

INFORMATION

The document following this cover sheet exists solely to provide English translations of selected information in the original Japanese text and the documents attached to the Notice of Ordinary General Meeting of Shareholders for reference only.

The original Japanese text of the Notice of Ordinary General Meeting of Shareholders should be available to foreign shareholders at their respective sub-custodians in Japan. Please contact your custodian with your voting instructions as soon as possible.

Shareholders who hold one thousand or more shares of record on the original register of shareholder as of March 31, 2010 will be invited to attend the meeting.



Notice of the 123rd Ordinary General Meeting of Shareholders

The 123rd Fiscal Year
Report

From April 1, 2009,
to March 31, 2010

Nippon Yusen Kabushiki Kaisha

- Notes: 1. The 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.
2. Fractions of amounts and the numbers of shares in this report are rounded down.
3. () indicates minus.
4. Amendments to the description in this report are shown on the "IR Event", "General Shareholders Meeting" page in the "Investor Relations" tab of our website.

Greetings from the President

I would like to express my gratitude to our shareholders for their understanding and support for NYK Group's corporate activities.

For the consolidated fiscal year (FY2009), the NYK Group reported a year-on-year decrease in revenue, with consolidated revenues of ¥1,697.3 billion, operating loss of ¥18 billion, recurring loss of ¥30.4 billion, and net loss of ¥17.4 billion. The global economic slump began to take full effect in FY2009, and although there were signs of economic recovery in the latter half of the period, the NYK Group has continued its operations in an extremely tough business climate this past fiscal year.

In January 2009, the NYK Group embarked on a 2-year Emergency Structural Reform Project called "Yosoro"* to overcome the severe economic downturn. In October 2009, it also reviewed the 3-year medium-term management plan starting from FY2008 entitled "New Horizon 2010". Within this, in an effort to restructure its business portfolio, the NYK Group has been reviewing its divisions to determine those that require a revision of their strategy and those that need further consolidation. The NYK Group has also implemented sweeping cost cuts and stringently selected new capital investment, along with reducing the remuneration of executives. Looking back, this has been a volatile fiscal year. The fiscal first half saw a sharp fall in revenues and posted a net loss but revenues for the fiscal second half recovered and as a result we posted profits for the half year. We are aspiring to achieve a full-fledged earnings recovery for the next fiscal year (FY2010).

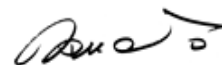
A public stock offering was held in December 2009 as a part of the Group's growth strategy focusing on the medium-term market recovery. This provided financing for capital investment in predominantly vessels, and also established a solid financial base to support the Group's structural reforms. The NYK Group will continue to implement its basic strategy of seeking to maintain growth as a global "*monohakobi*" (transport) enterprise, based on the three key concepts of "Growth", "Stability" and "Environment", and work together as one towards achieving our medium-term management plan.

Under very tough business climate, we plan to propose a fiscal year-end dividend of ¥2.00 per share. Regarding the dividends for the fiscal year ending March 2011 (next fiscal year), we plan to pay ¥2.50 yen per share for both interim and year-end dividends, for an annual total payment of ¥5.00 per share (payout ratio (consolidated): 24.3%), based on the estimated consolidated net income of ¥35 billion for the fiscal year ending March 2011.

Once again, we do appreciate our shareholders' continued understanding and support.

*Note: The term "Yosoro" is a command given by a captain of a vessel meaning "Steady at full ahead". That is to say, the project has been named "Yosoro" to emphasize that the NYK Group intends to overcome its current difficulties and continue to advance forward toward its goals.

June 2010



Yasumi Kudo
President



To Our Shareholders

June 1, 2010

Notice of the 123rd Ordinary General Meeting of Shareholders

To the Shareholders of Nippon Yusen Kabushiki Kaisha:

You are cordially invited to attend the 123rd Ordinary General Meeting of Shareholders of Nippon Yusen Kabushiki Kaisha to be held as follows.

When attending the meeting, please submit the enclosed Voting Form at the reception desk on arrival at the meeting.

If you are unable to attend the meeting, you may exercise your voting rights by either of the methods described below. Please review the Reference Documents for the General Meeting of Shareholders shown in the following pages (pp. 56 through 62) and exercise your votes.

Voting by Mail

Please indicate your vote for or against each of the proposals on the enclosed Voting Form, and return the form by 5:00 p.m. Japan Time, Tuesday, June 22, 2010.

Voting via an electromagnetic method (such as the Internet, etc.)

If you exercise votes via the Internet, please review the "Guidance on the Exercise of Votes via electromagnetic method (such as the Internet, etc.)" as described in pages 63 and 64 and exercise your vote by 5:00 p.m. Japan Time, Tuesday, June 22, 2010.

Yours faithfully

Nippon Yusen Kabushiki Kaisha

ISIN	JP3753000003
SEDOL	6643960
TSE	9101

Yasumi Kudo
President

1. Date: 10:00 a.m., Wednesday, June 23, 2010
2. Place: The Prince Park Tower Tokyo, second basement level Ballroom
4-8-1 Shiba Koen, Minato-ku, Tokyo
3. Agenda of the Meeting:
Matters to be reported: 1) The Business Report for the 123rd Fiscal Year (from April 1, 2009 to March 31, 2010), the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors
2) Unconsolidated Financial Statements for the 123rd Fiscal Year (from April 1, 2009 to March 31, 2010)

Proposals to be resolved:
Proposal No.1: Appropriation of surplus
Proposal No.2: Election of thirteen Directors

Notes: Matters to be reported and proposals are stated in the attached documents (pp. 6 through 55) and the Reference Documents for the General Meeting of Shareholders (pp. 56 through 62) provided hereafter, respectively.
4. Items relating to the exercise of votes:
 - (1) If you make no selection as to approval/disapproval for the respective proposals, you shall be deemed to have expressed intent to give approval as to the proposals.
 - (2) In the event that the exercise of votes is duplicated by both the method of mailing the Voting Form and via the Internet, the exercise of votes via the Internet shall be deemed valid. In addition, in the event that votes are exercised via the Internet two or more times, the most recent exercise of votes shall be deemed valid.
 - (3) If you are unable to attend the Ordinary General Meeting of Shareholders, you may exercise your votes by appointing one proxy who shall be a shareholder with votes present at the meeting; provided that, the shareholder or his/her proxy shall submit to the Company a document evidencing his/her power of representation.
5. Method to announce the revision of the content:

If the need arises to revise the content of the Reference Documents for the General Meeting of Shareholders, Business Report, Unconsolidated Financial Statements and/or Consolidated Financial Statements, the revised items will be announced on our website "Investor Relations" posted on "IR Event" Please access "General Shareholders Meeting" page (http://www.nyk.com/english/release/IR_meeting.html).

Segment results

(1) Liner Trade

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	3,780	5,953
Operating income (loss)	(517)	(243)
Recurring profit (loss)	(554)	(258)

(2) Bulk Shipping

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	7,334	10,870
Operating income (loss)	457	1,727
Recurring profit (loss)	366	1,689

(3) Logistics

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	3,417	4,481
Operating income (loss)	11	48
Recurring profit (loss)	15	51

(4) Terminal and Harbor Transport

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	1,102	1,320
Operating income (loss)	33	60
Recurring profit (loss)	29	51

(5) Cruises

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	351	442
Operating income (loss)	(37)	13
Recurring profit (loss)	(40)	11

(6) Air Cargo Transportation

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	625	794
Operating income (loss)	(153)	(179)
Recurring profit (loss)	(151)	(188)

(7) Real Estate

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	121	117
Operating income (loss)	37	36
Recurring profit (loss)	49	43

(8) Other Business Services

(In 100 millions of yen)

	The 123rd term (current term) FY2009	The 122nd term FY2008
Revenues	1,559	2,078
Operating income (loss)	(13)	(15)
Recurring profit (loss)	(17)	6

Note: Figures are before elimination of internal transactions between segments.

The 123rd Ordinary General Meeting of Shareholders
Documents attached to the Notice of Ordinary General Meeting of Shareholders

Business Report (From April 1, 2009 to March 31, 2010)

1. Overview of Operations for NYK Group

(1) Business Progress and Results

1) Business Progress and Results for Current Fiscal Year

The NYK Group was faced with severe business conditions, such as a drastic decline in trade volume, as the world economy continued to flounder since the first half of FY2009. The global economy started to show signs of a gradual recovery from the middle of 2009, as the large-scale fiscal and financial policies of each country began to take effect. In particular, countries such as China and India made a relatively fast return to growth.

The NYK Group has carried out structural reforms in an attempt to overcome these tough business conditions. Despite these efforts, the consolidated results for FY2009 were revenues of ¥1,697.3 billion (30.1% decrease over the previous year), operating loss of ¥18 billion, recurring loss of ¥30.4 billion, and net loss of ¥17.4 billion. Although the first half performance was disappointing, revenues improved every quarter, posting net income in the third and fourth quarters.

Quarterly Business Performance

(In 100 millions of yen)

	April to June, 2009	July to September, 2009	October to December, 2009	January to March, 2010	Full year
Consolidated revenues	3,800	4,144	4,427	4,600	16,973
Consolidated net income (loss)	(189)	(104)	26	92	(174)

2) Overview of the Business Segments

(i) Liner trade

The NYK Group implemented various cost reduction initiatives, including streamlining services and slow-steaming; however, full year results showed an increase in losses as revenues declined over the previous period. Freight rate levels and cargo volumes were low in the first half, but the second half saw a recovery in freight rates thanks to a resurge in demand.

Losses were recorded in the Pacific, European, Atlantic, Oceania and Central and South American container routes, as well as the Asian routes operated by TOKYO SENPAKU KAISHA, LTD. However, reductions in fixed costs by streamlining services and other measures saw these losses decline over the previous period for the European, Oceania and Central and South American and Asian routes. On the conventional liner routes operated by NYK-HINODE LINE, LTD., revenues and profits were down from the previous period.

(ii) Bulk Shipping

▶ Car Carrier Transportation

Transport volumes were sluggish in the fiscal first half, and did not reach a full-fledged recovery in the fiscal second half as car transport volumes fell over the previous period. While 9 vessels were newly delivered during the period, 5 mainly aging vessels were sold for scrap and 7 vessels were laid up to conserve fuel and efficiently allocate vessels. However, the performance was significantly poor compared to the previous period. The auto logistics business, which complements the marine transport business, conducted finished automobiles transport operations in China and finished automobiles terminal businesses in China, Europe and Singapore. The NYK Group also aggressively expanded its businesses to leverage the growing demand of emerging countries, such as India.

► Bulk/Energy Resources Transportation

<Bulk Carriers> As business in China, India and other countries started to recover, the subsequent demand for energy and steel saw seaborne cargo volumes of iron ore and coal increase again. Meanwhile, the successive cancellation of orders for building new carriers and numerous delays and extensions in their completion prevented the excess supply of vessels in slack market. Congestions of ships in China and Australia are stabilized, and the bulk carrier supply-demand balance consequently started to improve. Although there was decline in both revenues and profits over the previous year, the Group has continued to record profits and better performance in this area since last June amid stronger market conditions. NYK GLOBAL BULK CORP., which operates handy bulk carriers, also reported a decrease in both revenues and profits from the previous period; however, its overall performance improved bolstered by a recovery in cargo freight, primarily in Asia.

<Tanker> Demand for petroleum in China, India and other countries rose, but advanced countries were slow to recover demand; as a result, inventories for crude oil and petroleum products reached record high levels. A cold wave contributed to an increase in demand for seaborne cargo volumes, but full year results were stagnant overall. Regarding the shipping capacity, there were scrapping and retrofitting of tankers as well as diversion of tankers for floating storage; however, with a large volume of completed new carriers, subsequently demand and supply failed to recover. The tanker market remained at historically low levels throughout the year, and results including those for LNG carriers showed a decline in both revenues and profits over the previous period.

On June 12, 2009, TAIHEIYO KAIUN CO., LTD., with which NYK has had a long-standing cooperative relationship in the field of energy transport, carried out a third party share allocation in which we participated. On December 1, 2009, NYK made TAIHEIYO KAIUN CO., LTD. its wholly owned subsidiary via a share exchange.

(iii) Logistics

In the NYK Logistics sector (logistics division excluding the air forwarding service sector), there was a marked decrease in the cargo freight of our main clients, including those in manufacturing and logistics industries. The NYK Group has actively worked to cut costs and improve the efficiency of business operations in each country, but despite our efforts we still recorded a loss and a fall in revenues over the previous period. YUSEN AIR & SEA SERVICE CO., LTD., which deals in the air cargo forwarding business, also saw its performance fall below their previous period level due to a global slump in airfreight demand and margin compression stemming from increased costs in the wake of rising air freight rates. As a result, both revenues and profits of the logistics business declined from the previous period.

On November 2, 2009, NYK commenced discussions with YUSEN AIR & SEA SERVICE CO., LTD. for the merger of our logistics business with their company, and on February 25, 2010, a basic agreement was concluded. A part of NYK Group's logistics business, the wholly owned subsidiary NYK LOGISTICS JAPAN CO., LTD., is scheduled to be merged with YUSEN AIR & SEA SERVICE CO., LTD. on October 1, 2010, and will change its trade name to YUSEN LOGISTICS CO., LTD.

(iv) Terminal and Harbor Transport

Handling volumes at domestic and overseas container terminals were down on those of the previous period due to the wake of a global slump in container transport volume. As a result, the NYK Group's terminal and harbor transport business, including towage operations, recorded decreased revenues and profits over the previous period.

(v) Cruises

The Crystal Cruise, the best rated cruise in the US market, saw its sales decline as the global economic downturn dampened consumer demand across all luxury goods markets. In the Japanese market, Asuka Cruise also recorded a decline in sales due to the effect of typhoons and other factors. The NYK Group made concerted efforts to reduce expenses for ship repair and maintenance as well as other areas; however, the Cruises segment overall posted a loss, as revenues fell over the previous period.

(vi) Air Cargo Transportation

NIPPON CARGO AIRLINES CO., LTD. saw a gradual recovery in demand from the second half as it expanded its charter service in addition to its regularly scheduled flights, but revenues still fell over the previous period as significant decline in the first half could not be offset. However, we focused on strengthening its cost competitiveness and improving operational efficiency, which resulted in a decline in recurring loss, indicating signs of full-scale recovery.

On August 21, 2009, NYK and JAPAN AIRLINES INTERNATIONAL CO., LTD. entered into discussions for an agreement on the realignment and merger of cargo businesses operated by JAPAN AIRLINES INTERNATIONAL CO., LTD. and NIPPON CARGO AIRLINES CO., LTD. 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.

(vii) Real Estate

The real estate business recorded an increase in both revenues and profits, as a high occupancy rate was maintained mainly in rents for office buildings.

On April 1, 2009, NYK had its major contract of real estate lease succeeded by its wholly owned subsidiary the YUSEN REAL ESTATE CORP. NYK conducted absorption-type company split and transferred a part of its business to the YUSEN REAL ESTATE CORP., which was made the succeeding company as of June 1, 2009. This has resulted in the concentration and improved efficiency of management of the NYK Group's real estate business.

(viii) Other Business Services

In the trading business, various factors such as a decline in unit sales and a decrease in bunker oil prices resulted in a loss and fall in revenues over the previous period, as the manufacturing and processing business also felt the effects of the market slump.

Please refer to the segment results given on pages 4 and 5.

3) Safety and Environment

At the core of the NYK Group's management is the principle of ensuring the safe operation of its vessels. The NYK Group remains committed to providing safe and secure marine transport services based on its unique safety management system NAV9000, along with other initiatives such as the Near Miss 3000 campaign to raise awareness of safety issues on site. The NYK Group will continue to contribute to environmental conservation efforts and carry out safe and secure marine transport activities.

The NYK Group has affiliations with various maritime universities throughout the world including the maritime college in the Philippines, which has adopted the Group's education program into its curriculum. Through these affiliations, the NYK Group is working towards fostering highly skilled mariners in bases around the world to secure human resources that will enable the completely safe passage of its vessels.

In addition to this, the NYK Group is also actively developing innovative environmental technology together with its wholly owned subsidiary MTI (Monohakobi Technology Institute) to realize environmental-load reducing and energy-conserving vessels. 7 technology-development projects are selected by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) for subsidies during 2009 in the ministry's "Support for Technology Development for Curtailing CO₂ from Marine Vessels"; these projects are positively advancing their technological development with the support of the MLIT. The NYK Group also announced its "NYK Super Eco-ship 2030" project, which will utilize the environmental technology achievable by 2030 to develop vessels of the future that can reduce 69% of their environmental load.

(2) Financing and Capital Investment Activities

The NYK Group acquired necessary funds for the current fiscal year primarily by its own financial assets, in addition to the borrowings from financial institutions, the issue of bonds and also the issue of new shares through an increase in capital. Borrowed funds as of March 31, 2010 (including corporate bonds and commercial papers) totaled ¥1,081.8 billion, an increase of ¥3.9 billion on the previous fiscal year.

The total capital investment of the NYK Group, which was based principally around the liner trade and bulk shipping businesses, was ¥237.9 billion. In the above mentioned two businesses, we made investment of ¥41.9 billion and ¥169.8 billion, respectively, primarily for ship construction and other facilities. Other than above, we made investment of ¥7.1 billion for warehouse construction and information system development in the logistics business, ¥6.3 billion for terminal equipment and towing vessels in the terminal and harbor transport business, ¥9.3 billion for aircraft in the air cargo transport business. We also made investment of ¥2.8 billion in the cruise business, ¥0.3 billion in the real estate business, and ¥0.1 billion in other business.

(3) Management Perspectives

1) Dealing with Rapidly Changing External Conditions

In an effort to overcome the severe economic downturn since 2008, the NYK Group launched its 2-year Emergency Structural Reform Project “Yosoro” in January 2009. Also, in October 2009, the Group reviewed its 3-year medium-term management plan starting from FY2008 entitled “New Horizon 2010”. Within this, the NYK Group has been restructuring its business portfolio by reviewing its various divisions to determine those that require a revision of their strategy and those that need further consolidation. In addition to carrying out drastic cost reduction initiatives, the NYK Group will downsize containership fleet and change to a light asset business, as well as review the expansion strategy for the air cargo transportation business and develop the charter flight business. Further, as a part of the NYK Group’s growth strategy focusing on medium-term market recovery, it will expand the non-asset businesses in global logistics, consolidate the finished automobiles transportation and auto-logistics businesses, and strengthen the natural resources and energy resources transportation business while also entering the new offshore business area.

To respond to the increasing globalization of customer logistics, the NYK Group will fully leverage the Group’s synergy and merge its logistics business with the YUSEN AIR & SEA SERVICE CO., LTD. to form the new company, YUSEN LOGISTICS CO., LTD. This new company will serve the dual purpose of carrying out air- and ocean-forwarding businesses along with contract logistics businesses, and will strive to provide optimal services to meet the global logistics-related needs of customers.

Regarding the air cargo transportation business, discussions have finished between JAPAN AIRLINES INTERNATIONAL CO., LTD. and NIPPON CARGO AIRLINES CO., LTD. for an agreement on the realignment and merger of each company’s airborne cargo businesses. Although these discussions did not reach fruition, the NYK Group will continue to provide reliable services and raise its cost competitiveness going forward, with its focus on achieving improved business results.

*Please see note at the bottom left of page 1.

2) Environmental Issue Initiatives

The NYK Group places environmental conservation as one of its most important management principles, and has set the target of a minimum reduction in CO₂ emissions by 2013 of 10% based on 2006 consumption levels. Also by developing innovative environmental technology through projects such as “NYK Super Eco-ship 2030”, the NYK Group is working towards realizing an environmentally friendly business model by reducing bunker oil consumption, promoting slow steaming and other.

3) CSR Management Strengthening

The NYK Group has set CSR (Corporate Social Responsibility) management as the foundation for the basic strategies of its medium-term management plan, which is built on the three keys of

“Sound and highly transparent management”, “Safe, environmental-friendly operations”, and “Workplaces that instill pride”. Regarding the first key of “Sound and highly transparent management”, this involves building a system for internal control and compliance and ensuring appropriate and timely corporate information disclosure. The second key of “Safe, environmental-friendly operations” focuses on raising awareness of the safe passage of vessels and setting up procedures for accident prevention, as well as reducing the greenhouse gas emissions of both vessels and non-vessels. Regarding the “Workplaces that instill pride”, it refers to efforts to create good relationships with all stakeholders and to improve service through the practice of the NYK Group Values of “Integrity, Innovation and Intensity”.

(4) Matters concerning absorption-type company split, share exchange and capital increase

1) Absorption-type company split with YUSEN REAL ESTATE CORP.

- (i) The class, number and allotment of new shares issued by the succeeding company YUSEN REAL ESTATE CORP.: Not available
- (ii) Subsidies for the split: Not available
- (iii) Effective date: June 1, 2009
- (iv) Split business by the Company:

The Company leased part of Yokohama Building, at Naka-ku, Yokohama-shi, Kanagawa, from the building’s owner YOKOHAMA BOUEKI TATEMONO CO., LTD., a consolidated subsidiary of the Company, then released the space to third parties.

2) Share exchange with TAIHEIYO KAIUN CO., LTD.

- (i) The class and number of new shares issued by the Company, to become a wholly owning parent company, in connection with the share exchange agreement: 10,362,915 shares of common stock
- (ii) Exchange ratio: The Company 1, TAIHEIYO KAIUN CO., LTD. 0.244
- (iii) The amount of increased common stock and reserves of the Company as a result of the share exchange:

Common stock	remains the same
Capital reserve	¥2,704,720,815
Earned surplus reserve	remains the same
- (iv) Subsidies for the share exchange: Not available
- (v) Effective date: December 1, 2009

3) Capital increase through a public stock offering

- (i) The class and number of new shares issued: 427,000,000 shares of common stock
- (ii) Issue price: ¥253 per share, Issue value: ¥242.56 per share
- (iii) The amount of increased common stock and reserves of the Company as a result of the capital increase:

Common stock	¥ 51,786,560,000
Capital reserve	¥ 51,786,560,000
- (iv) Effective date: December 8, 2009

4) Capital increase through the allocation of new shares to a third-party in connection with the offering of the Company’s shares, arising from the exercise of the over-allotment option* related to the above capital increase through a public share offering

- (i) Name of allottee : NOMURA SECURITIES CO., LTD.
- (ii) The class and number of new shares issued: 33,000,000 shares of common stock
- (iii) Issue price: ¥242.56 per share, Issue value: ¥242.56 per share
- (iv) The amount of increased common stock and reserves of the Company as a result of the capital increase:

Common stock	¥4,002,240,000
Capital reserve	¥4,002,240,000
- (v) Effective date: December 25, 2009

*Note: Over-allotment is a method of offering an additional number of shares to investors. Based on the over-allotment agreement, when investor demand exceeds the number of shares that a company plans to offer to the public or specific entities, the issuer's main underwriter can offer additional shares on the same conditions as the original share offering, by temporarily borrowing shares from the issuer's shareholders or other persons.

(5) Financial Position and Results of Operation

1) Consolidated Financial Position and Results of Operation (In millions of yen)

Category	The 120th term	The 121st term	The 122nd term	The 123rd term (current term)
	FY2006	FY2007	FY2008	FY2009
Revenues	2,164,279	2,584,626	2,429,972	1,697,342
Recurring profit (loss)	107,534	198,480	140,814	(30,445)
Net income (loss)	65,037	114,139	56,151	(17,447)
Net income (loss) per share	52.99 (yen)	92.93 (yen)	45.73 (yen)	(12.71) (yen)
Total Assets	2,135,441	2,286,013	2,071,270	2,207,163
Net Assets	700,717	679,036	581,237	703,394
Net Assets per share	534.90 (yen)	519.51 (yen)	443.16 (yen)	389.46 (yen)

Note: Net income (loss) per share is calculated on the basis of the average number of shares outstanding (excluding treasury stock) in each fiscal year, and net assets per share is calculated on the basis of the total number of shares (excluding treasury stock) outstanding at each term end.

The 120th fiscal year

In the shipping segment, though we achieved increased revenues due to solid cargo traffic and expansion of fleet scale, we recorded decreased income due to falling freight rates, surging bunker oil prices, and other rising transportation costs on major liner routes. Although we posted increased revenues and income in three major non-shipping segments including the logistics business, we recorded increased revenues and decreased income in the total non-shipping segment affected by NIPPON CARGO AIRLINES CO., LTD., which fully consolidated in this fiscal year.

The 121st fiscal year

Significant increases in both revenue and profits were recorded in the shipping segment due to the stable results produced by rate restoration initiatives in liner trade an increase in handling volumes handled produced by expansion of fleet scale, and favorable market conditions of dry-bulk carriers. In each of the three major non-shipping segments, results were up from the previous fiscal year due to an increase in handling volumes. In the air cargo transportation business, losses increased as a result of an inability to absorb increased repair costs on aging equipment and the rise in bunker oil prices. Record high values were reported for each profit/loss figure.

The 122nd fiscal year

The global economic slump generated by the U.S. financial crisis saw conditions take a rapid change for the worse in the dry bulk carriers' market, which had posted record high results in May 2009. Freight charges fell for container vessels, which had made a steady recovery in the first half, and transport volume was also stagnant. As a result, the marine transport business posted a decline in both revenues and profits. In the logistics, Terminal and Harbor Transport, and Air Cargo Transportation businesses also, the effects of the economic downturn saw handling volumes decrease and performance fall under that of the previous period for each profit/loss figure.

The 123rd fiscal year (current term)

Conditions in the current fiscal year are described in the preceding "Business Progress and Results" (on pages 6-8).

2) Unconsolidated Financial Position and Results of Operation (In millions of yen)

Category	The 120th term FY2006	The 121st term FY2007	The 122nd term FY2008	The 123rd term (current term) FY2009
Revenues	1,070,180	1,312,566	1,240,421	808,125
Recurring profit (loss)	52,430	106,135	113,190	(31,696)
Net income (loss)	38,172	75,920	16,076	(7,212)
Net income (loss) per share	31.10 (yen)	61.81 (yen)	13.09 (yen)	(5.26)(yen)
Total Assets	1,237,635	1,301,423	1,138,526	1,408,463
Net Assets	494,085	497,154	408,989	526,351
Net Assets per share	402.20 (yen)	404.83 (yen)	333.09 (yen)	310.01(yen)

Note: Net income (loss) per share is calculated on the basis of the average number of shares outstanding (excluding treasury stock) in each fiscal year, and net assets per share is calculated on the basis of the total number of shares (excluding treasury stock) outstanding at each term end.

The 120th fiscal year

Supported by solid market conditions in the shipping business, we achieved the highest of operation revenue in the past. However, recurring profit underperformed the previous results, affected by the continued surging bunker oil prices, etc.

The 121st fiscal year

Despite surging bunker oil prices and stronger yen, we recorded significant increases in revenues and profits over the previous fiscal year, due to the increase in cargo volume and recovery of freight rates to a certain degree in the liner trade, favorable market conditions of dry-bulk carriers in the bulk shipping, and cost reduction in all segments.

The 122nd fiscal year

Market conditions changed dramatically in the wake of the global economic slowdown generated by the financial crisis in the U.S., while rate restoration initiatives produced stable results in liner trade and the best ever results for the dry bulk carriers' market were recorded in May. As a result of the sudden slump in market conditions and ensuing stagnation in cargo traffic and drop in freight rates, revenues and profits with the exclusion of recurring profit were down from the previous fiscal year.

The 123rd fiscal year (current term)

In the liner business, both transport volume and freight rates floundered in the first half; however, a pickup in transport volume and subsequent resurge in demand and supply in the second half facilitated a recovery in freight rates. As for the bulk shipping business, the tanker market continued to slump and there was a delayed resurge in transport volume for automobile transport. This resulted in a drastic fall in revenues over the previous period and a loss posted for each profit/loss figure.

(6) Principal Business of the Consolidated (as of March 31, 2010)

Liner trade, bulk shipping, logistics, terminal and harbor transport, cruises, air cargo transportation, real estate and other

(7) Principal Business Offices (as of March 31, 2010)**1) NYK**

Category	Location
Head Office	Yusen Bldg., 3-2, Marunouchi 2 Chome, Chiyoda-ku, Tokyo
Branch Offices	Yokohama Branch Office (Yokohama City), Nagoya Branch Office (Nagoya City), Kansai Branch Office (Kobe City), Kyushu Branch Office (Fukuoka City) and Taipei Branch Office (Taiwan)
Overseas resident and representative offices	Johannesburg, Dubai, Doha, Jedda, Beijing, Moscow and Saint Petersburg

2) Principal subsidiaries

Name of company	Location of head office or country
NYK GLOBAL BULK CORP.	Chiyoda-ku, Tokyo
TAIHEIYO KAIUN CO., LTD.	Minato-ku, Tokyo
TOKYO SENPAKU KAISHA, LTD.	Chiyoda-ku, Tokyo
NIPPON CARGO AIRLINES CO., LTD.	Minato-ku, Tokyo
HACHIUMA STEAMSHIP CO., LTD.	Kobe city
NYK-HINODE LINE, LTD.	Chiyoda-ku, Tokyo
NYK CRUISES CO., LTD.	Chiyoda-ku, Tokyo
YUSEN AIR & SEA SERVICE CO., LTD.	Chuo-ku, Tokyo
NYK TRADING CORP.	Minato-ku, Tokyo
UNI-X CORP.	Shinagawa-ku, Tokyo
NYK GROUP AMERICAS INC.	U.S.A.
NYK GROUP EUROPE LTD.	U.K.
NYK GROUP SOUTH ASIA PTE. LTD.	Singapore
NYK GROUP OCEANIA PTY. LTD.	Australia

(8) Status of Principal Lenders of NYK (as of March 31, 2010)

Lender	Outstanding Balance (Millions of yen)
NIPPON LIFE INSURANCE CO.	80,503
MEIJI YASUDA LIFE INSURANCE CO.	44,703
DEVELOPMENT BANK OF JAPAN INC.	38,046
SUMITOMO LIFE INSURANCE CO.	35,565
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	22,741
THE DAI-ICHI MUTUAL LIFE INSURANCE CO.	19,841
CHIBA BANK, LTD.	16,755
NATIONAL MUTUAL INSURANCE FEDERATION OF AGRICULTURAL COOPERATIVES	12,941
SUMITOMO MITSUI BANKING CO.	10,505
SHINKIN CENTRAL BANK	10,000

Note: In addition to the above, the Company has a total of ¥101,900 million loans from a syndicate of banks lead by The Bank of Tokyo-Mitsubishi UFJ, Ltd., but these loans are not included in the outstanding borrowings from each of the banks.

(9) Employees (as of March 31, 2010)**1) Employees of the Consolidated**

Segment	Number of employees (persons)	Year-on-year change (persons)
Liner Trade	4,197	116
Bulk shipping	1,767	(148)
Logistics	16,180	676
Terminal and Harbor Transport	5,964	911
Cruises	485	138
Air Cargo Transportation	754	82
Real Estate	59	7
Other	1,972	46
Company-wide (common)	282	(2)
Total	31,660	1,826

Note: Employees included in "Company-wide (common)" belong to administrative divisions that cannot be classified to a specific segment.

2) Employees of the Unconsolidated

Segment	Number of employees (persons)	Year-on-year change (persons)
Employees on land duty	1,255	4
[seamen on land out of above]	[240]	[(5)]
Employees on sea duty	377	9
Total	1,632	13

Note: The number of employees includes those loaned to other companies and excludes those loaned to the Company from other companies.

(10) State of Vessels of the Consolidated (as of March 31, 2010)

Business Segments	Type of vessel	Segment	Number of vessels	K/T (dwt)
Liner Trade	Container ships (including semi-container ships)	Owned	22	747,596
		Chartered	103	4,467,136
		Total	125	5,214,732
	Other	Owned	9	179,541
		Chartered	8	134,027
		Total	17	313,568
Bulk Shipping	Bulk carriers (Capesize)	Owned	33	5,923,913
		Chartered	63	11,489,143
		Total	96	17,413,056
	Bulk carriers (Panamax)	Owned	33	2,761,293
		Chartered	47	3,773,147
		Total	80	6,534,440
	Bulk carriers (Handysize)	Owned	47	1,899,691
		Chartered	98	4,274,496
		Total	145	6,174,187
	Wood Chip carriers	Owned	14	629,956
		Chartered	43	2,208,147
		Total	57	2,838,103
	Car carriers	Owned	33	548,544
		Chartered	82	1,412,724
		Total	115	1,961,268
	Tankers	Owned	50	9,115,348
		Chartered	35	4,207,452
		Total	85	13,322,800
	LNG carriers	Owned	29	2,113,019
		Chartered	1	71,845
		Total	30	2,184,864
Other	Owned	20	195,176	
	Chartered	30	408,271	
	Total	50	603,447	
Cruises	Cruise ships	Owned	2	13,417
		Chartered	1	8,160
		Total	3	21,577
Total	Owned	292	24,127,494	
	Chartered	511	32,454,548	
	Total	803	56,582,042	

Note: The number of vessels in possession includes shared vessels; their deadweight tonnages include the weight of other owners' portions.

(11) Status of Major Business Combination (as of March 31, 2010)

1) Changes and results of business combinations

NYK Group is engaged in business in eight segments consisting of liner trade and bulk shipping as its core businesses, logistics, terminal and harbor transport, cruises, air cargo transportation, real estate, and other business services.

NYK Group has 711 consolidated subsidiaries and 74 equity-method companies as of March 31, 2010. For business progress and results of NYK Group, see the preceding "Business Progress and Results" (on pages 6-8), "Matters concerning absorption-type company split, share exchange and capital increase" (on pages 10-11) and "Financial Position and Results of Operation" (on pages 11-12).

2) Status of principal subsidiaries

Company Name	Common Stock	NYK's Share of Voting Rights (%)	Main Operations
NYK GLOBAL BULK CORP.	¥4,150 million	100.00	Marine transportation business
TAIHEIYO KAIUN CO., LTD.	¥6,495 million	100.00	Marine transportation business
TOKYO SENPAKU KAISHA, LTD.	¥1,899 million	100.00	Marine transportation business
NIPPON CARGO AIRLINES CO., LTD.	¥50,574 million	99.96	Air cargo transportation business
HACHIUMA STEAMSHIP CO., LTD.	¥500 million	68.80	Marine transportation business
NYK-HINODE LINE, LTD.	¥2,100 million	100.00	Marine transportation business
NYK CRUISES CO., LTD.	¥2,000 million	100.00	Ownership and operation of cruise ships
YUSEN AIR & SEA SERVICE CO., LTD.	¥4,301 million	59.80	Air freight forwarding business, etc.
NYK TRADING CORP.	¥1,246 million	78.20	Sales of petrochemical products, etc.
UNI-X CORP.	¥934 million	79.10	Harbor transportation business
NYK GROUP AMERICAS INC.	US\$4,000,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in North and South American area
NYK GROUP EUROPE LTD.	£81,490,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in Europe
NYK GROUP SOUTH ASIA PTE. LTD.	SP\$12,800,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in Southern Asian area
NYK GROUP OCEANIA PTY. LTD.	A\$8,400,000	100.00	Controlling subsidiaries engage in marine transportation and global logistics businesses, etc. in Oceania areas
ADAGIO MARITIMA S.A. 438 other vessel owning companies	US\$89,760,000 (total of 118 companies) ¥23,945 million (total of 321 companies)	100.00 (all companies)	Vessel owning and chartering

- Notes: 1. Percentage of voting rights includes indirect holdings.
2. ADAGIO MARITIMA S.A. and 438 other vessel owning companies are consolidated subsidiaries that are fully owned by the NYK Group and are incorporated in Panama, Singapore and Liberia, etc. for the purpose of owning and chartering vessels. Vessels time-chartered from the said companies by the NYK Group constitute an important part of the fleet of vessels operated by the NYK Group.

3) Status of principal affiliates

Company Name	Common Stock	NYK's Share of Voting Rights (%)	Main Operations
KYOEI TANKER CO., LTD.	¥2,850 million	30.01	Marine transportation business
SHINWA KAIUN KAISHA, LTD.	¥8,100 million	27.01	Marine transportation business

Note: Percentage of voting rights includes indirect holdings

(12) Other significant matters on operations for NYK Group

- 1) With regard to the investigation carried out by the U.S. Department of Justice ("DOJ"), NYK's consolidated subsidiary NIPPON CARGO AIRLINES CO., LTD. ("NCA") agreed with the DOJ in April 2009 to pay a fine of US\$45 million and recorded a provision equivalent to the fine's value, concerning the suspicions of a price-fixing cartel in international cargo transport service on the U.S. and Pacific Ocean routes. Separately, the company has been under investigation by the European and Korean authorities on suspicion of forming a price cartel in the air cargo transport service. With regard to the European investigation, the subsidiary received a Statement of Objections in December 2007 from the European Commission, and regarding the Korea's investigation, it received Korean examiner's report on suspicion of the violation of the Korean Monopoly Regulation and Fair Trade Act in October 2009 from the Korean Fair Trade Commission.
- 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. Following the notice, the company began to take action against the two orders in April 2009, requesting the JFTC for the commencement of hearings. Subsequently, in July 2009, the company received a notification of the commencement of hearings, which are currently in progress.

2. Status of Shares (as of March 31, 2010)

(1) Total number of shares authorized to be issued 2,983,550,000 shares

(2) Number of shares issued 1,697,864,068 shares

- Notes:
1. The numbers exclude 2,686,920 shares of treasury stock.
 2. The Company completed a share exchange transaction with Taiheiyo Kaiun Co., Ltd. on December 1, 2009 and accordingly issued 10,362,915 new shares.
 3. The Company increased capital and issued 427,000,000 new shares on December 8, 2009. It also increased capital through third party allotment and issued 33,000,000 new shares in December 25, 2009.

(3) Number of shareholders 152,696 persons
(increased by 28,120 from the previous year)

(4) Major shareholders (Top 10)

Name	Capital contribution to the Company	
	Number of shares held (in thousands)	Ratio of shareholding (%)
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	92,984	5.48
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account)	70,036	4.12
STATE STREET TRUST AND BANKING COMPANY, LIMITED	58,723	3.46
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	55,982	3.30
THE MASTER TRUST BANK OF JAPAN, LTD. (MITSUBISHI HEAVY INDUSTRIES, LTD. ACCOUNT (RETIREMENT ALLOWANCE TRUSTY ACCOUNT))	54,717	3.22
MEIJI YASUDA LIFE INSURANCE CO.	38,909	2.29
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account 9)	33,505	1.97
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	32,141	1.89
TRUST & CUSTODY SERVICES BANK, LTD. (SECURITIES TRUST 4 ACCOUNTS)	27,000	1.59
THE CHASE MANHATTAN BANK, N. A. LONDON S. L. OMNIBUS ACCOUNT	23,397	1.38

Note: Investment ratio was computed excluding total treasury stock of 2,686,920 shares.

(5) Treasury Stock

Shares held as of the end of the preceding term	Common Stock	2,336,590 (shares)
Shares purchased in the current term		
Less-than-One-Unit Share Purchased	Common Stock	156,318 (shares)
	Total price of acquisition	56,841,725 (yen)
Share Purchased regarding the share exchange with TAIHEIYO KAIUN CO., LTD.	Common Stock	268,629 (shares)
	Total price of acquisition	72,237,707 (yen)
Shares disposed in the current term		
Less-than-One-Unit Share Sold	Common Stock	74,617 (shares)
	Total price of disposition	26,590,070 (yen)
Shares lapsed in the current term		None
Shares held as of the end of the fiscal term	Common Stock	2,686,920 (shares)

(6) Sale of Shares of Lost Shareholders

The Company, at the Board of Directors meeting held on March 25, 2010, resolved to sale the shares as stipulated in the Article 197, Paragraph 1 of the Corporation Law (shares of lost shareholders).

3. Status of Stock Acquisition Rights, etc. (as of March 31, 2010)

Following is the status as of the end of this fiscal year of corporate bonds with stock acquisition rights issued under the Corporation Law.

Name	Euro Yen Contingent Conversion Zero Coupon Convertible Bonds with Acquisition Rights due 2026
Date of resolution of issuance	August 31, 2006
Date of issuance	September 20, 2006
Number of stock acquisition rights	11,000 units
Class and number of shares subject to stock acquisition rights	Common stock 70,697,722 shares
Amount to be paid upon exercise of stock acquisition rights (exercise price)	¥777.96 per share
Amount to be capitalized upon exercise of stock acquisition rights	¥388.98 per share
Exercise period of stock acquisition rights	October 4, 2006 to September 10, 2026

Note: Following the two capital increase deals; one through a public stock offering on December 8, 2009 and the other by third-party allotment on December 25, 2009, the amount to be paid (exercise price) upon the exercise of the stock acquisition rights and the amount to be capitalized upon the exercise of stock acquisition rights were adjusted.

4. Executives of NYK

(1) Directors and Corporate Auditors (incumbents from June 24, 2009 to March 31, 2010)

Position	Name	Responsibilities and significant concurrent positions
Chairman, Chairman Corporate Officer	Koji Miyahara	Chairman of the Board of NIPPON CARGO AIRLINES CO., LTD., President of The Japanese Shipowners' Association, Chairman of Japan Federation of Freight Industries
Executive Vice-Chairman, Executive Vice-Chairman Corporate Officer	Yasushi Yamawaki	Outside Corporate Auditor of AOC Holdings, Inc
President, President Corporate Officer	Yasumi Kudo	Chief Executive of CSR Management Headquarters, Chief Executive of Global Logistics Headquarters, Director General of NYK Cool Earth Project
Representative Director, Executive Vice-President Corporate Officer	Hiromitsu Kuramoto	Chief Executive of Bulk/Energy Resources Transportation Headquarters, Chairman of Bulk/Energy Resources Transportation Strategy Committee, Chief Compliance Officer
	Shinji Kobayashi	Chief Executive of Global Logistics Headquarters, Chairman of IT Strategy Committee
Representative Director, Senior Managing Corporate Officer	Masahiro Kato	Car Carrier Division, Cruise Enterprise Group
	Hidenori Hono	Bulk/Energy Resources Transportation Headquarters, Outside Director of MITSUBISHI ORE TRANSPORT CO., LTD.
	Tadaaki Naito	Chief Financial Officer, Chief Executive of Global Group Management Headquarters, CSR Management Headquarters, Legal and Insurance Group, Corporate Planning Division, Outside Corporate Auditor of MITSUBISHI ORE TRANSPORT CO., LTD.
Director, Senior Managing Corporate Officer	Masamichi Morooka	Business in the European region
Director, Managing Corporate Officer	Hiroshi Hattori	Logistics Division, Harbor Division
	Naoya Tazawa	General Affairs Division, Human Resources Group
	Hiroshi Hiramatsu	Accounting and Finance Division
	Kenji Mizushima	Liner Trade Division
Outside Director (part-time)	Yukio Okamoto	President of OKAMOTO ASSOCIATES, INC., Outside Director of MITSUBISHI MATERIAL CORP., Outside Corporate Auditor of MITSUBISHI MOTORS CORP.
	Yuri Okina	Counselor of THE JAPAN RESEARCH INSTITUTE, LTD., Outside Director of the Enterprise Turnaround Initiative Corporation of Japan (ETIC)
Director, Board Counselor	Takao Kusakari	Chairman of the JAPAN SHIPPING EXCHANGE, INC., Outside Corporate Auditor of NIPPON STEEL CORPORATION, Council for Promotion of Regulatory Reform

Position	Name	Responsibilities and significant concurrent positions
Corporate Auditor (full-time)	Yukio Ozawa	
	Naoki Takahata	
Outside Corporate Auditor (part-time)	Hidehiko Haru	Outside Corporate Auditor of NIPPON OIL CORP.
	Takaji Kunimatsu	Chairman of HEM-NET:EMERGENCY MEDICAL NETWORK OF HELICOPTER AND HOSPITAL

- Notes: 1. Of Directors, Mr. Yukio Okamoto and Ms. Yuri Okina are Outside Directors as stipulated in Article 2, Item 15, of the Corporation Law.
2. Of Corporate Auditors, Messrs. Hidehiko Haru and Takaji Kunimatsu are Outside Corporate Auditors as stipulated in Article 2, Item 16, of the Corporation Law.
3. Of significant concurrent positions of Outside Directors and Corporate Auditors, the Company has business relations with MITSUBISHI MOTORS CORP. such as automobile transport transactions, and with NIPPON OIL CORP. such as marine fuel oil and tanker ship leasing transactions. The Company has no particularly notable business relations with the other significant concurrent positions.
4. Corporate Auditor, Messrs. Yukio Ozawa and Naoki Takahata served as Directors in charge of financial affairs of NYK and have considerable expertise in finance and accounting. Corporate Auditor, Mr. Hidehiko Haru served as a Director in charge of financial affairs of the other listed company for many years and has considerable expertise in finance and accounting.
5. Retired Directors and newly appointed Directors during the current fiscal year are as follows:

<Retirement>

Director	Hiroshi Sugiura	(Retired at the expiration of his term in office on Jun. 23, 2009)
Director	Makoto Igarashi	(Retired at the expiration of his term in office on Jun. 23, 2009)
Corporate Auditor (full-time)	Shigeru Shimizu	(Retired at the expiration of his term in office on Jun. 23, 2009)

<New appointment>

Director, Managing Corporate Officer	Naoya Tazawa	(Appointed on Jun. 23, 2009)
Director, Managing Corporate Officer	Hiroshi Hiramatsu	(Appointed on Jun. 23, 2009)
Director, Managing Corporate Officer	Kenji Mizushima	(Appointed on Jun. 23, 2009)
Corporate Auditor (full-time)	Naoki Takahata	(Appointed on Jun. 23, 2009)

6. As of April 1, 2010, Representative Directors and Executive Corporate Officers who also serve as Directors are relocated as follows:

	As of March 31, 2010	After relocation
Director, Senior Managing Corporate Officer	Masamichi Morooka	Representative Director, Senior Managing Corporate Officer
Director, Managing Corporate Officer	Naoya Tazawa	Representative Director, Senior Managing Corporate Officer
Executive Vice-Chairman, Executive Vice-Chairman Corporate Officer	Yasushi Yamawaki	Director, Executive Vice-Chairman Corporate Officer
Representative Director, Executive Vice-President Corporate Officer	Hiromitsu Kuramoto	Director
Representative Director, Executive Vice-President Corporate Officer	Shinji Kobayashi	Director

7. The Company filed Mr. Yukio Okamoto, Ms. Yuri Okina, Mr. Hidehiko Haru and Mr. Takaji Kunimatsu as its Independent Executives with The Tokyo Stock Exchange, Inc. ("TSE"). TSE and other regulators require listed companies of securing the Independent Executive who plays a role in safeguarding general investors.

(2) Corporate Officers (For reference) (as of April 1, 2010)

Position	Name
Chairman, Chairman Corporate Officer	Koji Miyahara
Director, Executive Vice-Chairman Corporate Officer	Yasushi Yamawaki
President, President Corporate Officer	Yasumi Kudo
Representative Director, Senior Managing Corporate Officer	Masahiro Kato
	Hidenori Hono
	Tadaaki Naito
	Masamichi Morooka
	Naoya Tazawa
Senior Managing Corporate Officer	Toshinori Yamashita
Director, Managing Corporate Officer	Hiroshi Hattori
	Hiroshi Hiramatsu
	Kenji Mizushima
Managing Corporate Officer	Fukashi Sakamoto
	Hitoshi Nagasawa
Corporate Officer	Takatake Naraoka
	Yasuyuki Usui
	Mikitoshi Kai
	Koichi Akamine
	Takuji Nakai
	Hidetoshi Maruyama
	Takao Ito
	Takashi Abe
	Yoko Wasaki
	Yasuo Tanaka
	Naoyuki Ohno
Masahiro Samitsu	

Position	Name
Corporate Officer	Koichi Chikaraishi
	Kunihiko Miyoshi
	Yuji Isoda
	Shunichi Kusunose
	Kenichi Miki
	Hitoshi Oshika
	Kazuo Ogasawara
	Chak Kwok Wai

- Notes: 1. Mr. Shoji Murakami retired upon resignation as a Corporate Officer on October 20, 2009.
2. Corporate Officers retired as of March 31, 2010 are as follows:
Hiromitsu Kuramoto, Shinji Kobayashi, Tetsuichi Nozaki, Tetsufumi Otsuki, Satoshi Akagi, Ian Veitch, Takeshi Yukawa, Yasushi Takada, Hiroaki Tsuchiya

(3) Remuneration Paid to Executives

Category	Number of persons remunerated	Monthly remuneration	Bonus	Total Amount of remuneration paid
Directors [Outside Directors out of above]	18 [2]	¥573 million [¥36 million]	-	¥573 million
Corporate Auditors [Outside Corporate Auditors out of above]	5 [2]	¥90 million [¥24 million]	-	¥90 million
Total [Outside Executives out of above]	23 [4]	¥663 million [¥60 million]	-	¥663 million

- Notes: 1. Amount of remuneration payment to the Directors (excluding the Outside Directors) includes the remuneration to two Directors who retired during the fiscal year.
2. Amount of remuneration payment to the Corporate Auditors (excluding the Outside Corporate Auditors) includes the remuneration to one Corporate Auditor who retired during the fiscal year.
3. The proposal to pay retirement benefits for termination resulting from the abolition of the retirement benefits scheme for directors and corporate auditors was approved by the Shareholders at the 118th Ordinary General Meeting of Shareholders held on June 28, 2005. Based on the resolution, the Company paid a ¥44 million retirement benefit for termination to one Director who retired during the fiscal year.
4. (Note 2) of (3) Remuneration Paid to Executives in the section 4. Executives of NYK in the 122nd Annual Report Fiscal 2008 stated "Amount of remuneration payment to the Directors (excluding the Outside Directors) includes a ¥127 million bonus for the Directors that is planned to be proposed at the 122nd Ordinary General Meeting of Shareholders.", but the stated figures in the table did not include this amount; the correct amount of remuneration paid to Directors was ¥738 million instead of ¥611 million and the total amount of remuneration paid was ¥828 million instead of ¥701 million. These corrected figures are stated above. We apologize for the mistake. There is no bonus paid to directors for the 123rd term.

(4) Status of Major Activities of Outside Executives

Name	Status of Attendance and Stating of Opinions
Director (Part-time, Outside Director) Yukio Okamoto (Appointed on Jun. 24, 2008)	Attended 17 out of 19 meetings of the Board of Directors held during this fiscal year (89% of attendance rate), and when necessary made statements mainly based on his extensive knowledge and insight as an expert of international affairs.
Director (Part-time, Outside Director) Yuri Okina (Appointed on Jun. 24, 2008)	Attended 18 out of 19 meetings of the Board of Directors held during this fiscal year (95% of attendance rate), and when necessary made statements mainly based on her extensive knowledge and insight as an expert of economic and financial issues.
Corporate Auditor (Part-time, Outside Corporate Auditor) Hidehiko Haru (Appointed on Jun. 27, 2007)	Attended 17 out of 19 meetings of the Board of Directors (89% of attendance rate) and 14 out of 15 meetings of the Board of Corporate Auditors held during this fiscal year, and when necessary made statements mainly from his considerable experience in corporate management and financial policies, etc.
Corporate Auditor (Part-time, Outside Corporate Auditor) Takaji Kunimatsu (Appointed on Mar. 13, 2008)	Attended all the 19 meetings of Board of Directors (100% of attendance rate) and all the 15 meetings of the Board of Corporate Auditors held during this fiscal year, and when necessary made statements mainly from his considerable experience in government service.

(5) Liability Limitation Agreement with Outside Executives

The Company has signed agreements with all the Outside Executives respectively limiting their liability for damages in terms of Article 423, Paragraph 1 of the Corporation Law. Based on these agreements, liability for damages is limited to predetermined amount of ¥20 million or more or the minimum amount prescribed by law, whichever is higher.

5. Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

Note: The name of the Company's independent accounting auditor was changed to "Deloitte Touche Tohmatsu LLC" from "Deloitte Touche Tohmatsu", as it converted to a limited liability audit corporation on July 1, 2009.

(2) Compensation paid to Independent Auditor for the fiscal year under review

Category	Total amount paid
Compensation paid for the fiscal year under review	¥182 million
Total of cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor	¥323 million

Notes: 1. The audit contract between NYK and the Independent Auditor does not separate the compensation for the audit based on the Corporation Law from the compensation for the audit based on the Financial Instruments and Exchange Act. Therefore, the aforementioned amount includes the compensation for the audit, etc. based on the Financial Instruments and Exchange Act.

2. The Company pays the Independent Auditor fees for services including that related to issuing shares, in addition to the services as stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law (non-audit service).

3. Among our principal subsidiaries, TAIHEIYO KAIUN CO., LTD., NYK-HINODE LINE, LTD., UNI-X CORP., NYK GROUP AMERICAS INC., NYK GROUP EUROPE LTD., NYK GROUP SOUTH ASIA

PTE. LTD. and NYK GROUP OCEANIA PTY. LTD. undergo audits of statutory documents by CPAs or audit corporations other than the Independent Auditor of NYK (including persons who have qualifications equivalent to these qualifications in foreign countries) (limited to audit pursuant to the Corporation Law or Financial Instruments and Exchange Act (including foreign laws equivalent to these laws))

(3) Company Policy regarding dismissal or decision not to reappoint the Independent Auditor

Article 340 of the Corporation Law stipulates that the Board of Corporate Auditors shall be entitled to dismiss the Independent Auditor for reasons stipulated therein. In addition, when it is reasonably recognized that the Independent Auditor is no longer able to execute its duties in an appropriate manner, NYK, subject to prior consent of, or request from, the Board of Corporate Auditors, will offer a resolution to the Shareholders' Meeting to the effect of dismissal of, or a decision not to reappoint, the Independent Auditor.

6. Matters on Structures to Ensure Proper Execution of Business Operations

The Company adopted a new resolution with respect to structures to ensure proper execution of business operations based on the Corporation Law at the meeting of Board of Directors on March 25, 2010 as follows.

▶ Outlines of Resolutions of Board of Directors

- (1) Directors of the Company execute duties in compliance with the laws and Articles of Incorporation in accordance with the clear allocation of authority and procedures based on in-house rules. The Company recognizes that fulfillment of social responsibility is fundamental to management, and has determined the NYK Group Mission Statement, the NYK Line Business Credo and Code of Conduct. Directors have adopted NYK Group Value as conduct guidelines for executing them, and take a leading role in observing these conduct guidelines. In addition, in order to ensure compliance with the laws and proper execution of business by the Directors, the Company has established in-house systems such as the Internal Control Committee and Compliance Committee, etc.
- (2) Documents and other information relating to execution of duties by the Directors of the Company are stored and managed properly according to in-house rules.
- (3) As to management of risks of loss, the Company has established sections dedicated to maintaining awareness of risks of company-wide risks. These sections seek to identify and evaluate risks on a regular basis, to implement proper countermeasures and to raise employees' awareness of risk management by educational methods, such as e-learning. The Company has formulated a basic plan to ensure business continuity and the outline for the implementation of the plan, with the view of coping with large-scale disasters. In addition, the Company performs thorough risk management relating to safe operation of vessels and environmental preservation.
- (4) Directors of the Company are performing efficient duty execution by clear distribution of authorities and decision-making rules, and activation of electronic-decision system.
- (5) In order to ensure the conformance of duties by employees of the Company with laws, Compliance Committee meetings are held on a regular basis and Compliance Total Check Month has been implemented. A consultation channel and an internal report channel have been installed, and Compliance Training has been held regularly. With the object of preventing the violation of global-based antitrust laws, the Company has established a section which specializes in the promotion of a variety of educational activities for the Company and Group companies.
- (6) The Company applies NYK Group Mission Statement and Group Value to the overall group. In order to ensure proper operations by the Corporate Group, the Company will instruct each group company further preparation for an internal control system. The Company has established a headquarter which controls global group management, aiming at ensuring sound and efficiency improvements of group companies. Additionally, an internal audit division has been established and internal audits are being carried out for the Company and group companies.
- (7) The Company has established a Corporate Auditor's Staff Chamber as an assistant for Corporate Auditors, and allocates full-time staff. Personnel evaluation of full-time staff is performed by full-time Corporate Auditors.
- (8) Board of Directors has prepared an environment in which the Corporate Auditor can conduct effective audits. Corporate Auditors participated in Board of Directors meetings and other major meetings, peruse and examine important documents relating to business execution, and implement proper auditing.
- (9) Corporate Auditors exchange information with Independent Auditor and internal audit division, making efforts to collaborate in auditing, and ensure systems to improve the effectiveness and efficiency of each audit.
- (10) The Company has established an internal control system designed to ensure the properness of financial statements under the Financial Instruments and Exchange Act, and conducts effectiveness assessment on its operations.
- (11) The Company consolidates a system for the elimination of antisocial forces and supports efforts to sever all ties to these forces. We have an in-house post dedicated to providing consultation services, with the intention of collecting and disclosing information on anti-social forces

appropriately, through closer coordination with external specialized institutions. We also view the issue as one of the most important compliance matters and conduct continuous activities to enhance knowledge and raise awareness.

7. Basic policy regarding the modality of those who control the Company's financial and business policy decisions

(1) Outline of the content of the Basic Policy

The NYK Group conducts all its daily corporate activity based on the "NYK Group Mission Statement", which is: "Through safe and dependable *monohakobi* (transport), we contribute to the betterment of societies throughout the world as a comprehensive global-logistics enterprise offering ocean, land and air transportation". Further, the NYK Group has been working to give back to society from our management resources and profits and to deepen the CSR management, for example by actively enforcing the environmental measures and safety programs that form the foundation of our "comprehensive global-logistics" concept. The NYK Group, by continuing to develop as a comprehensive global-logistics enterprise group having a strong commitment to CSR management, aims to maintain and increase its corporate value and shareholder earnings.

NYK believes that it is necessary for persons or entities who control the Company's financial and business policy, to do so in accordance with the corporate philosophy of the NYK Group. In this way, they can be leaders who enable the NYK Group to maintain and increase its corporate value and shareholder earnings.

In light of this, we have no intention of completely objecting to a Large-scale Purchase by a specific party, on the condition that such a purchase is deemed to contribute to maintaining and increasing its corporate value and shareholder earnings in accordance with the corporate philosophy of the NYK Group. We also value the idea that the final decision on such a purchase shall reflect the entire opinions of our shareholders on this matter, given that sufficient time and information is provided. However, we cannot deny that among Large-scale Purchase, there are those (a) where the time and/or information needed for shareholders to evaluate the content, etc. of the purchase and for the board of directors of the Company to offer an alternative proposal, is not provided, (b) that are abusive because the Company's corporate value and shareholder earnings have not been considered but only the benefit to the purchasing party itself has, and (c) where there is a risk of damage to the Company's corporate value and shareholder earnings, such as cases where the purchase is one whose conditions of purchase, etc. are unsuitable considering the intrinsic value of the Company.

In view of the NYK Group's corporate philosophy, NYK believes that the party making these kind of purchase action is not a party who enables the NYK Group to maintain and increase its corporate value and shareholder earnings, thus not an appropriate party who controls the Company's financial and business policy.

(2) Outline of special measures that will help achieve the Basic Policy

The NYK Group announced its 3-year medium-term management plan, "New Horizon 2010" starting from fiscal 2008 in accordance with the Group's corporate principles outlined in (1) above. Through this plan, the NYK Group is striving to maintain growth as a global *monohakobi* (transport) enterprise, based on the three keywords of Growth, Stability and Environment. We have been making concerted efforts to achieve this goal; however, faced with an unprecedented severe economic climate that is said to occur only once in every 100 years, the Group revised the numerical targets of this plan in April and October 2009 while still maintaining its basic strategies. Further, in January 2009, the NYK Group embarked on a 2-year Emergency Structural Reform Project "*Yosoro*", which composed of the implementation of bold structural reforms based on optimization of fleet scale, cost reductions and a drastic review of profit structures and sales systems, aiming to develop a system which is able to accommodate dramatically changed external conditions. It ensures the NYK Group well prepared to bounce back in an economic recovery.

The Company has appointed Corporate Officers to activate the Board of the Company by reducing the number of Directors. In 2008, the Company appointed two new Outside Directors with a high level of

independence and reduced the Directors' term of office to one year, aiming to establish highly transparent corporate management and enhance the Board of Directors' management monitoring function. Further, a notice of the general meeting of shareholders is sent three weeks before the meeting is held, providing our shareholders with sufficient time to consider proposals.

In addition, NYK maintains the Basic Policy of continuously making stable dividend payments, based on thorough consideration of payout ratio, the Company's forecasted business performance, etc. We also consider requirements for future business development, such as the expansion and improvement not only of our traditional business of marine transport but also of other businesses, and we bear in mind the level of internal reserves needed to withstand fluctuations in market conditions.

*Please see note at the bottom left of page 1.

(3) Outline of measures to prevent the control of NYK's financial and business policy decisions by inappropriate persons or entities in light of the Basic Policy

As a specific approach to prevent the control of NYK's financial and business policy decisions by, inappropriate persons or entities in light of the Basic Policy described in (1), at the meeting of the Board of Directors held on March 27, 2008, the Company approved the adoption of "Measures for Large-scale Purchases of NYK Share Certificates for the Purpose of Securing and Enhancing Corporate Value and the Common Interests of Shareholders (Takeover Defense Measures)" (hereinafter referred to as the "Plan"). The Plan was approved by the shareholders of the Company at the 121st Ordinary General Meeting of Shareholders of the Company held on June 24, 2008 (hereinafter referred to as the "121st Ordinary General Meeting of Shareholders").

The outline of the Plan is as follows:

1) Large-scale Purchases to which the Plan is applied

The procedures provided by the Plan apply to each of following purchases, etc. which will be carried out without the consent of the Board (such purchases hereinafter referred to as a "Large-scale Purchase" and the persons or entities carrying out the Large-scale Purchase shall be hereinafter referred to as the "Large-scale Purchaser").

- a. Any Purchase, etc., with which Holding Ratio of the Share Certificates, etc. issued by NYK (the "NYK Share Certificates") of the Holder and Joint Holders, etc. becomes 20% or more.
- b. Any Tender Offer, with which the sum of Ownership Ratio of the Share Certificates, etc. with respect to the NYK Share Certificates of the person or entity launching the Tender Offer and that of the Special Related Parties, etc. becomes 20% or more.

2) Request to Large-scale Purchaser for Large-scale Purchase Information

A Large-scale Purchaser is required to submit to representative director of the Company a letter of intention (the "Letter of Intention") prior to undertaking the Large-scale Purchase in Japanese in the format determined by the Company in which the Large-scale Purchaser is requested to disclose an outline of the proposed Large-scale Purchase, and to state that it will comply with the procedures provided by the Plan. Upon receipt of the Letter of Intention, the Board will request the Large-scale Purchaser to provide the information that is necessary and sufficient for the shareholders' determination, and for the Board and the Independent Committee to form an opinion (the "Large-scale Purchase Information"), and the Large-scale Purchaser is required to submit documentation setting forth the Large-scale Purchase Information (the "Explanation of Purchase").

3) Recommendation by the Independent Committee

Upon receipt of the Explanation of Purchase from the Large-scale Purchaser, the Board will immediately submit the document to the Independent Committee, which consists of at least three members of the Outside Directors and outside experts, and consult with the Independent Committee as to whether or not it is appropriate to implement the countermeasures against the Large-scale Purchase and other matters. Currently, Outside Directors Mr. Yukio Okamoto and Ms. Yuri Okina, and Mr. Seigo

Hirayama, who is an attorney and former President of the Japan Federation of Bar Associations, have been appointed by the Company as members of the Committee.

In the case where the Independent Committee determines that (i) the Large-scale Purchaser is a Large-scale Purchaser which does not comply with the procedures provided in the Plan (the "Procedurally Non-compliant Purchaser"), (ii) the Large-scale Purchaser is an Abusive Acquirer as defined in the Plan, or (iii) there is a risk that the Large-scale Purchase will damage the corporate value or the common interests of the shareholders of the NYK Group, then the Independent Committee shall submit the report, "We recommend the implementation of countermeasures." (the "Implementation Recommendation"). In the case where the Independent Committee determines that there is not a risk that the Large-scale Purchaser will damage the corporate value or the common interests of the shareholders of the NYK Group, then the Independent Committee shall submit the report, "We recommend that countermeasures not be implemented". (the "Non-implementation Recommendation"). The Independent Committee may submit neither an Implementation Recommendation nor a Non-implementation Recommendation and may give any other report that the Independent Committee determines appropriate. The Board shall give the utmost respect to any of the above-mentioned report.

The Independent Committee shall prepare the report within 60 business days as a general rule from the date on which the submission of the Explanation of Purchase is completed.

4) Implementation of Countermeasures

- a. When the Large-scale Purchaser is a Procedurally Non-compliant Purchaser and thus the Independent Committee recommends the implementation of countermeasures, the Board may adopt a resolution to implement countermeasures without obtaining a resolution of the general meeting of shareholders.
- b. When the Independent Committee makes an Implementation Recommendation following a determination that the Large-scale Purchaser is an Abusive Acquirer, the Board may, as a general rule, adopt a resolution to implement countermeasures without obtaining a resolution of the general meeting of shareholders.
- c. When the Independent Committee makes an Implementation Recommendation following a determination that the Large-scale Purchase poses a risk of harm to the corporate value or the common interests of the shareholders of the NYK Group, the Board may convene a general meeting of shareholders and upon obtaining a resolution of the general meeting of shareholders to approve the implementation of countermeasures, may adopt a resolution to implement countermeasures against the Large-scale Purchase.
- d. When the Board determines it necessary, it may adopt a resolution not to implement countermeasures against the Large-scale Purchaser. When the Independent Committee makes a Non-implementation Recommendation, the Board shall give utmost respect to such recommendation.

In addition, after taking into consideration the details of the Large-scale Purchase and the circumstances where it is necessary to determine whether or not to implement countermeasures, if the Board believes it appropriate, it may convene a general meeting of shareholders to confirm their opinions.

The Board shall choose a countermeasure, as against the Large-scale Purchase, which the Board determines the most appropriate method as of that timing, taking into consideration the opinion of the Independent Committee, such as the Allotment of Stock Acquisition Rights (Without Consideration).

5) Effective Period of Plan

The effective period of the Plan is until the time of the conclusion of the ordinary general meeting of shareholders relating to the last business year ending within three years following the conclusion of the 121st Ordinary General Meeting of Shareholders.

(4) The Board Decision and the Reasons regarding the measures stated in (2)

As the primary purpose of any of the measures stated in (2) is to secure and enhance the corporate value and the common interests of the shareholders of the NYK Group, the Board of the Company believes that they are following the Basic Policy stated in (1) and do not damage the common interests of shareholders, and that they do not have as their purpose the maintenance of the position of the current executives.

(5) The Board Decision and the Reasons regarding the measures stated in (3)

The Board of the Company believes that the measures stated in (3) are following Basic Policy stated in (1), and the Plan does not damage the common interests of shareholders, and that it does not have as its purpose the maintenance of the position of the current executives. The reasons are stated below:

- a. This Plan has been adopted for the purpose of securing and enhancing the corporate value and the common interests of shareholders of the NYK Group.
- b. The Plan satisfies any of the principles set forth in the “Guidelines Concerning Takeover Defensive Measures for Securing and Ensuring Corporate Value and the Common Interests of Shareholders” announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.
- c. The Plan places importance on the will of the shareholders as it has been approved by the shareholders at the 121st Ordinary General Meeting of Shareholders.
- d. The Independent Committee has been established to deliberate and submit a recommendation or other report to the Board on whether or not it is appropriate to implement the countermeasures against the Large-scale Purchase. The Board shall give the utmost respect to recommendations of the Independent Committee.
- e. The Company shall publicly announce the submission of the Letter of Intention or the Explanation of Purchase from the Large-scale Purchaser and, to the extent found appropriate, the contents of the Independent Committee’s report at an appropriate time, so that the transparency is ensured in execution of the Plan.
- f. Requirements for implementing the countermeasures are reasonable, clear and strict.
- g. The Plan is neither a so-called “dead-hand”-type takeover defense measure (i.e., a takeover defensive measure the implementation of which cannot be prevented even if a majority of the constituent members of the Board is replaced) nor a “slow-hand”-type takeover defensive measure (i.e., a takeover defensive measure which requires the passage of time to prevent its implementation because it is not possible to replace all of the constituent members of the Board at one time).

Note: For details, please view our news release “Introduction of Measures for Large-scale Purchases of NYK Share Certificates for the Purpose of Securing and Enhancing Corporate Value and the Common Interests of Shareholders (Takeover Defense Measures)” released on March 27, 2008. (http://www.nyk.com/ir/news/2008/0327_03.pdf)

Consolidated Financial Statements

1. Consolidated Balance Sheet (As of March 31, 2010)

		(In millions of yen)	
Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	653,590	Current liabilities	450,537
Cash and deposits	257,245	Notes and operating accounts payable-trade	164,875
Notes and operating accounts receivable-trade	188,292	Short-term loans payable	135,771
Short-term investment securities	30,983	Income taxes payable	8,037
Inventories	44,344	Deferred tax liabilities	655
Deferred and prepaid expenses	49,381	Advance received	45,226
Deferred tax assets	14,755	Provision for bonuses	7,004
Other	71,811	Provision for directors' bonuses	285
Allowance for doubtful accounts	(3,226)	Provision for losses related to antitrust law	4,579
Noncurrent assets	1,551,214	Other	84,101
Vessels, property, plant and equipment	1,111,122	Noncurrent liabilities	1,053,232
Vessels, net	651,501	Bonds payable	251,128
Buildings and structures, net	81,075	Long-term loans payable	687,718
Aircraft, net	4,764	Deferred tax liabilities	7,955
Machinery, equipment and vehicles, net	28,816	Provision for retirement benefits	16,348
Equipment, net	6,226	Provision for directors' retirement benefits	2,462
Land	62,578	Provision for periodic dry docking of vessels	19,434
Construction in progress	271,659	Provision for losses related to antitrust law	1,728
Other	4,499	Other	66,456
Intangible assets	35,825	Total Liabilities	1,503,769
Leasehold right	2,570	Net Assets	
Software	9,013	Shareholders' capital	706,424
Goodwill	21,014	Common stock	144,319
Other	3,227	Capital surplus	155,663
Investments and other assets	404,267	Retained earnings	408,017
Investment securities	282,459	Treasury stock	(1,576)
Long-term loans receivable	18,594	Valuation and translation adjustments	(45,192)
Deferred tax assets	16,639	Valuation difference on available-for-sale securities	30,007
Other	90,144	Deferred gains or losses on hedges	(30,155)
Allowance for doubtful accounts	(3,570)	Foreign currency translation adjustments	(45,044)
Deferred assets	2,359	Minority interests	42,162
		Total net assets	703,394
Total Assets	2,207,163	Total Liabilities and Net Assets	2,207,163

2. Consolidated Statement of Income (From April 1, 2009 to March 31, 2010)

	(In millions of yen)	
Item	Amount	
Revenues		1,697,342
Cost and expenses		<u>1,520,932</u>
Gross profit		176,410
Selling, general and administrative expenses		<u>194,504</u>
Operating loss		(18,094)
Non-operating income		
Interest income	2,646	
Dividends income	3,875	
Equity in earning of unconsolidated subsidiaries and affiliates	2,417	
Other	<u>6,546</u>	15,485
Non-operating expenses		
Interest expenses	19,467	
Foreign exchange losses	3,466	
Other	<u>4,902</u>	<u>27,836</u>
Recurring loss		(30,445)
Extraordinary income		
Gain on sales of noncurrent assets	9,887	
Gain on sales of investment securities	14,893	
Reversal of provision for periodic dry docking of vessels	3,690	
Other	<u>6,011</u>	34,482
Extraordinary loss		
Loss on sales of noncurrent assets	649	
Impairment loss	4,098	
Provision of allowance for doubtful accounts	1,852	
Other	7,410	14,011
Loss before income taxes and minority interests		(9,974)
Income taxes-current	12,818	
Income taxes-deferred	<u>(8,041)</u>	4,776
Minority interests in net income		<u>2,696</u>
Net loss		(17,447)

3. Consolidated Statement of Changes in Net Assets (From April 1, 2009 to March 31, 2010)

(In millions of yen)

Item	Shareholders' capital					Valuation and translation adjustments				Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2009	88,531	97,189	426,217	(1,493)	610,444	10,935	(37,889)	(39,369)	(66,323)	37,116	581,237
Changes of items during the period											
Issuance of new shares	55,788	55,788			111,577						111,577
Dividends from surplus			(4,911)		(4,911)						(4,911)
Net loss			(17,447)		(17,447)						(17,447)
Purchase of treasury stock				(129)	(129)						(129)
Disposal of treasury stock		(19)		46	26						26
Increase by share exchanges		2,704			2,704						2,704
Adjustment due to change in the fiscal periods of consolidated subsidiaries			(91)		(91)						(91)
Change of scope of consolidation			3,488		3,488						3,488
Change of scope of equity method			933		933						933
Other			(171)		(171)						(171)
Net change of items other than shareholders' capital						19,071	7,734	(5,675)	21,130	5,046	26,177
Total change of items during the period	55,788	58,474	(18,199)	(83)	95,979	19,071	7,734	(5,675)	21,130	5,046	122,157
Balance as of March 31, 2010	144,319	155,663	408,017	(1,576)	706,424	30,007	(30,155)	(45,044)	(45,192)	42,162	703,394

(For reference)

4. Summary of Consolidated Statement of Cash Flow (From April 1, 2009 to March 31, 2010)

Item	(In millions of yen) Amount
Net cash provided by (used in) operating activities	62,105
Net cash provided by (used in) investing activities	(43,706)
Net cash provided by (used in) financing activities	137,396
Effect of exchange rate change on cash and cash equivalents	(5,520)
Net increase (decrease) in cash and cash equivalents	150,275
Cash and cash equivalents at beginning of period	126,768
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	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	(63)
Cash and cash equivalents at end of period	281,660

Note: This statement is not covered by the audit reports.

5. Notes to Consolidated Financial Statements

(1) Basis of presenting consolidated financial statements

1) Scope of Consolidation

- (i) Number of Consolidated subsidiaries: 711
Name of principal consolidated subsidiaries
NYK GLOBAL BULK CORP., 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 CORP., UNI-X CORP., NYK GROUP AMERICAS INC., NYK GROUP EUROPE LTD., NYK GROUP SOUTH ASIA PTE. LTD., NYK GROUP OCEANIA PTY. LTD., ADAGIO MARITIMA S.A. and other 438 vessel owning companies
- (ii) Name of principal unconsolidated subsidiaries
There is no principal unconsolidated subsidiary to be noted.
- (iii) Reason for exclusion from the scope of consolidation
Total assets, total sum of revenues and total equity amount out of net income and total equity amount of retained earnings, etc. of unconsolidated subsidiary are all small compared to total assets, total sum of revenues, total equity amount out of net income and total equity amount of retained earnings of consolidated companies, and do not have a material effect on the consolidated statutory report as a whole, and this is why they are excluded from the scope of consolidation.
- (iv) Name of the company that is not a subsidiary of NYK despite NYK holds a majority of voting rights of the company in its own calculation: NYK ARMATEUR S.A.S.
- (v) Reason for not making the company a subsidiary
Though NYK holds a majority of voting rights of NYK ARMATEUR S.A.S. in its own calculation, NYK does not actually control the decision-making body of the company due to the agreement regarding decisions on significant finance and sales or business policies. Therefore, we classify the company an affiliate accounted for by the equity method.

2) Application of equity method

- (i) Number of affiliates accounted for by the equity method
unconsolidated subsidiaries: 13
affiliates: 61
Name of principal affiliates accounted for by the equity method:
KYOEI TANKER CO., LTD., SHINWA KAIUN KAISHA, LTD.
- (ii) Name of principal unconsolidated subsidiaries and affiliates that are not accounted for by the equity method
There is no principal unconsolidated subsidiary or affiliate to be noted.
- (iii) Reason for exclusion of the scope of application of the equity method
Net income and total equity amount of retained earnings, etc. of unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are small compared to net income and total equity amount of retained earnings of consolidated companies and companies that are accounted for by the equity method, and impact on retained earnings, etc., is minor, and as a whole do not have a material effect on the consolidated statutory report, and this is why they are excluded from the scope of application of the equity method.

3) Change of scope of consolidation and scope of application of the equity method

- (i) Consolidated subsidiaries
Number of newly consolidated companies: 60
The following companies are included within the scope of consolidated subsidiaries from this fiscal year respectively due to new establishment in this fiscal year and increase of significance, etc.
AMCO ENGINEERING CORP.

NCA JAPAN CO., LTD.
 NCT SERVICE CO., LTD.
 OCEAN HOTEL SYSTEMS CO., LTD.
 GLOBAL OCEAN DEVELOPMENT INC.
 HOJO CONSOLIDATION AND 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.
 Other 11 companies

Number of companies change from unconsolidated subsidiaries accounted for by the equity method: 6

The names of the companies are as follows:

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 change from affiliates accounted for by the equity method: 1
The name of the company is as follows:
TAIHEIYO KAIUN CO., LTD.

Number of companies change to affiliates accounted for by the equity method: 2
The names of the companies are as follows:
NYK-SCF LNG SHIPPING NO.1 LTD.
NYK-SCF LNG SHIPPING NO.2 LTD.

Number of companies excluded from consolidation: 47
The following companies are excluded from the scope of consolidated subsidiaries from this fiscal year due to liquidation, merger, etc.
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 SISSEL INC.
HESNES STINA AS
KURE SHIPPING S.A.
LORANG FRANCE S.A.S.
MAPLE SHIPHOLDING S.A.
MARINOS MARITIMA S.A.
MONDIA LOGISTICS S.A.
NYK LOGISTICS (FUZHOU BONDED ZONE) LTD.
NYK LOGISTICS 2008 PTE. LTD.
ORION SHIPHOLDING S.A.
PLATANA SHIPHOLDING S.A.
RHODES MARITIMA II S.A.
RODMAN MARITIMA S.A.
ROSA SHIPHOLDING S.A.
RUBIA SHIPHOLDING S.A.
SPRUCE SHIPHOLDING S.A.
STOUDAMIRE MARITIMA S.A.
SUN TAY KEE LTD.
TAIPEN YUSEN WHARF & GODOWN CO., LTD.
URIAH SHIPPING S.A.
VEGA SHIPHOLDING S.A.
VENTFORET MARITIMA S.A.

VIOLA MARITIMA S.A.
ZEEBRUGGE SHIPPING AND BUNKERING COMPANY N.V.
Other 7 companies

- (ii) Affiliated companies accounted for by the equity method.
Number of companies newly included as companies accounted for by equity method: 5
The following companies are included within the scope of application of the equity method from this fiscal year due to occurrence of significance in both net income and retained earnings, etc.
MANTLE QUEST JAPAN CO., LTD.
GIGA SHIPPING SDN. BHD.
TIANJIN PORT RO-RO TERMINAL CO., LTD.
Other 2 companies

Number of companies reclassified from consolidated subsidiaries: 2
The names of the companies are as follows:
NYK-SCF LNG SHIPPING NO.1 LTD.
NYK-SCF LNG SHIPPING NO.2 LTD.

Number of companies reclassified as consolidated subsidiaries: 7
The names of the companies are as follows:
TAIHEIYO 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
The following company is excluded from the scope of application of the equity method from this fiscal year due to liquidation, merger, etc.
STOLT NYK (AUST) PTY LTD.
Other 3 companies

4) Fiscal year for 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 consolidated subsidiary whose closing date of account fell on December 31 and for one consolidated subsidiary whose closing date of account fell on February 28, pro forma financial statements as of the closing date of the consolidated statements were used for the purpose of consolidation.

From this consolidated fiscal year, the company's consolidated subsidiary GENEQ CORPORATION changed its closing date from February 28 to March 31.
The impact of the change in closing date on retained earnings is stated in the Consolidated Statement of Changes in Net Assets.

The name of a major company which closes the books on December 31 is as follows:
YUSEN AIR & SEA SERVICE (USA) INC.

5) Accounting policies

- (i) Standards and methods of valuation of significant assets
Securities
Bonds held to maturity Amortized cost method (primarily 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)
(ii) 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, straight-line method based on useful life of five years in-house.
(Other intangible fixed 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
	The conventional accounting treatment will still apply to non-ownership-transfer finance leases that commenced before starting day to apply revised accounting standard for lease transactions.
(iii) 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
(iv) Standards 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 related to antitrust law

1) NYK's consolidated subsidiary NIPPON CARGO AIRLINES CO., LTD. ("NCA") has been under investigation by the European and Korean authorities on suspicion of forming a price cartel in the air cargo transport service. Regarding the investigation by the European Commission ("EC"), the subsidiary received an official statement of objections in December 2007 from the EC; with the investigation conducted by the Korea Fair Trade Commission ("KFTC"), the company received an assessment report from the KFTC in October 2009, citing the Commission's suspicions that the company's business activities may have violated the country's Monopoly Regulation and Fair Trade Act. Therefore, NCA recorded provisions for the currently estimated amount of future potential losses related to the EC and KFTC investigations.

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 studied said orders and, as a result, YAS's Board of Directors decided to petition the JFTC to commence administrative hearing procedures in April 2009. Subsequently, in July 2009, the company received a notification of the commencement of hearings, which are currently in progress. However, YAS recorded provisions in the amount of the administrative surcharge based on the order from the JFTC.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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) Criteria of funds stated in the Consolidated Statement of Cash Flow

Funds (cash and cash equivalents) stated in the Consolidated Statement of Cash Flow consist of cash in hand, bank deposits which can be withdrawn freely and highly liquid short-term investments with maturities of not exceeding three months at the time of purchase, thus representing little risk of the fluctuations in price.

(2) Changes in accounting policy

Change in accounting standards for net sales and cost of sales of completed construction contracts

Prior to this fiscal year, the Company applied the completed contract method to revenues from contract construction. However, effective from this year, it has adopted the "Accounting Standard for Construction Contracts" (The Accounting Standards Board of Japan ("ASBJ") Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Statement Guidance No. 18, December 27, 2007). Accordingly, the Company applies the percentage-of-completion method to the construction contracts that commenced during this fiscal year and the outcome of their activities at the end of this fiscal year is deemed certain (estimated percentage of completion at the end of the fiscal year is calculated using the cost-to-cost method). The completed-contract method is applied to other construction contracts. This change has had a minor impact on income and expenses.

(3) Notes to Consolidated Balance Sheet

1) Breakdown of inventories

Merchandise and finished goods	3,097 million yen
Work in process	330 million yen
Raw materials and supplies	40,916 million yen

2) Assets pledged as collateral and obligations relating to collateral

(i) Assets pledged as collateral	
Cash and deposits	192 million yen
Marketable securities	32 million yen
Other current assets	1,005 million yen
Vessels	50,966 million yen
Buildings and structures	4,676 million yen
Aircraft	1,800 million yen
Machinery, equipment and vehicles	294 million yen
Equipment	151 million yen
Land	5,860 million yen
Other tangible fixed assets	21 million yen
Software	1 million yen
Investment securities	11,121 million yen
Other investments, etc	<u>1,007 million yen</u>
Total	77,131 million yen
(ii) Obligations relating to collateral	
Notes and operating accounts payable-trade	39 million yen
Short-term loans payable	12,047 million yen
Other current liabilities	86 million yen
Long-term loans payable	26,638 million yen
Other noncurrent liabilities	<u>56 million yen</u>
Total	38,867 million yen

3) Accumulated depreciation of tangible fixed assets 887,081 million yen

4) Contingent liability

(i) Notes receivable discounted and endorsed	3 million yen
(ii) Guarantee obligations	102,351 million yen
(iii) Amount of joint obligations borne by the other joint obligors	6,883 million yen
(iv) Certain operating lease agreements that the consolidated subsidiaries concluded on their vessels, incorporate a residual value guarantee clause. The maximum amount of potential future	

payment under the guarantee obligation is 32,347 million yen. These guarantees may be paid if the subsidiaries choose to return the leased property rather than exercise an option to buy it. The operating lease agreement will expire by December 2018.

- (v) Some operating lease agreements that NYK and NIPPON CARGO AIRLINES CO., LTD., a consolidated subsidiary of NYK, concluded on its aircraft incorporate a residual value guarantee clause. The maximum amount of potential future payment under the guarantee obligation is 25,858 million yen. The companies may pay the guarantee if they choose to return the leased properties at the end of the lease term. The operating lease agreement will expire by December 2013.
- (vi) NYK's consolidated subsidiary NIPPON CARGO AIRLINES CO., LTD. ("NCA") has been under investigation by the European and Korean authorities on suspicion of forming a price cartel in the air cargo transport service. Regarding the investigation by the EC, the subsidiary received a Statement of Objections in December 2007 from the EC; with the investigation conducted by the Korean Fair Trade Commission ("KFTC"), the company received Korean examiner's report from the KFTC in October 2009, citing the Commission's suspicions that the company's business activities may have violated the country's Monopoly Regulation and Fair Trade Act. In this connection, NCA has also been brought an action for damages (class action lawsuit) without specifying charges.

With regard to the investigation of EC and KFTC, NCA recorded provisions from this fiscal year. In addition, with regard to the result of the class action lawsuit, there is a possibility of exerting an impact on NCA's operating results, but it is difficult to predict these results reasonably.

(4) Notes to Consolidated Statement of Changes in Net Assets

1) Class and number of issued and outstanding shares at term-end

Common stock 1,700,550,988 shares

For reasons of change in number of issued and outstanding shares, see the "Status of Shares" on page 17.

2) Matters concerning dividends

(i) Amount of dividend payment

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Base date	Effective date
Ordinary General Meeting of Shareholders June 23, 2009	Common stock	2,455	2	March 31, 2009	June 24, 2009
Board of Directors' Meeting October 27, 2009	Common stock	2,455	2	September 30, 2009	November 24, 2009
Total		4,911			

(ii) Dividend for which base date is in the current consolidated fiscal year but effective date for dividend is in the following fiscal term

As a proposal at the Ordinary General Meeting of Shareholders to be held on June 23, 2010, matters regarding dividends of common stock are submitted as follows:

Total dividend 3,395 million yen
Dividend per share 2 yen
Base date March 31, 2010
Effective date June 24, 2010

Resource for dividends are planned to be retained earnings.

(5) Notes to financial instruments

(Supplementary information)

Effective from this fiscal year, the Company has adopted the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Statement Guidance No. 19, March 10, 2008).

1) Matters concerning financial instruments

The NYK Group primarily uses short-term deposits for the management of its funds, and raises funds through borrowings from financial institutions including banks or corporate bonds. It aims to mitigate the credit risk of customers associated with notes and operating accounts receivable-trade, in accordance with its credit control procedures and other rules. Investment securities consist primarily of shares and those shares with market quotations are basically stated by using the market value method, based on the average market value during one month before the closing date. As a result, the fluctuations in the stock market and other related factors may have an impact on the NYK Group’s business performance and financial standings. Proceeds from the loans payable and corporate bonds are used to finance capital investment requirements for the acquisition of vessels, aircraft, transportation-related facilities, etc. and working capital requirements for business activities. The Company enters into interest rate swap agreements and similar instruments to hedge against the risk of interest rate fluctuations. Meanwhile, the NYK Group makes it a principle to implement derivatives transactions within the scope of commercial needs, in accordance with its internal rules and regulations.

2) Matters concerning the market value of financial instruments

The stated values of financial instruments on the consolidated balance sheet, their market values and differences between balance sheet amount and market values as of March 31, 2010 are described below. Financial instruments whose market values appear to be extremely difficult to determine are not included in the table.

(In millions of yen)

	Consolidated balance sheet amount (*3)	Market Values (*3)	Balance
(i) Cash and deposits	257,245	257,245	—
(ii) Notes and operating accounts receivable-trade	188,292		
Allowance for doubtful accounts (*1)	(816)		
	187,476	187,476	—
(iii) Short-term and long term investment securities			
Bonds held to maturity	31,238	31,262	23
Available-for-sale securities	162,525	162,525	—
(iv) Long-term loans receivable	18,594		
Allowance for doubtful accounts (*1)	(760)		
	17,833	18,692	858
(v) Notes and operating accounts payable-trade	[164,875]	[164,875]	—
(vi) Short-term loans payable	[135,771]	[135,771]	—
(vii) Bonds payable	[251,128]	[256,710]	[5,582]
(viii) Long-term loans payable	[687,718]	[701,971]	[14,252]
(ix) Derivatives transactions (*2)	[38,327]	[38,327]	—

(*1) The separately recorded provisions for allowance for doubtful accounts on notes and operating accounts receivable-trade and long-term loans receivable are subtracted from the above amounts.

(*2) Derivatives transactions are stated at their total value subtracted for debts and credits.

(*3) The value of financial instruments recorded as liabilities are shown in [].

Notes: 1. Calculation method for the market value of financial instruments and matters concerning marketable securities and derivatives transactions

(i) Cash and deposits

These assets are stated at book value, as they are settled in the short term and their market values approximate book values.

(ii) Notes and operating accounts receivable-trade

These assets are stated at book value, as they are settled in the short term and their market values approximate book values. Doubtful receivables are stated at adjusted book value. The expected amount of loan losses on these assets are calculated based on either the present value of expected future cash flows or expected recoverable amount of their collateral securities or guarantees; hence their market values approximate their balance sheet values at the closing date less the current expected amount of loan losses.

(iii) Short-term and long term investment securities

Shares are stated at the stock exchange quoted price and bonds are stated at either the stock exchange quoted price or the price presented by transacting financial institutions.

(iv) Long-term loans receivable

Long-term loans receivable with variable interest rates are stated at book value. The interest rate on these assets reflects the market rate in the short term, therefore their market values approximate book values. Those with fixed-interest rates are stated at market value, which is calculated by discounting the principal and interest using the assumed rate applied to a similar type of new loan. Meanwhile, doubtful receivables are stated at adjusted book value. The expected amount of loan losses on these assets are calculated based on either the present value of expected future cash flows or expected recoverable amount of their collateral securities or guarantees; hence their market values approximate their balance sheet values at the closing date less the current expected amount of loan losses.

(v) Notes and operating accounts payable-trade, and (vi) short-term loans payable

These assets are stated at book value, as they are settled in the short term and their market values approximate book values.

(vii) Bonds payable

The market value of the corporate bonds issued by the Company is calculated based on the market price.

(viii) Long-term loans payable

Long-term loans payable with variable interest rates are stated at book value, as the interest rate on these loans reflects the market rate in the short term and their market values approximate book values. Long-term loans payable with fixed-interest rates are stated at present value. The present value is calculated by discounting a periodically divided portion of the principal and interest of these loans (*), using the assumed rate applied to a similar loan.

(*) As to the long-term loans payable involved in the interest rate swap agreement that meet the requirements for exceptional treatment, the total amount of its principal and interest income at the post-swap rate is applied.

(ix) Derivatives transactions

The Company and its subsidiaries enter into interest-rate swap agreements to hedge against the risk of fluctuations in interest rates relating to their loans payable, corporate bonds, etc.; close currency futures, currency swap and similar instrument deals to hedge against the risk of fluctuations in exchange rates associated with their foreign currency-denominated debts and credits; and deal in fuel oil swap, freight (charterage) futures and similar instrument contracts to hedge against the fluctuations in fuel oil and charterage. The market value of these derivatives transactions as of the end of the fiscal year is calculated based on the price presented by transacting financial institutions, etc.

Notes: 2 Unlisted shares (recorded amount on the consolidated balance sheet is 26,137 million yen) are not included in "(iii) Short-term and long term investment securities, Available-for-sale securities", as their market values appear to be extremely difficult to determine.

(6) Notes to investment and rental properties

(Supplementary information)

Effective from this fiscal year, the Company has adopted the "Accounting Standard for Disclosures about the Fair Value of Investment and Rental Property" (ASBJ Statement No. 20, November 28, 2008) and "Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement Guidance No. 23, November 28, 2008).

1) Matters concerning investment and rental properties

The Company and some of its consolidated subsidiaries own office buildings and other properties for lease (including land) in the metropolis of Tokyo and other areas.

2) Matters concerning the market price of leased properties

Income and expenses from the relevant investment and rental properties as of March 31, 2010 was 4,235 million yen (major income and expenses associated with these investment and rental properties were recorded as revenues and cost and expenses, respectively).

The recorded amount on the consolidated balance sheet, amount of increase (decrease) in this fiscal year, and market value of the relevant investment and rental properties are shown below.

(In millions of yen)

Consolidated balance sheet amount			Market value as of the end of current fiscal year (Consolidated)
Balance at previous fiscal year-end	Increase (decrease) in current fiscal year	Balance at current fiscal year-end	
40,390	(1,082)	39,308	105,375

- Notes: 1 Consolidated balance sheet amount represents the original acquisition cost less accumulated depreciation and impairment losses.
- 2 The amount of increase (decrease) in current fiscal year primarily includes an increase in capital expenditure (192 million yen) and a decrease in depreciation (939 million yen).
- 3 The market value as of the end of current fiscal year was calculated principally with the reference to the Real Estate Appraisal Standard.

(7) Note on per-share information

- 1) Net assets per share 389.46 yen
2) Net loss per share 12.71 yen

(8) Other notes

The fraction of amounts less than the indicated unit is rounded down.

(9) Notes on significant subsequent events

Not applicable

Unconsolidated Financial Statements

1. Unconsolidated Balance Sheet (As of March 31, 2010)

(In millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	563,710	Current liabilities	184,844
Cash and deposits	135,881	Accounts payable-trade	59,244
Accounts receivable-trade	63,294	Short-term bank loans	30,305
Short-term loans receivable	231,869	Lease obligations	4
Short-term investment securities	30,000	Account payable	4,471
Inventories	26,635	Income taxes payable	87
Deferred or prepaid expenses	39,288	Advance received	21,558
Receivable from agencies	9,859	Deposits received	55,409
Deferred tax assets	8,940	Payable to agencies	1,633
Other current assets	23,613	Provision for bonuses	1,677
Allowance for doubtful accounts	(5,673)	Other current liabilities	10,452
Noncurrent assets	842,413	Noncurrent liabilities	697,267
Tangible fixed assets	151,401	Corporate bonds	251,128
Vessels	64,878	Long-term debts	421,650
Buildings	22,515	Lease obligations	47
Structures	674	Deferred tax liabilities	5,759
Machinery and equipment	625	Provision for periodic dry docking of vessels	1,113
Vehicles	33	Other noncurrent liabilities	17,567
Equipment and fixtures	1,156		
Land	27,606	Total liabilities	882,112
Construction in progress	33,912	Net Assets	
Intangible fixed assets	5,662	Shareholders' equity	500,400
Leaseholds	511	Common stock	144,319
Software	5,046	Capital surplus	154,434
Other intangible fixed assets	104	Capital reserve	151,691
Investments and other assets	685,348	Other capital surplus	2,742
Investment securities	165,991	Retained earnings	203,214
Stocks and equity in subsidiaries and affiliates	258,362	Earned surplus reserve	13,146
Long-term loans receivable	208,959	Other retained earnings	190,067
Other investments, etc.	57,250	Dividends reserve	50
Allowance for doubtful accounts	(5,214)	Special depreciation reserve	330
Deferred assets	2,339	Reserve for overseas investment loss	0
Stock issuance cost	712	Reserve for advanced depreciation	4,870
Bond issuance cost	1,627	Other reserves	118,324
		Retained earnings carried forward	66,493
		Treasury stock	(1,568)
		Valuation and translation adjustments	25,950
		Net unrealized holding gain on available-for-sale securities	26,813
		Deferred gains/losses on hedge	(863)
		Total net assets	526,351
Total Assets	1,408,463	Total Liabilities and Net Assets	1,408,463

2. Unconsolidated Statement of Income (From April 1, 2009 to March 31, 2010)

	(In millions of yen)	
Item	Amount	
Revenue from shipping operation	801,000	
Shipping operation expenses	<u>800,232</u>	
Shipping operation income		767
Revenue from other business	7,124	
Other operating expenses	<u>4,744</u>	
Other business income		<u>2,380</u>
Gross operating income		3,148
General administrative expenses		<u>43,166</u>
Operating loss		(40,018)
Non-operating income		
Interest and dividends income	16,529	
Other non-operating income	<u>3,649</u>	20,179
Non-operating expenses		
Interest expenses	9,687	
Other non-operating expenses	<u>2,170</u>	<u>11,857</u>
Recurring loss		(31,696)
Extraordinary gains		
Gain on sales of noncurrent assets	5,010	
Gain on sales of investment securities	14,892	
Other extraordinary gains	<u>6,024</u>	25,927
Extraordinary losses		
Loss on disposal of noncurrent assets	594	
Provision for allowance for doubtful accounts	857	
Loss on devaluation of investment securities	473	
Loss on cancel of container lease contracts	847	
Other extraordinary losses	1,071	3,844
Loss before income taxes		(9,613)
Income taxes-current	225	
Income taxes-deferred	<u>(2,627)</u>	<u>(2,401)</u>
Net loss		(7,212)

3. Unconsolidated Statement of Changes in Net Assets (From April 1, 2009 to March 31, 2010)

(In millions of yen)

Item	Shareholders' equity							
	Common stock	Capital surplus		Earned surplus reserve	Retained earnings			
		Capital reserve	Other capital surplus		Dividends reserve	Special depreciation reserve	Reserve for overseas investment loss	Reserve for advanced depreciation
Balance as of March 31, 2009	88,531	93,198	2,762	13,146	50	221	0	5,223
Changes during fiscal year								
Issuance of new shares	55,788	55,788						
Dividends from retained earnings								
Reversal of special depreciation reserve						(90)		
Provision of special depreciation reserve						199		
Reversal of reserve for overseas investment loss							(0)	
Reversal of reserve for advanced depreciation								(353)
Net loss								
Acquisition of treasury stock								
Disposition of treasury stock			(19)					
Increase by share exchanges		2,704						
Decrease by corporate division								
Net changes other than shareholders' equity during fiscal year								
Total change during fiscal year	55,788	58,493	(19)	-	-	108	(0)	(353)
Balance as of March 31, 2010	144,319	151,691	2,742	13,146	50	330	0	4,870

(In millions of yen)

Item	Shareholders' equity				Valuation and translation adjustments		Total net assets
	Retained earnings		Treasury stock	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Deferred gains/ losses on hedge	
	Other retained earnings						
	Other reserves	Retained earning carried forward					
Balance as of March 31, 2009	118,324	78,599	(1,485)	398,571	10,081	336	408,989
Changes during fiscal year							
Issuance of new shares				111,577			111,577
Dividends from retained earnings		(4,911)		(4,911)			(4,911)
Reversal of special depreciation reserve		90		-			-
Provision of special depreciation reserve		(199)		-			-
Reversal of reserve for overseas investment loss		0		-			-
Reversal of reserve for advanced depreciation		353		-			-
Net loss		(7,212)		(7,212)			(7,212)
Acquisition of treasury stock			(129)	(129)			(129)
Disposition of treasury stock			46	26			26
Increase by share exchanges				2,704			2,704
Decrease by corporate division		(227)		(227)			(227)
Net changes other than shareholders' equity during fiscal year					16,732	(1,199)	15,532
Total change during fiscal year	-	(12,106)	(83)	101,828	16,732	(1,199)	117,361
Balance as of March 31, 2010	118,324	66,493	(1,568)	500,400	26,813	(863)	526,351

4. Notes to Unconsolidated Financial Statements

(1) Notes on matters relating to significant accounting policies

1) Standards and methods of valuation of securities

Bonds held to maturity	Amortized cost method (straight-line method)
Stock of subsidiaries and affiliates	Stated at cost using the moving-average method
Available-for-sale securities	
Securities with market value	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 using the moving-average method)
Securities without market value	stated at cost using the moving-average method

2) Standards and method of valuation of derivative transaction

Market value method

3) Standards and methods of valuation of inventories

Bunker oil	stated at cost using the moving-average method (method of devaluating book values corresponding to decreased profitability)
Articles for ships and other	stated at cost using the first-in, first-out method (method of devaluating book values corresponding to decreased profitability)

4) Depreciation methods fixed assets

Tangible fixed assets (except for lease assets)	
Vessels and building	Straight-line method pursuant to the provisions of the Corporation Tax Law
Other tangible fixed assets	Declining-balance method pursuant to the provisions of the Corporation Tax Law
Intangible fixed assets (except for lease assets)	
Software	Straight-line method based on useful life in-house (5 years)
Other intangible fixed assets	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
The conventional accounting treatment will still apply to non-ownership-transfer finance leases that commenced before March 31, 2008 to apply revised accounting standard for lease transactions.	

5) Disposition method of 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 bond

6) Standards of accounting for allowances and reserves

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually
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	considering the probability of collection for doubtful receivables.
Provision for bonuses	Provided for bonus payments to employees based on the estimated amounts of future payments attributed to the fiscal year
Provision for director's bonuses	Provided for bonus payments to directors based on the estimated amounts of future payments attributed to the fiscal year
Provision for retirement benefits	Reserve for employees' retirement benefits is calculated based on estimates of retirement benefit obligations and pension assets as of the end of the fiscal term. 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 periodic dry docking of vessels	Reserve for periodic dry docking of vessels is calculated based on future estimated amount for periodic dry docking of vessels.

7) Standards of accounting for income and expenses

Container ships	For freight rate and transportation costs, the Company has 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, vessel cost relating to vessels in operation and vessel lease fees, along with lending vessel fees corresponding to these, the Company has adopted the voyage completion method, which considers from place of departure to the place of return as one unit.

8) 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 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, investment in foreign subsidiaries 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 transactions that are subject to special accounting treatment as noted above are excluded from the evaluation.

9) Consumption taxes are accounted for by the tax exclusion method.

(2) Notes to Unconsolidated Balance Sheet

1) Assets pledged as collateral and obligations relating to collateral

(i) Assets pledged as collateral	
Cash and deposits	102 million yen
Vessels	17,505 million yen
Investment securities	1,097 million yen
<u>Stocks and equity in subsidiaries and affiliates</u>	<u>13,209 million yen</u>
Total	31,915 million yen
(ii) Obligations relating to collateral	
Short-term borrowings	2,790 million yen
<u>Long-term borrowings</u>	<u>2,728 million yen</u>
Total	5,518 million yen

2) Accumulated depreciation of tangible fixed assets 315,764 million yen

3) Contingent liability

Guarantee obligations	1,173,881 million yen
Amount of joint obligations borne by the other joint obligors	8,582 million yen

4) Claims and liabilities toward subsidiaries and affiliates (except for as presented in item categories)

Short-term monetary claims	250,988 million yen
Long-term monetary claims	221,721 million yen
Short-term monetary liabilities	65,113 million yen
Long-term monetary liabilities	1,711 million yen

(3) Notes to Unconsolidated Statement of Income

Transactions with subsidiaries and affiliates

Operating transactions

Revenues (revenue from shipping operation, revenue from other business) 29,423 million yen

Expenses (shipping operation expenses, other operating expenses, general administrative expenses) 212,459 million yen

Transactions other than operating transactions 19,965 million yen

(4) Notes to Unconsolidated Statement of Changes in Net Assets

Class and number of treasury stock at term-end

Common stock 2,686,920 shares

(5) Notes on tax effect accounting

Major causes of deferred tax assets are operating loss carryforwards for tax purposes, loss on devaluation of fixed assets and the amount that exceeds the deductible amount for allowance for doubtful accounts etc., and major causes for deferred tax liabilities are net unrealized holding gain on available-for-sale securities.

(6) Notes on fixed asset leasing

Other than the fixed assets posted in the unconsolidated balance sheet, the Company owns 206 thousand units of containers as major fixed assets used under finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of the lease.

(7) Notes concerning transactions with related parties

1) Subsidiaries and affiliates, etc.

Category	Company	Ratio of holding of voting rights, etc. (or ratio of voting rights held) (%)	Detail of relationship	Contents of transaction	Transaction amount (millions of yen)	Account item	Term-end balance (millions of yen)
Subsidiary	NYK FTC (SINGAPORE) PTE. LTD.	Holding Directly 100.0	Capital support Debt guarantee, etc.	Lending of funds (Note 1)	65,302	Short-term loans receivable	96,060
				Acceptance of interest	956	Other current assets	8
				Debt guarantee, etc. (Note 2)	51,481	—	—
Subsidiary	NIPPON CARGO AIRLINES CO., LTD	Holding Directly 99.96	Capital support Concurrent service as executives Debt guarantee, etc.	Lending of funds (Note 1)	14,251	Short-term loans receivable	85,637
				Acceptance of interest	558	Other current assets	34
				Debt guarantee, etc. (Note 2)	123,795	—	—
Subsidiary	TAIHEIYO KAIUN CO., LTD.	Holding Directly 100.0	Capital support Debt guarantee, etc.	Subscription of capital increase (Note 3)	7,491	—	—
				Debt guarantee, etc. (Note 2)	16,085	—	—
Subsidiary	NYK GLOBAL BULK CORP.	Holding Directly 100.0	Capital support Concurrent service as executives	Interest payment	57	Deposits received	22,754

Category	Company	Ratio of holding of voting rights, etc. (or ratio of voting rights held) (%)	Detail of relationship	Contents of transaction	Transaction amount (millions of yen)	Account item	Term-end balance (millions of yen)
Subsidiary	CRYSTAL SHIP THREE (BAHAMAS) LTD.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 2)	21,799	—	—
Subsidiary	NYK LNG FINANCE CO., LTD.	Holding Directly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 2)	21,749	—	—
Subsidiary	SAGA SHIPHOLDING (NORWAY) AS	Holding Indirectly 100.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 2)	21,696	—	—
Subsidiary	Vessels owning, chartering related companies ADAGIO MARITIMA S.A. and other 335 companies	Holding Directly 100.0 (321 companies) Indirectly 100.0 (15 companies)	Capital support Debt guarantee, etc.	 Debt guarantee, etc. (Note 2)	 646,086	Short-term loans receivable Long-term loans receivable	19,621 166,356
			Contract of chartering ships	Payment of charterage (Note 4)	131,730	—	—
Affiliate	NYK ARMATEUR S.A.S.	Holding Indirectly 60.0	Debt guarantee, etc.	Debt guarantee, etc. (Note 2)	32,961	—	—

Transaction conditions and policies on determination of transaction conditions

Notes: 1. Conditions of lending funds are determined by taking into consideration the market rate. The Company has not accepted security.

2. Guarantee fee for debt guarantee, etc. is determined by taking into consideration the form of guarantee.

3. Subscription of capital increase is determined taking into consideration past stock subscription conditions.

4. Cost equivalent amounts accrued by subsidiaries are paid as vessel lease fees.

2) Transactions which involve conflict of interest between the Directors or Controlling Shareholders and NYK

There are no significant transactions which involve such conflict of interest.

(8) Note on per-share information

1) Net assets per share	310.01 yen
2) Net loss per share	5.26 yen

(9) Other notes

The fraction of amounts less than the indicated unit is rounded down.

(10) Notes on significant subsequent events

Not applicable

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No.1: Appropriation of surplus

Our business for this fiscal year was severely hit by the harsh management conditions and regrettably suffered a net loss, which led to a reduction in retained earnings. However, the company regards a stable return of profits to shareholders, as one of the most important management issues. Therefore, with consideration of maintaining an appropriate level of internal reserves to address the drastically changing business environment, the Company proposes to distribute a year-end dividend of ¥ 2.00 per share. Accordingly, the total dividend for the fiscal year amounts to ¥4.00 per share, including the interim dividend of ¥2.00 per share.

1. Items relating to year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Items relating to the appropriation of dividend property to shareholders and total amount
¥2.00 per share of Company common stock, total amount ¥3,395,728,136
 - (3) Date of validity of dividends of surplus
June 24, 2010

Proposal No.2: Election of thirteen Directors

The term of office of all incumbent Directors (sixteen (16) Directors) will expire upon conclusion of this meeting.

The Company therefore recommends and proposes the following thirteen (13) candidates for election as Directors. With streamlined Board consisting of a smaller number of Directors, we strive to deliver the promotion of a swift business execution.

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions		Number of the Company's shares held
1	Koji Miyahara (December 3, 1945)	April 1970 April 1996 June 2000 April 2002 June 2002 June 2003 April 2004 April 2006 April 2009	<p>Joined the Company General Manager of Management Coordination Group Director Director and Corporate Officer Managing Director and Corporate Officer Senior Managing Director and Corporate Officer (Representative Director thereafter) President and Corporate Officer President, President Corporate Officer Chairman, Chairman Corporate Officer (to the present)</p> <p><u>Significant concurrent positions</u> Chairman of the Board of NIPPON CARGO AIRLINES CO., LTD. President of The Japanese Shipowners' Association Chairman of Japan Federation of Freight Industries</p>	76,405 shares
2	Yasushi Yamawaki (January 23, 1948)	April 1970 June 1997 June 2000 April 2002 June 2002 April 2005 April 2006 April 2008 April 2010	<p>Joined the Company General Manager of Gas Carrier Group Director Director and Corporate Officer Managing Director and Corporate Officer Senior Managing Director and Corporate Officer (Representative Director) Representative Director, Executive Vice-President Corporate Officer Executive Vice-Chairman, Executive Vice-Chairman Corporate Officer (Representative Director) Director, Executive Vice-Chairman Corporate Officer (to the present)</p> <p><u>Significant concurrent positions</u> Outside Corporate Auditor of AOC Holdings, Inc</p>	51,776 shares

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions		Number of the Company's shares held
3	Yasumi Kudo (November 14, 1952)	April 1975 June 1998 April 2002 June 2004 April 2006 April 2008 April 2009	<p>Joined the Company General Manager, Semi-Liner Group Corporate Officer Managing Director and Corporate Officer Representative Director, Senior Managing Corporate Officer Representative Director, Executive Vice-President Corporate Officer President, President Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Chief Executive of Bulk/Energy Resources Transportation Headquarters, Chairman of Tramp Shipping Strategy Committee, Chairman of Bulk/Energy Resources Transportation Strategy Committee</p>	42,977 shares
4	Masahiro Kato (May 29, 1952)	April 1977 April 2002 April 2004 April 2006 June 2007 April 2009	<p>Joined the Company General Manager of Car Carrier Group Corporate Officer Managing Corporate Officer Director, Managing Corporate Officer Representative Director, Senior Managing Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Chief Executive of Automotive Transportation Headquarters, Chief Executive of Cruise Headquarters, Bulk/Energy Resources Transportation Headquarters</p>	30,497 shares
5	Hidenori Hono (February 11, 1956)	April 1978 April 2002 April 2004 April 2006 June 2008 April 2009	<p>Joined the Company General Manager of Petroleum Group Corporate Officer Managing Corporate Officer Director, Managing Corporate Officer Representative Director, Senior Managing Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Bulk/Energy Resources Transportation Headquarters</p> <p><u>Significant concurrent positions</u> Outside Director of MITSUBISHI ORE TRANSPORT CO., LTD.</p>	35,281 shares

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions		Number of the Company's shares held
6	Tadaaki Naito (September 30, 1955)	April 1978 April 2004 April 2005 April 2007 June 2008 April 2009	<p>Joined the Company General Manager of Petroleum Group Corporate Officer Managing Corporate Officer Director, Managing Corporate Officer Representative Director, Senior Managing Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Chief Executive of Management Planning Headquarters, Chief Financial Officer</p> <p><u>Significant concurrent positions</u> Outside Corporate Auditor of MITSUBISHI ORE TRANSPORT CO., LTD.</p>	23,591 shares
7	Masamichi Morooka (September 20, 1952)	April 1975 April 2001 April 2003 June 2005 April 2006 April 2008 April 2010	<p>Joined the Company President, NYK LINE (NORTH AMERICA) INC. Corporate Officer Managing Director and Corporate Officer Director, Managing Corporate Officer Director, Senior Managing Corporate Officer Representative Director, Senior Managing Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Chief Executive of Technical Headquarters, Chairman of Technical Strategy Committee, Executive Chief of Environmental Management</p>	32,239 shares
8	Naoya Tazawa (October 27, 1955)	April 1978 April 2002 April 2005 April 2007 June 2009 April 2010	<p>Joined the Company General Manager of Human Resources Group Corporate Officer Managing Corporate Officer Director, Managing Corporate Officer Representative Director, Senior Managing Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Chief Executive of General Affairs/CSR Headquarters, Chief Compliance Officer</p>	26,260 shares
9	Hiroshi Hiramatsu (February 20, 1956)	April 1978 April 2004 April 2006 April 2008 June 2009	<p>Joined the Company General Manager of Corporate Planning Group Corporate Officer Managing Corporate Officer Director, Managing Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Accounting and Finance Division</p>	22,738 shares

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions	Number of the Company's shares held
10	Kenji Mizushima (April 21, 1956)	<p>April 1979 Joined the Company</p> <p>April 2007 Corporate Officer, General Manager of Container Trade Management Group</p> <p>April 2008 Managing Corporate Officer</p> <p>June 2009 Director, Managing Corporate Officer (to the present)</p> <p><u>Responsibilities</u> Liner Trade Division</p>	12,329 shares
11	Yukio Okamoto (November 23, 1945)	<p>April 1968 Joined Japan's Ministry of Foreign Affairs</p> <p>January 1991 Retired from the Ministry</p> <p>March 1991 President of OKAMOTO ASSOCIATES, INC. (current position)</p> <p>November 1996 Special Advisor to the Prime Minister</p> <p>March 1998 Retired from the above mentioned position</p> <p>September 2001 Special Advisor to the Cabinet Secretariat</p> <p>April 2003 Retired from the above mentioned position</p> <p>March 2004 Retired from the above mentioned position</p> <p>June 2008 Outside Director (to the present)</p> <p><u>Significant concurrent positions</u> President of OKAMOTO ASSOCIATES, INC. Outside Director of MITSUBISHI MATERIAL CORP. Outside Corporate Auditor of MITSUBISHI MOTORS CORP.</p>	12,617 shares
12	Yuri Okina (March 25, 1960)	<p>April 1984 Joined BANK OF JAPAN</p> <p>April 1992 Joined THE JAPAN RESEARCH INSTITUTE, LTD.</p> <p>April 1994 Chief Researcher of THE JAPAN RESEARCH INSTITUTE, LTD.</p> <p>April 2000 Senior Researcher of THE JAPAN RESEARCH INSTITUTE, LTD.</p> <p>September 2001 Visiting Professor, Graduate School of Keio University</p> <p>June 2006 Counselor of THE JAPAN RESEARCH INSTITUTE, LTD. (current position)</p> <p>June 2008 Outside Director (to the present)</p> <p><u>Significant concurrent positions</u> Counselor of THE JAPAN RESEARCH INSTITUTE, LTD. Outside Director of the Enterprise Turnaround Initiative Corporation of Japan (ETIC)</p>	10,099 shares

No.	Name (Date of birth)	Career summary, responsibilities and significant concurrent positions		Number of the Company's shares held
13	*Toshinori Yamashita (November 29, 1951)	April 1975 April 2000 April 2005 April 2008 April 2010	Joined the Company General Manager of Steaming Coal Group Corporate Officer Managing Corporate Officer Senior Managing Corporate Officer (to the present) <u>Responsibilities</u> Chief Executive of Global Logistics Headquarters, Chairman of IT Strategy Committee	23,674 shares

The asterisk (*) indicates newly nominated candidate for a Director.

- Notes: 1. No transactions or special interests exist between the Company and any of the above candidates for Directors.
2. Mr. Yukio Okamoto and Ms. Yuri Okina are candidates for the Company's Outside Directors as stipulated in Article 2, Item 15 of the Corporation Law. Tokyo and other Japanese stock exchanges require listed companies to secure the Independent Director with the purpose of protecting general shareholders, and the above two candidates meet the requirements.
3. The Company is proposing the election of Mr. Yukio Okamoto as an Outside Director in order to reflect his extensive knowledge and insight as an expert of international affairs in the management of the Company and believes that his knowledge and insight will contribute to the management of the Company.
4. The Company is proposing the election of Ms. Yuri Okina as an Outside Director in order to reflect her extensive knowledge and insight as an expert of economic and financial conditions in the management of the Company and believes that her knowledge and insight will contribute to the management of the Company.
5. Mr. Yukio Okamoto concurrently serves as an Outside Director of MITSUBISHI MATERIALS CORP. The company was one of the joint developers of Osaka Amenity Park Residence Tower, a condominium in Osaka City, and was issued a business suspension order in June 2006 regarding the sales of the condominium in violation of the Building Lots and Buildings Transaction Business Law that the company did not notify buyers of the countermeasure construction for soil contamination at the site before the construction. In October 2008, MITSUBISHI MATERIALS CORP. received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission for violation of the Antitrust Law regarding the purchase of molten metal, etc. from the local governments during the period between March 2004 and July 2007. In April 2010, MITSUBISHI MATERIALS CORP. received an instruction from Mie prefectural authorities to suspend the use of certain facilities of Yokkaichi Plant, which manufactures polycrystalline silicon, as the company was engaged in producing high-pressure gas without obtaining the necessary permit under the High Pressure Gas Safety Act. Mr. Okamoto was not involved in the matters subject to these orders. He regularly provides his opinions in relation to compliance in a timely manner, and after the occurrence of the case, he has been working on enhancing the Company's compliance system with various measures, including reviewing the Company's initiatives to prevent the recurrence of such incident.
6. Mr. Yukio Okamoto and Ms. Yuri Okina have received remuneration from the Company as members of Advisory Board consisting of outside experts since July 2006. However, they resigned as Advisory Board members as of June 23, 2008.
7. Mr. Yukio Okamoto and Ms. Yuri Okina will have served as Outside Director of the Company for two years at the conclusion of this meeting.

8. The Company has established the provisions in the Articles of Incorporation to the effect that it may enter into a liability limitation agreement with Outside Directors, and has actually entered into the liability limitation agreement with each of Outside Directors. In the event that the proposed election of Mr. Yukio Okamoto and Ms. Yuri Okina is approved, the Company will continue to have the liability limitation agreement with each of them as stipulated in Article 33 of the existing Articles of Incorporation pursuant to Article 427, Paragraph 1 of the Corporation Law. The liability limit based on the contract shall be the liability limit set in advance in the amount of ¥20 million or more or the liability limit stipulated by law, whichever is greater.

Guidance on the Exercise of Votes via electromagnetic method (such as the Internet, etc.)

1. Website to use for exercising votes
 - (1) To exercise votes via the Internet, please access the website (<http://www.evote.jp/>) designated by the Company using a PC with Internet connection (access is unavailable between 2:00 a.m. and 5:00 a.m. Japan Time everyday).
Note: Votes cannot be exercised by mobile telephone, PDA, game machine, etc.
 - (2) Please note that you may not be able to exercise votes via the Internet depending on your Internet environment including security settings.
 - (3) Shareholders using the Internet voting option are requested to complete the required voting procedures by 5:00 p.m. Japan Time on Tuesday, June 22, 2010, and exercising your votes as early as possible will be requested to enable votes to be tallied.
2. Method for exercising votes via the Internet
 - (1) Please access the website for exercising votes (<http://www.evote.jp/>), enter the login ID and temporary password recorded on the Voting Form and then enter your vote for each proposal according to the instructions on the screen.
 - (2) We request that you change the temporary password on the Voting Form in order to prevent improper access by persons other than the shareholder (so-called "spoofing") or alteration of the content of your voting selections.
 - (3) You will be provided with a new login ID and temporary password each time a General Meeting of Shareholders is convened.
3. Disposition of votes in the event that votes are exercised two or more times
 - (1) In the event that the exercise of votes is duplicated by both the method of mailing the Voting Form and via the Internet, the exercise of votes via the Internet shall be deemed valid.
 - (2) If votes are exercised multiple times via the Internet, only the last recorded entry shall be counted.
4. Expenses incurred when accessing the website for the Exercise of Votes
Please note that expenses incurred when accessing the website for the Exercise of Votes (dial-up connection charges, telephone charges, communication charges, etc.) shall be the liability of the shareholder.

5. Contacts for inquiries

For inquiries concerning systems, etc.
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division (help desk)
Phone: 0120-173-027 (toll-free within Japan)
Hours: 9:00-21:00 Japan Time

For all other inquiries
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division
Phone: 0120-232-711 (toll-free within Japan)
Hours: 9:00-17:00 Japan Time (excluding Saturdays, Sundays and public holidays)

To the Institutional Investors:

Institutional investors may use the Electronic Proxy Voting Platform for Institutional Investors managed by ICJ, Inc. as an electronic method for the exercise of votes at the General Meeting of Shareholders of the Company.