the appeal procedures have been issued. However, YAS recorded provisions in the amount of the administrative surcharge based on the order from the JFTC.

(5) Standards of accounting for important income and expenses

Standards of accounting for revenue and expenses of the shipping operation

Container ships

For freight rate and transportation costs, the Company has mainly adopted the intermodal transportation percentage of completion basis, which is posted in accordance with the elapse of the transportation period of the individual cargo.

Other than container ships

For freight rates, transportation costs, and vessel lease fees of short-term chartered vessels, in addition to vessel cost relating to vessels in operation and vessel lease fees of long-term chartered vessels, along with lending vessel fees corresponding to these, the Company has mainly adopted the voyage completion method, which considers from place of departure to the place of return as one unit.

(6) Accounting method for interest expenses

Interest expenses are generally charged to expenses on an accrual basis. However, interest expenses associated with the vessels under construction which will fall into the category of long-term and significant valued business assets and fulfill certain conditions, are included in the acquisition costs of business assets.

(7) Significant hedge accounting

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 loans payable and bonds payable 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.

(8) Consumption taxes

Consumption taxes are accounted for by the tax exclusion method.

6. Valuation of assets and liabilities of consolidated subsidiaries

Valuation of assets and liabilities of consolidated subsidiaries is determined based on the full-assessment market value method.

7. Amortization of goodwill

Goodwill is amortized equally each year over 5 to 20 years.

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

Cash and cash equivalents in the 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.

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

Changes in Accounting Policy

Changes in accounting standard for amount and cost of completed work

The Company used to apply the completed-contract method for recognizing revenues and costs of long-term construction contract, however, effective from this fiscal year ended March 31, 2010, “Accounting Standard for Construction Contracts” (ASBJ Statement No.15, December 27, 2007) and “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, December 27, 2007) have been adopted. From the construction contract that commenced during this fiscal year, the percentage-of-completion method (the percentage of completion of construction activity is estimated by the incurred cost) is applied for the construction which the outcome of the construction activity is deemed certain during the course of the activity, otherwise the completed-contract method is applied. The effect of this change is minimal.

Changes in the Presentation of Accounts

1. “Gain on sales of subsidiaries and affiliates’ stocks” (60 million yen), which was presented separately in the previous fiscal year, is included in “Other” under extraordinary income since it accounted for less than 10/100 of the total value of extraordinary income.
2. “Reversal of provision for periodic dry docking of vessels” (1,329 million yen), which was included in “Other” under extraordinary income in the previous fiscal year, was presented separately in the fiscal year under review since it accounted for more than 10/100 of the total value of extraordinary income.
3. “Provision for losses related to antitrust law” (712 million yen), “Loss on valuation of investment securities” (536 million yen), and “Loss on cancellation of chartered vessels” (428 million yen), which were presented separately in the previous fiscal year, are included in “Other” under extraordinary loss since they accounted for less than 10/100 of the total value of extraordinary loss.
4. “Provision of allowance for doubtful accounts” (633 million yen), which was included in “Other” under extraordinary loss in the previous fiscal year, was presented separately in the fiscal year under review since it accounted for more than 10/100 of the total value of extraordinary loss.

(8) Explanatory Notes to Financial Statements

(Segment Information)

(1) Segment information by business

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(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											
(1) Revenues from customer	589,709	1,081,267	445,575	100,689	44,190	70,536	9,104	88,898	2,429,972	-	2,429,972
(2) Inter-segment revenues	5,661	5,818	2,563	31,320	10	8,895	2,611	118,985	175,867	(175,867)	-
Total	595,371	1,087,086	448,139	132,009	44,200	79,432	11,715	207,883	2,605,839	(175,867)	2,429,972
Operating expenses	619,700	914,290	443,252	125,949	42,883	97,340	8,102	209,415	2,460,935	(175,876)	2,285,058
Operating income/loss	(24,329)	172,796	4,886	6,059	1,317	(17,907)	3,613	(1,531)	144,904	9	144,914
Recurring profit/loss	(25,855)	168,986	5,174	5,134	1,104	(18,817)	4,395	682	140,804	9	140,814
II. Assets	298,419	1,245,395	197,618	131,854	39,768	71,429	51,214	492,524	2,528,225	(456,955)	2,071,270
Depreciation and amortization	11,005	69,353	7,285	5,737	1,787	1,824	1,123	2,015	100,132	(7)	100,124
Impairment loss	-	1,075	79	-	-	25,745	-	150	27,050	-	27,050
Capital expenditures	117,613	234,557	5,161	7,563	2,181	47,145	787	2,545	417,555	-	417,555

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(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											
(1) Revenues from customer	374,035	727,665	340,437	85,249	35,155	55,493	9,828	69,477	1,697,342	-	1,697,342
(2) Inter-segment revenues	4,050	5,805	1,345	25,030	-	7,086	2,326	86,504	132,148	(132,148)	-
Total	378,085	733,471	341,782	110,279	35,155	62,579	12,154	155,981	1,829,491	(132,148)	1,697,342
Operating expenses	429,823	687,718	340,592	106,949	38,859	77,938	8,413	157,303	1,847,599	(132,162)	1,715,437
Operating income/loss	(51,737)	45,752	1,190	3,330	(3,703)	(15,358)	3,740	(1,321)	(18,108)	13	(18,094)
Recurring profit/loss	(55,445)	36,604	1,554	2,926	(4,093)	(15,182)	4,909	(1,732)	(30,458)	13	(30,445)
II. Assets	275,877	1,237,619	208,477	135,983	33,214	64,329	56,790	507,599	2,519,891	(312,727)	2,207,163
Depreciation and amortization	8,452	73,353	6,563	4,676	1,796	688	1,027	1,472	98,031	(11)	98,019
Impairment loss	-	932	878	1,995	-	292	-	-	4,098	-	4,098
Capital expenditures	41,900	169,890	7,120	6,366	2,823	9,393	307	167	237,969	-	237,969

Notes: 1. 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.

2. Major operation and services in each segment:

Liner Trade	Ocean cargo shipping, ship owning and chartering, shipping agency
Bulk Shipping	Ocean/coastal cargo shipping, ship owning and chartering, shipping agency
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	Wholesaling of ship machinery and furniture, other services related to transport, information-processing business and wholesaling of oil products

3. Common operating expenses are allocated to individual segments.

4. Of the total assets as the end of March 2010, ¥141,186 million are accounted for by the assets included in elimination or corporate (¥23,236 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, 2009 (April 1, 2008 – March 31, 2009)

(In million yen)

	Japan	North America	Europe	Asia	Other areas	Total	Elimination or Corporate	Consolidated Total
I. Revenues								
(1) Revenues from customer	1,840,126	172,613	273,163	133,573	10,496	2,429,972	-	2,429,972
(2) Inter-segment revenues	41,218	36,271	18,230	18,300	3,019	117,039	(117,039)	-
Total	1,881,345	208,884	291,393	151,873	13,515	2,547,012	(117,039)	2,429,972
Operating costs and expenses	1,782,327	201,432	268,066	137,941	12,806	2,402,575	(117,516)	2,285,058
Operating income/loss	99,017	7,452	23,327	13,931	709	144,437	476	144,914
Recurring profit/loss	98,924	7,733	15,818	19,767	1,734	143,977	(3,163)	140,814
II. Assets	1,748,961	94,521	323,853	282,547	8,144	2,458,028	(386,757)	2,071,270

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(In million yen)

	Japan	North America	Europe	Asia	Other areas	Total	Elimination or Corporate	Consolidated Total
I. Revenues								
(1) Revenues from customer	1,259,304	128,835	180,385	115,554	13,263	1,697,342	-	1,697,342
(2) Inter-segment revenues	35,377	25,446	14,903	15,141	1,964	92,832	(92,832)	-
Total	1,294,681	154,281	195,288	130,695	15,227	1,790,174	(92,832)	1,697,342
Operating costs and expenses	1,327,001	155,583	185,125	125,907	15,182	1,808,801	(93,364)	1,715,437
Operating income/loss	(32,320)	(1,301)	10,162	4,788	44	(18,626)	531	(18,094)
Recurring profit/loss	(38,952)	(1,497)	2,388	9,952	166	(27,942)	(2,503)	(30,445)
II. Assets	1,867,130	83,535	267,766	280,224	12,145	2,510,802	(303,638)	2,207,163

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 2010, ¥141,186 million are accounted for by the assets included in elimination or corporate (¥23,236 million for the previous year) which is mainly surplus funds invested in form of cash or deposit.

(3) Overseas Sales

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(In million yen)

	North America	Europe	Asia	Other areas	Total
I. Overseas revenues	585,072	525,587	548,705	395,820	2,055,186
II. Consolidated revenues					2,429,972
III. Ratio of overseas to total consolidated revenues (%)	24.1	21.6	22.6	16.3	84.6

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(In million yen)

	North America	Europe	Asia	Other areas	Total
I. Overseas revenues	373,491	338,090	413,120	269,568	1,394,271
II. Consolidated revenues					1,697,342
III. Ratio of overseas to total consolidated revenues (%)	22.0	19.9	24.3	15.9	82.1

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, related party's transactions, tax effect accounting, financial instruments, securities, derivative transactions, retirement benefits, rental property, and company's integration.

(Information per Share)

	Year ended March 31, 2009	Year ended March 31, 2010
Net asset per share (yen)	443.16	389.46
Net income (loss) per share (yen)	45.73	(12.71)
Net income per share fully diluted (yen)	-	-

Notes: 1. Diluted net income per share data for the year ended March 31, 2009 is not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

Diluted net income per share-fully diluted data for the year ended March 31, 2010 is not shown in the above table, because net income per share is negative although there are residual shares.

2. The base on net income per share is summarized in the following table.

	Year ended March 31, 2009	Year ended March 31, 2010
Net income (loss) (million yen)	56,151	(17,447)
Amount not attributable to ordinary shares (million yen)	-	-
Net income (loss) related to ordinary shares (million yen)	56,151	(17,447)
Weighted average number of shares outstanding (thousands of shares)	1,227,884	1,372,431
Refers to latent shares outstanding that have not been included in the calculation for net income per share-fully diluted 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)	Same as on the left

3. The base on net assets per share is summarized in the following table.

	As of March 31, 2009	As of March 31, 2010
Total net assets (million yen)	581,237	703,394
Amount deducting from total net assets (million yen)	37,116	42,162
(Minority interests)	(37,116)	(42,162)
Net assets related to ordinary shares (million yen)	544,121	661,232
Number of shares of ordinary shares used as basis for calculation of net assets per share (Thousands of shares)	1,227,811	1,697,824

(Important Subsequent Event)

None

5. Non-consolidated Financial Statements

(1) Balance Sheets

(In million yen)

	As of	As of
	March 31, 2009	March 31, 2010
	Amount	Amount
Assets		
Current assets		
Cash and deposits	12,487	135,881
Accounts receivable-shipping	59,217	63,226
Accounts receivable-other business	39	67
Short-term loans receivable	174	28
Short-term loans receivable from subsidiaries and affiliates-trade	159,538	231,840
Short-term investment securities	-	30,000
Inventories	16,574	26,635
Deferred and prepaid expenses	31,940	39,288
Accounts receivable form agents	7,821	9,859
Suspense account on shipping trade (debit)	3,473	8,774
Deferred tax assets	744	8,940
Income taxes receivable	27,396	-
Other	15,657	14,839
Allowance for doubtful accounts	(3,613)	(5,673)
Total current assets	331,451	563,710
Noncurrent assets		
Vessels, property, plant and equipment		
Vessels, net	69,882	64,878
Buildings, net	23,642	22,515
Structures, net	756	674
Machinery and equipment, net	836	625
Vehicles, net	43	33
Equipment, net	1,180	1,156
Land	27,606	27,606
Construction in progress	32,620	33,912
Net vessels, property, plant and equipment	156,568	151,401
Intangible assets		
Leasehold right	511	511
Software	6,960	5,046
Other	108	104
Total intangible assets	7,580	5,662
Investments and other assets		
Investment securities	151,873	165,991
Stocks of subsidiaries and affiliates	222,889	246,138
Investments in capital	1,968	1,968
Investments in capital of subsidiaries and affiliates	10,711	12,224
Long-term loans receivable	1,245	1,347
Long-term loans receivable from employees	2	1
Long-term loans receivable from subsidiaries and affiliates	209,658	207,611
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,399	-
Long-term prepaid expenses	1,539	1,522
Long-term accounts receivable	10,323	13,877
Prepaid pension cost	23,172	24,846
Deferred tax assets	9,128	-
Other long-term assets	7,199	15,034
Allowance for doubtful accounts	(9,738)	(5,214)
Total investments and other assets	641,374	685,348
Total noncurrent assets	805,523	842,413
Deferred assets		
Stock issuance cost	-	712
Bond issuance cost	1,551	1,627
Total deferred assets	1,551	2,339
Total assets	1,138,526	1,408,463

(In million yen)

	As of	As of
	March 31, 2009	March 31, 2010
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-shipping	51,972	59,215
Accounts payable-other business	55	28
Current portion of bonds	20,000	-
Short-term loans payable	27,939	30,305
Commercial paper	4,000	-
Lease obligations	4	4
Accounts payable-other	5,241	4,471
Accrued expenses	2,810	3,186
Income taxes payable	37	87
Advances received	16,175	21,558
Deposits received	52,998	55,409
Debt for agency	1,902	1,633
Provision for bonuses	2,523	1,677
Provision for directors' bonuses	127	-
Suspense account on shipping trade (credit)	3,775	4,941
Other	1,459	2,324
Total current liabilities	191,024	184,844
Noncurrent liabilities		
Bonds payable	191,197	251,128
Long-term loans payable	330,795	421,650
Lease obligations	52	47
Deferred tax liabilities	-	5,759
Guarantee deposits received	5,301	3,660
Provision for periodic dry docking of vessels	2,135	1,113
Other	9,030	13,907
Total noncurrent liabilities	538,513	697,267
Total liabilities	729,537	882,112
Net assets		
Shareholders' capital		
Common stock	88,531	144,319
Capital surplus		
Legal capital surplus	93,198	151,691
Other capital surplus	2,762	2,742
Total capital surplus	95,960	154,434
Retained earnings		
Legal retained earnings	13,146	13,146
Other retained earnings		
Reserve for dividends	50	50
Reserve for special depreciation	221	330
Provision of reserve for overseas investment loss	0	0
Provision of reserve for reduction entry	5,223	4,870
General reserve	118,324	118,324
Retained earnings brought forward	78,599	66,493
Total retained earnings	215,565	203,214
Treasury stock	(1,485)	(1,568)
Total shareholders' capital	398,571	500,400
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,081	26,813
Deferred gains or losses on hedges	336	(863)
Total valuation and translation adjustments	10,417	25,950
Total net assets	408,989	526,351
Total liabilities and net assets	1,138,526	1,408,463

(2) Statements of Income

(In million yen)

	Year ended	Year ended
	March 31, 2009	March 31, 2010
	Amount	Amount
Shipping business revenue		
Freight	1,020,660	623,607
Ship lease	175,930	150,841
Other shipping business revenue	35,513	26,551
Total shipping business revenue	1,232,104	801,000
Shipping business expenses		
Navigation expenses		
Freight expenses	274,271	187,430
Fuel expenses	291,559	162,381
Port expenses	73,064	60,590
Other navigation expenses	(3,971)	(10,117)
Total navigation expenses	634,924	400,284
Ship expenses		
Crew expenses	3,316	2,253
Retirement benefit expenses	(547)	1,205
Provision for bonuses	582	373
Ship supplies expenses	1	-
Insurance expenses of ships	10	3
Repair expenses of ships	1,529	2,003
Provision for periodic dry docking of vessels	879	353
Depreciation-ships	15,818	15,898
Other ship expenses	220	117
Total ship expenses	21,813	22,206
Ship rental fee	406,788	329,432
Other shipping business expenses	61,834	48,309
Total shipping business expenses	1,125,360	800,232
Shipping business income	106,744	767
Other business revenue		
Revenue of warehouse work	168	233
Revenue of real estate rent	8,147	6,891
Total other business revenue	8,316	7,124
Other business expenses		
Warehouse business expenses	603	460
Expenses of real estate rent	5,115	4,283
Total other business expenses	5,719	4,744
Other business income	2,597	2,380
Operating gross profit	109,341	3,148
General and administrative expenses	53,085	43,166
Operating income (loss)	56,256	(40,018)
Non-operating income		
Interest income	4,827	6,110
Dividends income	57,726	10,419
Foreign exchange gains	43	279
Other	4,126	3,370
Total non-operating income	66,724	20,179
Non-operating expenses		
Interest expenses	5,650	6,579
Interest on bonds	2,733	3,107
Amortization of bond issuance cost	116	136
Other non-operating expenses	1,289	2,034
Total non-operating expenses	9,790	11,857
Recurring profit (loss)	113,190	(31,696)

(In million yen)

	Year ended	Year ended
	March 31, 2009	March 31, 2010
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	358	5,010
Gain on sales of investment securities	2,178	14,892
Reversal of allowance for doubtful accounts	1,879	-
Gain on liquidation of subsidiaries and affiliates	7,165	-
Gain on sales of subsidiaries and affiliates' stocks	3,309	-
Other	1,988	6,024
Total extraordinary income	16,880	25,927
Extraordinary loss		
Loss on retirement of noncurrent assets	76	11
Loss on sales and retirement of noncurrent assets	896	583
Provision of allowance for doubtful accounts	-	857
Loss on valuation of stocks of subsidiaries and affiliates	80,109	-
Loss on valuation of investment securities	7,906	473
Software development costs	14,411	-
Loss on cancellation of chartered vessels	7,374	-
Loss on cancellation of leased containers	-	847
Other extraordinary loss	4,087	1,071
Total extraordinary loss	114,863	3,844
Income or loss before income taxes	15,207	(9,613)
Income taxes-current	(366)	225
Income taxes-deferred	(502)	(2,627)
Total income taxes	(869)	(2,401)
Net income (loss)	16,076	(7,212)

(3) Statements of Changes in Net Assets

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Shareholder's capital		
Common stock		
Balance at the end of previous period	88,531	88,531
Changes of items during the period		
Issuance of new shares	-	55,788
Total changes of items during the period	-	55,788
Balance at the end of current period	88,531	144,319
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	93,198	93,198
Changes of items during the period		
Issuance of new shares	-	55,788
Increase by share exchanges	-	2,704
Total changes of items during the period	-	58,493
Balance at the end of current period	93,198	151,691
Other capital surplus		
Balance at the end of previous period	2,784	2,762
Changes of items during the period		
Disposal of treasury stock	(22)	(19)
Total changes of items during the period	(22)	(19)
Balance at the end of current period	2,762	2,742
Total capital surplus		
Balance at the end of previous period	95,983	95,960
Changes of items during the period		
Issuance of new shares	-	55,788
Disposal of treasury stock	(22)	(19)
Increase by share exchanges	-	2,704
Total changes of items during the period	(22)	58,474
Balance at the end of current period	95,960	154,434
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	13,146	13,146
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	13,146	13,146
Other retained earnings		
Reserve for dividends		
Balance at the end of previous period	50	50
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	50	50
Reserve for special depreciation		
Balance at the end of previous period	314	221
Changes of items during the period		
Reversal of reserve for special depreciation	(93)	(90)
Provision of reserve for special depreciation	-	199
Total changes of items during the period	(93)	108
Balance at the end of current period	221	330
Provision of reserve for overseas investment loss		
Balance at the end of previous period	0	0
Changes of items during the period		
Reversal of reserve for overseas investment loss	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	0	0

(In million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Provision of reserve for reduction entry		
Balance at the end of previous period	6,982	5,223
Changes of items during the period		
Provision of reserve for reduction entry	(3,246)	(353)
Reversal of reserve for reduction entry	1,486	-
Total changes of items during the period	(1,759)	(353)
Balance at the end of current period	5,223	4,870
General reserve		
Balance at the end of previous period	108,324	118,324
Changes of items during the period		
Provision of general reserve	10,000	-
Total changes of items during the period	10,000	-
Balance at the end of current period	108,324	118,324
Retained earnings brought forward		
Balance at the end of previous period	101,368	78,599
Changes of items during the period		
Dividends from surplus	(30,698)	(4,911)
Reversal of reserve for special depreciation	93	90
Provision of reserve for special depreciation	-	(199)
Reversal of reserve for overseas investment loss	0	0
Reversal of reserve for reduction entry	3,246	353
Provision of reserve for reduction entry	(1,486)	-
Provision of general reserve	(10,000)	-
Net income (loss)	16,076	(7,212)
Decrease by corporate division	-	(227)
Total changes of items during the period	(22,769)	(12,106)
Balance at the end of current period	78,599	66,493
Total retained earnings		
Balance at the end of previous period	230,187	215,565
Changes of items during the period		
Dividends from surplus	(30,698)	(4,911)
Reversal of reserve for special depreciation	-	-
Provision of reserve for special depreciation	-	-
Reversal of reserve for overseas investment loss	-	-
Reversal of reserve for reduction entry	-	-
Provision of reserve for reduction entry	-	-
Provision of general reserve	-	-
Net income (loss)	16,076	(7,212)
Decrease by corporate division	-	(227)
Total changes of items during the period	(14,622)	(12,350)
Balance at the end of current period	215,565	203,214
Treasury stock		
Balance at the end of previous period	(1,330)	(1,485)
Changes of items during the period		
Purchase of treasury stock	(300)	(129)
Disposal of treasury stock	146	46
Total changes of items during the period	(154)	(83)
Balance at the end of current period	(1,485)	(1,568)
Total shareholders' capital		
Balance at the end of previous period	413,371	398,571
Changes of items during the period		
Issuance of new shares	-	111,577
Dividends from surplus	(30,698)	(4,911)
Net income (loss)	16,076	(7,212)
Purchase of treasury stock	(300)	(129)
Disposal of treasury stock	123	26
Increase by share exchanges	-	2,704
Decrease by corporate division	-	(227)
Total changes of items during the period	(14,799)	101,828
Balance at the end of current period	398,571	500,400

(In million yen)

	Year ended	Year ended
	March 31, 2009	March 31, 2010
	Amount	Amount
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	79,644	10,081
Changes of items during the period		
Net change of items other than shareholders' capital	(69,563)	16,732
Total changes of items during the period	(69,563)	16,732
Balance at the end of current period	10,081	26,813
Deferred gains or losses on hedges		
Balance at the end of previous period	4,138	336
Changes of items during the period		
Net changes in the item other than shareholders' equity	(3,802)	(1,199)
Total changes of items during the period	(3,802)	(1,199)
Balance at the end of current period	336	(863)
Total valuation and total adjustments		
Balance at the end of previous period	83,783	10,417
Changes of items during the period		
Net changes in the item other than shareholders' equity	(73,365)	15,532
Total changes of items during the period	(73,365)	15,532
Balance at the end of current period	10,417	25,950
Total net assets		
Balance at the end of previous period	497,154	408,989
Changes of items during the period		
Issuance of new shares	-	111,577
Dividends from surplus	(30,698)	(4,911)
Net income (loss)	16,076	(7,212)
Purchase of treasury stock	(300)	(129)
Disposal of treasury stock	123	26
Increase by share exchanges	-	2,704
Decrease by corporate division	-	(227)
Net changes in the item other than shareholders' equity	(73,365)	15,532
Total changes of items during the period	(88,165)	117,361
Balance at the end of current period	408,989	526,351

(4) Notes Regarding Going Concern Assumption

Not applicable

6. Other Supplementary Information

(1) Board Member Change

1. Change of Representative Director (effective June 23, 2010)

Representative Director Candidates

Toshinori Yamashita (present Senior Managing Corporate Officer)

2. Other Changes (effective June 23, 2010)

Director Candidates

Toshinori Yamashita (present Senior Managing Corporate Officer)

Retiring Directors

Hiroshi Hattori (continue to be Managing Corporate Officer)

Takao Kusakari (continue to be Board Counselor)

Hiromitsu Kuramoto (will become Executive Vice-President Corporate Officer of Yusen Air & Sea Services Co., Ltd.)

Shinji Kobayashi (will become Special Advisor and President of Global Ocean Development Inc.)

(2) Other Information (on a consolidated basis)

1. Consolidated Operating Results

(In 100 million yen)

	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010
Revenues	19,293	21,642	25,846	24,299	16,973
Operating income	1,404	1,049	2,020	1,449	(180)
Recurring profit	1,404	1,075	1,984	1,408	(304)
Net income	920	650	1,141	561	(174)

2. Quarterly Operating Results

Year ended March 31, 2010

(In 100 million yen)

	Apr 1, 2009 – Jun 30, 2009	Jul 1, 2009 – Sep 30, 2009	Oct 1, 2009 – Dec 31, 2009	Jan 1, 2010 – Mar 31, 2010
	1Q	2Q	3Q	4Q
Revenues	3,800	4,144	4,427	4,600
Operating income	(255)	(115)	49	140
Recurring profit	(270)	(168)	28	106
Net income for the quarter	(189)	(104)	26	92
Net income per share for the quarter	(¥15.41)	(¥8.50)	¥1.99	¥5.44
Net income per share for the quarter – fully diluted	-	-	-	-
Total assets	21,197	21,106	21,800	22,071
Net assets	5,990	5,655	6,870	7,033
Net assets per share	¥454.22	¥426.39	¥380.28	¥389.46

Year ended March 31, 2009

(In 100 million yen)

	Apr 1, 2008 – Jun 30, 2008	Jul 1, 2008 – Sep 30, 2008	Oct 1, 2008 – Dec 31, 2008	Jan 1, 2009 – Mar 31, 2009
	1Q	2Q	3Q	4Q
Revenues	6,796	7,402	6,114	3,986
Operating income	581	766	365	(264)
Recurring profit	651	747	272	(262)
Net income for the quarter	443	469	189	(541)
Net income per share for the quarter	¥36.12	¥38.21	¥15.46	(¥44.07)
Net income per share for the quarter – fully diluted	¥34.29	-	-	-
Total assets	24,494	23,555	21,444	20,712
Net assets	7,565	7,412	6,194	5,812
Net assets per share	¥583.41	¥570.23	¥471.91	¥443.16

- 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 second and third quarter period in the fiscal year ended March 31, 2009, and third and fourth quarter period in the fiscal year ended March 31, 2010 are not shown in the above table, as there are no residual shares having possibilities of diluting stock value.
3. Diluted net income per share-fully diluted data for the fourth quarter period in the fiscal year ended March 31, 2009, and first and second quarter period in the fiscal year ended March 31, 2010 are not shown in the above table, because net income per share was negative although there are residual shares.

3. Change in Number of NYK Fleet

Following are change in the fleet owned or co-owned by the Company and its consolidated subsidiaries.

(The tonnage figures include other companies' ownership for co-owned vessels)

Business segment	Type of vessel	Decrease during the period		Increase during the period	
		Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)
Liner Trade	Containerships (including semi-containership)	9	346,592	-	-
	Other	-	-	-	-
Bulk Shipping	Bulk Carriers (Capesize)	2	431,922	3	575,050
	Bulk Carriers (Panamax-size)	1	80,984	2	142,989
	Bulk Carriers (Handysize)	2	50,076	3	117,578
	Wood Chip Carriers	1	42,561	2	98,232
	Car Carriers	4	63,758	2	40,108
	Tankers	2	98,789	7	914,559
	LNG Carriers	2	148,254	1	75,614
	Other	1	13,981	3	35,109
Cruise	Cruise Ship	-	-	-	-
Total		24	1,276,917	23	1,999,239

4. Fleet in Operation as of fiscal year-end

Following are the fleet owned (or co-owned) or chartered by the Company and its consolidated subsidiaries.

(The tonnage figures include other companies' ownership for co-owned vessels)

Business segment	Type of vessel	Classification	Year ended March 31, 2009		Year ended March 31, 2010		Change	
			Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)	Number of vessels	Kt (dwt)
Liner Trade	Containerships (including semi-container ship)	Owned	31	1,094,188	22	747,596	-9	-346,592
		Chartered	106	4,537,168	103	4,467,136	-3	-70,032
		Total	137	5,631,356	125	5,214,732	-12	-416,624
	Other	Owned	9	179,541	9	179,541	-	-
		Chartered	8	137,269	8	134,027	-	-3,242
		Total	17	316,810	17	313,568	-	-3,242
Bulk Shipping	Bulk Carriers (Capesize)	Owned	32	5,780,785	33	5,923,913	1	143,128
		Chartered	49	8,743,301	63	11,489,143	14	2,745,842
		Total	81	14,524,086	96	17,413,056	15	2,888,970
	Bulk Carriers (Panamax-size)	Owned	32	2,699,288	33	2,761,293	1	62,005
		Chartered	42	3,321,668	47	3,773,147	5	451,479
		Total	74	6,020,956	80	6,534,440	6	513,484
	Bulk Carriers (Handysize)	Owned	46	1,832,189	47	1,899,691	1	67,502
		Chartered	88	3,743,199	98	4,274,496	10	531,297
		Total	134	5,575,388	145	6,174,187	11	598,799
	Wood Chip Carriers	Owned	13	574,285	14	629,956	1	55,671
		Chartered	44	2,212,393	43	2,208,147	-1	-4,246
		Total	57	2,786,678	57	2,838,103	-	51,425
	Car Carriers	Owned	35	572,194	33	548,544	-2	-23,650
		Chartered	77	1,289,392	82	1,412,724	5	123,332
		Total	112	1,861,586	115	1,961,268	3	99,682
	Tankers	Owned	45	8,299,578	50	9,115,348	5	815,770
		Chartered	35	4,202,480	35	4,207,452	-	4,972
		Total	80	12,502,058	85	13,322,800	5	820,742
	LNG Carriers	Owned	30	2,185,659	29	2,113,019	-1	-72,640
		Chartered	3	226,648	1	71,845	-2	-154,803
		Total	33	2,412,307	30	2,184,864	-3	-227,443
Other	Owned	18	174,048	20	195,176	2	21,128	
	Chartered	33	412,842	30	408,271	-3	-4,571	
	Total	51	586,890	50	603,447	-1	16,557	
Cruise	Cruise Ships	Owned	2	13,417	2	13,417	-	-
		Chartered	1	8,160	1	8,160	-	-
		Total	3	21,577	3	21,577	-	-
Total		Owned	293	23,405,172	292	24,127,494	-1	722,322
		Chartered	486	28,834,520	511	32,454,548	25	3,620,028
		Total	779	52,239,693	803	56,582,042	24	4,342,350

5. Vessels under Construction as of March 31, 2010

Type of segment	Type of vessel	Number of vessels	Kt (dwt)
Liner Trade	Containerships (including semi-containership)	8	421,946
	Other	6	112,250
Bulk Shipping	Bulk Carriers (Capesize)	8	1,683,000
	Bulk Carriers (Panamax-size)	22	1,945,800
	Bulk Carriers (Handysize)	20	761,800
	Wood Chip Carriers	5	320,500
	Car Carriers	11	259,050
	Tankers	10	1,578,040
	LNG Carriers	2	220,000
	Other	1	19,900
Cruise	Cruise Ship	-	-
Total		93	7,322,286

6. Aircrafts in Operation as of Fiscal Year-End

	Year ended March 31, 2009		Year ended March 31, 2010		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	8	3,175	8	3,175	-	-

7. Number of Employees as of fiscal year-end

	Year ended March 31, 2009	Year ended March 31, 2010	Change
Liner Trade	4,081	4,197	116
Bulk Shipping	1,915	1,767	-148
Logistics	15,504	16,180	676
Terminal Harbor & Transport	5,053	5,964	911
Cruise	347	485	138
Air Cargo Transportation	672	754	82
Real Estate	52	59	7
Other	1,926	1,972	46
Corporate and elimination	284	282	-2
Total	29,834	31,660	1,826

8. Containers in Operation as of fiscal year-end

Year ended March 31, 2009	Year ended March 31, 2010	Change
701,610 TEU	630,235TEU	-71,375TEU (-10.17%)

9. Foreign Exchange Rate Information

	Year ended March 31, 2009	Year ended March 31, 2010	Change
Average exchange rate during the period	¥100.82 /US\$	¥93.04 /US\$	Yen up ¥7.78
Exchange rate at the end of the period	¥98.23 /US\$	¥93.04 /US\$	Yen up ¥5.19

10. Bunker Oil Prices Information

	Year ended March 31, 2009	Year ended March 31, 2010	Change
Average bunker oil prices	US\$503.21/MT	US\$393.83/MT	Price down US\$109.38

11. Balance of Interest-Bearing Debt at end of period

(In 100 million yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Change
Loans	8,528	8,234	-293
Corporate bonds	2,111	2,511	399
Commercial paper	40	-	-40
Leases	99	72	-27
Total	10,779	10,818	39