Second Quarter Financial Results
For the Six Months Ended September 30, 2009

October 27, 2009

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code: 9101
Listings: The First Section of Tokyo, Osaka and Nagoya Stock Exchanges
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Submit scheduled date of Quarterly Financial Report: November 12, 2009
Start scheduled date of paying Dividends: November 24, 2009

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2009
(April 1, 2009 to September 30, 2009)

(1) Operating Results

(Percentage figures shown year-on-year changes)

	Revenues		Operating income		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2009	794,519	-44.0	(37,063)	-	(43,915)	-	(29,353)	-
Six months ended September 30, 2008	1,419,874	-	134,829	-	139,833	-	91,274	-

	Net income per share	Net income per share – fully diluted
	yen	yen
Six months ended September 30, 2009	(23.91)	-
Six months ended September 30, 2008	74.33	-

Note: Diluted net income per share-fully diluted data for the six months ended September 30, 2009 is not shown in the above table, because net income per share was negative although there are residual shares. Diluted net income per share data for the six months ended September 30, 2008 is not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Six months ended September 30, 2009	2,110,661	565,528	24.8	426.39
Year ended March 31, 2009	2,071,270	581,237	26.3	443.16

Shareholders' Equity
Six months ended September 30, 2009: ¥523,502 million
Year ended March 31, 2009: ¥544,121 million

2. Dividends

Date of record	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
	yen	yen	yen	yen	yen
Year ended March 31, 2009	-	13.00	-	2.00	15.00
Year ended March 31, 2010	-	2.00			
Year ending March 31, 2010 (Forecast)			-	2.00	4.00

Note: Revision of forecast for dividends in the second quarter: None

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(Percentage figures shown year-on-year changes)

	Revenues		Operating income		Recurring profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2010	1,680,000	-30.9	(18,000)	-	(33,000)	-	(27,000)	-	(21.93)

Note: Revision of forecast for consolidated financial results in the second quarter: Yes

4. Others

(1) Changes of important subsidiaries in the period (Changes of specific subsidiaries with that of the scope of consolidation): None

(2) Use of simplified accounting methods and accounting methods particular to preparation of the quarterly consolidated financial statements: Yes

Remarks: Refer to page 9 of 4.Others in "Operating Results."

(3) Changes of policy, procedure and indication of accounting in Consolidated Financial Statements.
(Details recorded under the changes in significant information in the preparation of Consolidated Financial Statements.)

1. Changes with revised method of accounting: Yes
2. Changes except No.1: None

Remarks: Refer to page 9 of 4.Others in "Operating Results."

(4) Total issued shares (Ordinary shares)

1. Total issued and outstanding at the end of the period (including treasury stocks)
   Six months ended September 30, 2009: 1,230,188,073 shares
   Year ended March 31, 2009: 1,230,188,073 shares

2. Number of treasury stock at the end of the period
   Six months ended September 30, 2009: 2,424,559 shares
   Year ended March 31, 2009: 2,376,101 shares

3. Average number of shares during the period (cumulative quarterly period)
   Six months ended September 30, 2009: 1,227,784,787 shares
   Six months ended September 30, 2008: 1,227,922,869 shares

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

(1) Assumptions for forecasts:
(Full year) Foreign exchange rate: ¥93.06/US$, Bunker oil price: US$381.78/MT
(For the third and fourth quarter) Foreign exchange rate: ¥90/US$, Bunker oil price: US$430/MT
The above forecast incorporates certain assumptions the Company regarded as rational expectations at the time this report was announced. Actual results could differ materially from those projected figures. Refer to page 4-8 and 18 of the attachment for assumptions and other matters related to the forecast.

(2) Net income per share for the forecast of consolidated earnings for the year ended March 31, 2010
As previously announced in the press release entitled "Notification with Respect to the Execution of a Share Exchange Agreement through which Nippon Yusen Kabushiki Kaisha will make Taiheiyo Kaiun Co., Ltd. its Wholly-Owned Subsidiary" dated July 27, 2009, NYK is going to conduct a share exchange with effective date of December 1, 2009.
Consequently, net income per share for the forecast of consolidated earnings for the year ended March 31, 2010 is calculated based on the average number of shares during the period including the number of new shares to be issued.
The number of new shares of NYK to be issued through the Share Exchange has been calculated based on the number of treasury shares held by Taiheiyo Kaiun as of March 31, 2009. Such number of shares is subject to change for reasons which include the cancellation of treasury shares acquired by Taiheiyo Kaiun for legal reasons, such as the purchase of shares pursuant to the request of shareholders holding shares constituting less than one unit.

Supplementary Information

Operating Results for the Three Months Ended September 30, 2009 (July 1, 2009 – September 30, 2009)

(Percentage figures shown year-on-year changes)

	Revenues		Operating income		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended September 30, 2009	414,453	-44.0	(11,540)	-	(16,837)	-	(10,434)	-
Three months ended September 30, 2008	740,274	-	76,671	-	74,722	-	46,914	-

	Net income per share	Net income per share – fully diluted
	yen	yen
Three months ended September 30, 2009	(8.50)	-
Three months ended September 30, 2008	38.21	-

Note: Diluted net income per share-fully diluted data for the three months ended September 30, 2009 is not shown in the above table, because net income per share was negative although there are residual shares. Diluted net income per share data for the three months ended September 30, 2008 is not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

Operating Results

1. Review of Consolidated Operating Results

For the fiscal second quarter (July 1, 2009－September 30, 2009), NYK Line posted consolidated revenues of ¥414.4 billion, compared with ¥740.2 billion for the year-ago second quarter, operating loss of ¥11.5 billion, compared with operating income of ¥76.6 billion for the year-ago second quarter, recurring loss of ¥16.8 billion, compared with recurring profit of ¥74.7 billion for the year-ago second quarter, and quarterly net loss of ¥10.4 billion, compared with net income of ¥46.9 billion for the year-ago second quarter.

Overview

In the fiscal second quarter (July 1, 2009 – September 30, 2009), shipping operators' business environment recovered to a degree as, one year on from Lehman Brothers' collapse last autumn, the global economy regained some stability due to fiscal and financial measures being taken by countries worldwide. Nevertheless, NYK Line's operating results continued to struggle.

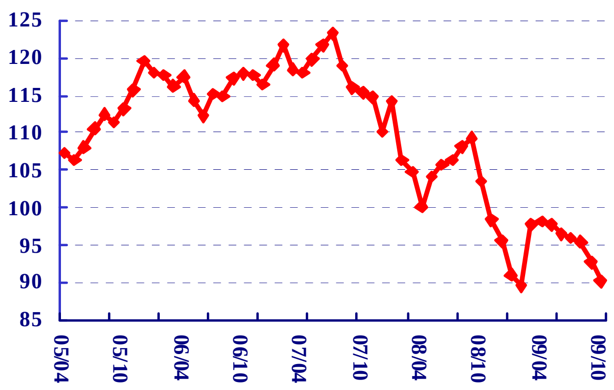
Overall consolidated revenues were ¥325.8 billion, or 44.0%, lower compared with the year-ago second quarter. This decrease reflects a substantial revenue decline in the shipping segment (composed of liner trade and bulk shipping) due mainly to low container freight rates and slumping container transport volumes, weakened dry bulk and tanker markets, and slumping car transport volumes. Consolidated revenue's decline was also partly due to continued lackluster handling volumes in non-shipping segments such as logistics, terminal and harbor transport, and air cargo transportation.

On the other hand, costs and expenses were down ¥221.9 billion, or 37.1%, compared with the year-ago second quarter, and we also worked to reduce selling, general and administrative expenses. However, because of the substantial decline in overall revenues, operating income decreased by ¥88.2 billion compared with the year-ago second quarter, and the ratio of operating income to revenues decreased from 10.4% to -2.8%, a decline of 13.1 percentage points. As a result, recurring profit decreased by ¥91.5 billion and net income decreased by ¥57.3 billion compared with the year-ago second quarter, both significant declines.

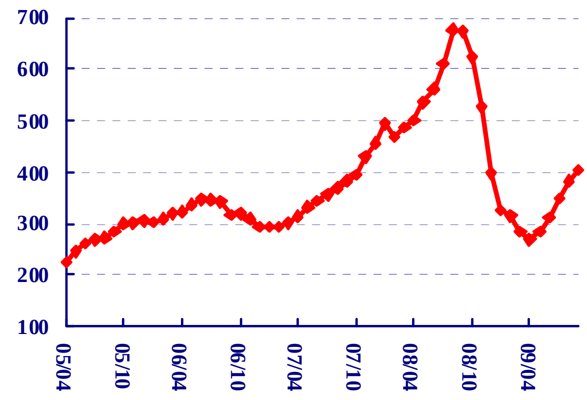
The impact of fluctuations in foreign exchange rates and bunker oil prices on recurring profit for the six-month period under review is summarized in the following table:

	Six months ended September 30, 2009	Six months ended September 30, 2008	Change	Impact
Average exchange rate	¥96.12/US$	¥105.66/US$	Yen up ¥9.54	¥ -3.3 billion
Average bunker oil price	US$333.56/MT	US$593.73/MT	Price down US$260.17	¥26.0 billion

Notes:
1. A ¥1 change in the exchange rate against the dollar has an annualized impact of around ¥700 million on recurring profit.
2. A US$1 change per metric ton in the price of bunker oil results in a change in annual recurring profit of approximately ¥200 million.



Period: April 2005–October 2009



Period: April 2005–September 2009

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

Segment Information
Three months ended September 30, 2009 (July 1, 2009 – September 30, 2009)

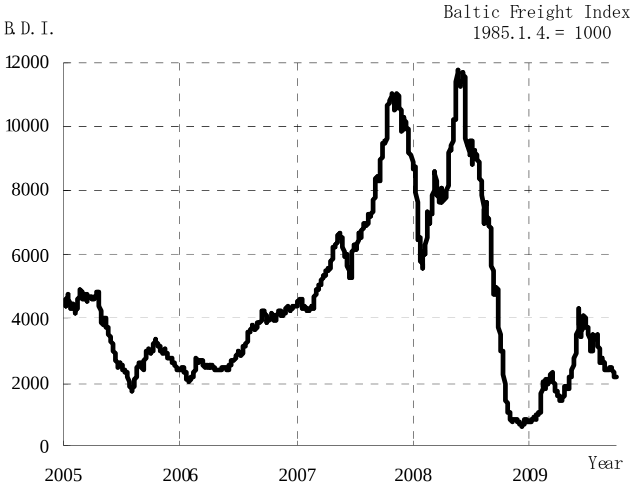
Liner Trade
Freight rates continued to recover as the supply-demand balance improved due to fleet consolidation and the start of the summer peak season. Average freight rates bottomed out on almost all routes, but like cargo volumes, did not reach last fiscal year's second-quarter levels, marking a substantial year-over-year decline in revenues. We continued our various efforts to cut costs, but the effects were insufficient to compensate for the decline in freight revenues. Consequently, the liner trade segment overall underperformed significantly compared with the year-ago second quarter.

Bulk Shipping
Car Carrier Division
The car carrier division added two newly built vessels to its fleet, while scrapped three vessels in an effort to cut vessel costs by reducing shipping capacity in operation, and also endeavored to cut operating costs through low-speed navigation and other measures. However, transport volumes' recovery was staid, and car transport volume was less than 60% of last fiscal year's second-quarter level.

Dry Bulk Carrier Division
Although demand for steel recovered in response to economic stimulus packages in China and India, dry bulk market weakened due to increasing port inventories in China and the summer slump. The dry bulk carrier division experienced substantial declines in both revenue and profit compared with last fiscal year's record-high second-quarter results.

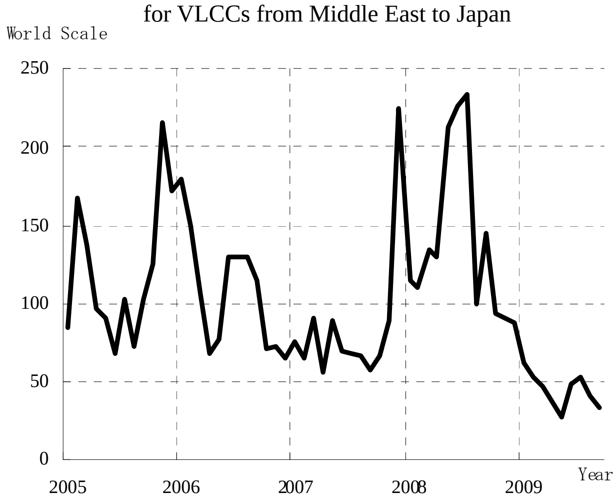
Tanker Division
The tanker market's overall slump continued due to subdued crude oil demand and excess shipping-capacity, primarily in developed countries. As a result, the tanker division saw revenue and profit decrease compared with the year-ago second quarter.

Fluctuation in Tramper Freight Rate in B.D.I



Period: January 2005–September 2009

Tanker Freight Rates (Maximum)
for VLCCs from Middle East to Japan



Period: January 2005–September 2009

Logistics
NYK Logistics worked further to streamline its operations and cut costs. Although transport volumes tended toward recovery in Asia, NYK Logistics' handling volumes declined because it was unable to make up for the slump in other regions. Yusen Air & Sea Service Co., Ltd. suffered a continued decline in demand for air cargo transport, primarily in developed countries. As a result, the logistics segment as a whole underperformed compared with the year-ago second quarter.

Terminal and Harbor Transport
Handling volumes at container terminals both in Japan and overseas decreased significantly due to the global slump in container cargo transport, and as a result, the terminal and harbor transport segment underperformed compared with the year-ago second quarter.

Cruises
In the Japanese market, summer cruises performed favorably, on par with the year-ago second quarter. In the U.S. market, however, seat-load factors fell compared with the year-ago second quarter in the wake of the economic downturn. We worked to cut advertising and promotion expenses and other costs, and bunker oil prices were down year over year, but the cruises segment as a whole booked lower revenue and profit compared with the year-ago second quarter.

Air Cargo Transportation
Nippon Cargo Airlines Co., Ltd. saw market conditions improve as demand recovered to a degree, comparing to the this first quarter which was impacted hard by market downturn, but booked a larger loss compared with the year-ago second quarter, when relatively stable air freight rates were supported by firm transport volumes.

Real Estate and Other Business Services
The real estate business outperformed the year-ago second quarter by virtue of maintaining high occupancy rates at major office buildings amid subdued market conditions. In other services, results underperformed the year-ago second quarter as the trading business's revenue declined significantly, due to the drop in bunker oil prices, and all businesses, including the manufacturing and processing business, were impacted by market downturns.

For consolidated business results for the first three months of the year ending March 31, 2010, please see the first quarter financial results for that period (issued on July 27, 2009).

2. Review of Change in Financial Position

Assets, Liabilities, and Net Assets

Total assets at the end of the fiscal second quarter amounted to ¥2,110.6 billion, an increase of ¥39.3 billion from the end of the previous fiscal year. This mainly reflects an increase in current assets of ¥9.3 billion resulting from an increase in inventories, due to higher bunker oil prices versus the end of previous fiscal year, and an increase in short-term investment securities and other factors, along with an increase in noncurrent assets of ¥29.9 billion due to an increase in investment securities of ¥31.9 billion resulting from higher share prices. Total liabilities grew ¥55.0 billion from the end of the previous fiscal year to ¥1,545.1 billion. This mainly reflects an increase in interest-bearing debt of ¥46.7 billion resulting from corporate bonds issued. Shareholders' equity—the aggregate of shareholders' capital of ¥582.7 billion and valuation and translation adjustments—totaled ¥523.5 billion, and adding minority interests of ¥42.0 billion to this resulted in total net assets of ¥565.5 billion. As a result, the debt-equity ratio finished at 2.15.

Cash Flows

Net cash used in operating activities for the six month period was ¥-2.0 billion, reflecting quarterly loss before income taxes and minority interests of ¥-33.5 billion, an increase in inventories of ¥-9.6 billion, and a decrease in notes and accounts payable-trade of ¥-8.2 billion, which offset depreciation and amortization of ¥48.0 billion. Net cash used in investing activities was ¥-6.7 billion, primarily reflecting increased expenditure for noncurrent assets, mainly accounted for by investments in vessels. Net cash provided by financing activities was ¥40.9 billion, primarily reflecting increase in corporate bonds issued. As a result, the balance of cash and cash equivalents stood at ¥159.7 billion at the end of the fiscal second quarter, an increase of ¥32.9 billion compared with the beginning of the fiscal year (April 1, 2009), after taking into account the effect of exchange rate change on cash and cash equivalents.

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

		March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2008	September 30, 2009
1	Shareholders' equity ratio (%)	30.8	27.9	26.3	29.7	24.8
2	Shareholders' equity ratio at market price (%)	54.4	50.3	22.3	34.8	20.2
3	Cash flows vs ratio of interest-bearing debt (years)	10.3	5.1	7.2	-	-
4	Interest coverage ratio	5.0	8.8	6.6	8.3	-

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

Notes:
1. All indices are calculated using consolidated figures.
2. Cash flow indices are computed by using cash flows from operating activities as reported in the consolidated cash flow statements. Interest-bearing debt consists of all interest-bearing liabilities included in liabilities on the balance sheet. Interest payments are based on the interest expenses paid in the consolidated statements of cash flows.
3. Interest coverage ratio for the second quarter ended September 30, 2009 is not indicated because cash flow from operating activities was negative.

3. Forecast of Consolidated Financial Results

Revision of Earnings Forecasts

We have revised down our performance forecast for the fiscal year ending March 31, 2010, to revenues of ¥1,680.0 billion, operating loss of ¥18.0 billion, recurring loss of ¥33.0 billion, and net loss of ¥27.0 billion.

(Billions of yen)

Outlook for the fiscal year ending March 2010		Revenues	Operating income	Recurring profit	Net income
Year ending March 31, 2010	Previous forecast	1,710.0	20.0	4.0	(5.0)
	Revisions	**1,680.0**	**(18.0)**	**(33.0)**	**(27.0)**
	Change	-30.0	-38.0	-37.0	-22.0
	Percentage change	-1.8%	-	-	-

Assumptions for above forecasts:

(Full year) Foreign exchange rate ¥93.06/US$, Bunker oil price US$381.78/MT

(For the third and fourth quarter) Foreign exchange rate ¥90/US$, Bunker oil price US$430/MT

The recovery of container freight rates is proceeding largely as expected, but we expect expenses to increase due to rising bunker oil prices and do not anticipate reaching our current cost-reduction targets, despite the positive results generated by cost reductions in the fiscal first half. In the Bulk Shipping segment, car transport volumes are increasing gradually. On the other hand, we initially expected the dry bulk market to recover as China’s imports of iron ore to expand and production cutbacks eased in Japan and Europe, and also expected the petroleum tanker market to strengthen as it entered the winter demand season. However, we have revised our market assumptions since these markets seem to remain subdued. We also expect a full-fledged recovery in handling volumes in the Logistics segment to take some time yet, although transport volumes tended toward recovery in Asia. We will continue to rationalize fleet sizes and streamline our operations, but the potential for further yen appreciation remains. In light of this and other factors, we have revised downward our full-year consolidated earnings forecast as detailed above.

4. Others

(1) Changes in important subsidiaries during the period (changes in specific subsidiaries due to changes in the scope of consolidation): None

(2) Use of simplified accounting methods and accounting methods particular to preparation of the quarterly consolidated financial statements

1. Calculation of doubtful accounts of ordinary credits

As there is not recognized any significant difference between the actual default-experience rate calculated as at the end of the second quarter of fiscal 2009 and that calculated as at the end of the previous fiscal year, an uncollectible amount continues to be estimated based on the same default-experience rate as applied for the previous fiscal year.

2. Calculation of taxes, deferred tax assets, and deferred tax liabilities

The Company and some of its subsidiaries have adopted an accounting method that limits deductible and taxable items and tax credit items used in the calculation of the amounts of income and other taxes paid to those that are material.

Because there have been no substantial changes in the business environment and no temporary valuation differences to affect the judgment of determining the possibility of deferred tax assets being utilized since the end of last fiscal year, the Company is using the earnings forecasts and tax planning from last fiscal year.

(3) Changes in accounting principles, procedures and presentation methods for quarterly financial statements

1. Changes in accounting standard for amount and cost of completed work

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

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	As of September 30, 2009	As of March 31, 2009
	Amount	Amount
Assets		
Current assets		
Cash and deposits	127,900	135,770
Notes and operating accounts receivable-trade	167,757	172,458
Short-term investment securities	37,284	779
Inventories	42,403	32,856
Deferred and prepaid expenses	49,280	42,401
Deferred tax assets	8,126	5,130
Other	70,466	104,208
Allowance for doubtful accounts	(3,307)	(3,015)
Total current assets	499,912	490,588
Noncurrent assets		
Vessels, property, plant and equipment		
Vessels, net	680,925	688,860
Buildings and structures, net	81,873	76,163
Aircraft, net	5,148	5,222
Machinery, equipment and vehicles, net	29,935	29,566
Equipment, net	6,570	6,499
Land	62,045	59,952
Construction in progress	286,736	295,423
Other, net	5,835	5,968
Net vessels, property, plant and equipment	1,159,070	1,167,656
Intangible assets		
Leasehold right	2,095	1,502
Software	10,002	10,834
Goodwill	21,525	20,043
Other	4,264	4,102
Total intangible assets	37,888	36,482
Investments and other assets		
Investment securities	285,861	253,879
Long-term loans receivable	13,304	13,520
Deferred tax assets	35,413	31,698
Other	83,180	79,438
Allowance for doubtful accounts	(5,713)	(3,612)
Total investments and other assets	412,046	374,925
Total noncurrent assets	1,609,005	1,579,063
Deferred assets	1,743	1,618
Total assets	2,110,661	2,071,270

(In million yen)

	As of September 30, 2009	As of March 31, 2009
	Amount	Amount
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	141,854	145,087
Current portion of bonds	20,000	20,000
Short-term loans payable	136,737	239,163
Commercial paper	-	4,000
Income taxes payable	6,772	12,399
Deferred tax liabilities	788	367
Advances received	40,488	36,953
Provision for bonuses	7,741	8,043
Provision for directors' bonuses	213	469
Provision for losses related to antitrust law	4,082	8,518
Other	97,307	99,983
Total current liabilities	455,986	574,988
Noncurrent liabilities		
Bonds payable	251,163	191,197
Long-term loans payable	707,964	613,640
Deferred tax liabilities	11,123	10,504
Provision for retirement benefits	16,495	16,060
Provision for directors' retirement benefits	2,477	2,571
Provision for periodic dry docking of vessels	18,456	13,498
Provision for losses related to antitrust law	1,728	1,728
Other	79,738	65,844
Total noncurrent liabilities	1,089,147	915,045
Total liabilities	1,545,133	1,490,033
Net assets		
Shareholders' capital		
Common stock	88,531	88,531
Capital surplus	97,181	97,189
Retained earnings	398,554	426,217
Treasury stock	(1,505)	(1,493)
Total shareholders' capital	582,761	610,444
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	33,266	10,935
Deferred gain (loss) on hedges	(46,488)	(37,889)
Foreign currency translation adjustments	(46,036)	(39,369)
Total valuation and translation adjustments	(59,258)	(66,323)
Minority interests	42,025	37,116
Total net assets	565,528	581,237
Total liabilities and net assets	2,110,661	2,071,270

(2) Consolidated Statements of Income

Six months ended September 30, 2009

(In million yen)

	Six months ended September 30, 2008 (Apr.1 – Sep.30)	Six months ended September 30, 2009 (Apr.1 – Sep.30)
	Amount	Amount
Revenues	1,419,874	794,519
Cost and expenses	1,156,296	732,656
Gross profit	263,578	61,863
Selling, general and administrative expenses	128,749	98,926
Operating income (loss)	134,829	(37,063)
Non-operating income		
Interest income	3,250	1,542
Dividends income	4,320	2,587
Foreign exchange gains	1,413	-
Equity in earning of unconsolidated subsidiaries and affiliates	6,670	338
Other	2,909	3,840
Total non-operating income	18,564	8,308
Non-operating expenses		
Interest expenses	12,407	10,010
Foreign exchange losses	-	1,752
Other	1,153	3,396
Total non-operating expenses	13,560	15,159
Recurring profit (loss)	139,833	(43,915)
Extraordinary income		
Gain on sales of noncurrent assets	6,210	6,859
Gain on sales of investment securities	-	6,415
Other	2,347	2,619
Total extraordinary income	8,558	15,895
Extraordinary loss		
Loss on sales of noncurrent assets	73	232
Impairment loss	1,259	-
Provision for operating losses	1,202	-
Provision of allowance for doubtful accounts	-	2,380
Other	2,790	2,873
Total extraordinary loss	5,326	5,487
Income (loss) before income taxes and minority interests	143,064	(33,507)
Income taxes	49,472	(5,105)
Minority interests in net income	2,317	951
Net income (loss)	91,274	(29,353)

Three months ended September 30, 2009

(In million yen)

	Three months ended September 30, 2008 (Jul.1 – Sep.30)	Three months ended September 30, 2009 (Jul.1 – Sep.30)
	Amount	Amount
Revenues	740,274	414,453
Cost and expenses	598,118	376,119
Gross profit	142,155	38,334
Selling, general and administrative expenses	65,484	49,874
Operating income (loss)	76,671	(11,540)
Non-operating income		
Interest income	1,335	558
Dividends income	639	521
Equity in earning of unconsolidated subsidiaries and affiliates	2,014	330
Other	1,474	2,295
Total non-operating income	5,463	3,705
Non-operating expenses		
Interest expenses	5,875	5,063
Foreign exchange losses	930	1,222
Other	604	2,717
Total non-operating expenses	7,411	9,002
Recurring profit (loss)	74,722	(16,837)
Extraordinary income		
Gain on sales of noncurrent assets	1,684	2,427
Gain on sales of investment securities	770	1,573
Other	435	1,208
Total extraordinary income	2,889	5,209
Extraordinary loss		
Loss on sales of noncurrent assets	29	13
Impairment loss	1,259	-
Provision for operating losses	1,202	-
Provision of allowance for doubtful accounts	-	322
Other	1,551	840
Total extraordinary loss	4,043	1,176
Income (loss) before income taxes and minority interests	73,569	(12,803)
Income taxes	25,681	(3,246)
Minority interests in net income	973	876
Net income (loss)	46,914	(10,434)

(3) Consolidated Statements of Cash Flows

(In million yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
	Amount	Amount
Net cash provided by (used in) operating activities:		
Income (loss) before income taxes and minority interests	143,064	(33,507)
Depreciation and amortization	49,576	48,053
Impairment loss	1,259	145
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(5,130)	(6,503)
Loss (gain) on sales of short-term and long-term investment securities	(923)	(6,432)
Loss (gain) on valuation of short-term and long-term investment securities	898	238
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(6,670)	(338)
Interest and dividends income	(7,571)	(4,129)
Interest expenses	12,407	10,010
Foreign exchange losses (gains)	2,234	(93)
Decrease (increase) in notes and accounts receivable-trade	(12,749)	9,890
Decrease (increase) in inventories	(14,462)	(9,645)
Increase (decrease) in notes and accounts payable-trade	3,183	(8,248)
Other, net	3,024	(8,016)
Subtotal	168,142	(8,576)
Interest and dividends income received	9,583	6,510
Interest expenses paid	(12,593)	(11,793)
Income taxes (paid) refund	(60,615)	11,806
Net cash provided by (used in) operating activities	104,517	(2,052)
Net cash provided by (used in) investing activities:		
Purchase of short-term investment securities	(1,263)	(1,305)
Proceeds from sales of short-term investment securities	1,413	1,345
Purchase of vessels, property, plant and equipment and intangible assets	(222,943)	(103,716)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	125,603	87,382
Purchase of investment securities	(8,961)	(7,607)
Proceeds from sales of investment securities	5,416	15,750
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(3,262)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	213
Payments of loans receivable	(3,427)	(5,617)
Collection of loans receivable	2,535	3,650
Other, net	4,184	6,405
Net cash provided by (used in) investing activities	(97,442)	(6,760)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	(8,237)	(90,437)
Increase (decrease) in commercial paper	2,000	(4,000)
Proceeds from long-term loans payable	54,233	128,235
Repayment of long-term loans payable	(43,699)	(47,720)
Proceeds from issuance of bonds	-	59,787
Redemption of bonds	(1,000)	-
Purchase of treasury stock	(204)	(34)
Proceeds from sales of treasury stock	35	14
Cash dividends paid to shareholders	(14,736)	(2,455)
Cash dividends paid to minority shareholders	(555)	(440)
Other, net	(1,259)	(1,973)
Net cash provided by (used in) financing activities	(13,424)	40,975
Effect of exchange rate change on cash and cash equivalents	4,086	(3,828)
Net increase (decrease) in cash and cash equivalents	(2,263)	28,333
Cash and cash equivalents at beginning of period	115,963	126,768
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	3,471	4,663
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	13	(63)
Cash and cash equivalents at end of period	117,185	159,702

(4) Notes Regarding Going Concern Assumption

The second quarter of this fiscal year (April 1, 2009 – September 30, 2009)
Not applicable

(5) Segment Information

Segment information by business

Three months ended September 30, 2008 (July 1, 2008 – September 30, 2008) (In million yen)

	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transpor-tation	Real Estate	Other	Total	Elimination or Corporate	Consolidated Total
Revenues											
(1) Revenues from customer	184,250	337,872	128,427	28,650	14,199	22,561	2,277	22,034	740,274	-	740,274
(2) Inter-segment revenues	1,697	1,601	758	9,055	-	2,698	669	51,579	68,060	(68,060)	-
Total	185,947	339,474	129,186	37,706	14,199	25,259	2,946	73,614	808,334	(68,060)	740.274
Operating income (loss)	(1,298)	74,453	2,398	2,093	1,832	(3,372)	963	(403)	76,668	2	76,671
Recurring profit (loss)	(1,051)	72,062	2,530	1,774	1,781	(3,594)	1,188	29	74,720	2	74,722

Three months ended September 30, 2009 (July 1, 2009 – September 30, 2009) (In million yen)

	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transpor-tation	Real Estate	Other	Total	Elimination or Corporate	Consolidated Total
Revenues											
(1) Revenues from customer	89,617	179,451	82,672	20,797	9,932	12,564	2,708	16,708	414,453	-	414,453
(2) Inter-segment revenues	928	1,423	337	6,457	-	1,633	627	22,149	33,558	(33,558)	-
Total	90,546	180,875	83,009	27,254	9,932	14,198	3,336	38,857	448,011	(33,558)	414,453
Operating income (loss)	(17,653)	9,264	736	748	334	(5,566)	987	(395)	(11,543)	3	(11,540)
Recurring profit (loss)	(17,978)	5,412	985	419	259	(5,308)	1,247	(1,878)	(16,840)	3	(16,837)

Six months ended September 30, 2008 (April 1, 2008 – September 30, 2008) (In million yen)

	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transpor-tation	Real Estate	Other	Total	Elimination or Corporate	Consolidated Total
Revenues											
(1) Revenues from customer	347,055	635,593	255,453	55,863	26,898	43,334	4,663	51,012	1,419,874	-	1,419,874
(2) Inter-segment revenues	3,026	3,182	1,489	17,743	-	5,327	1,176	80,001	111,948	(111,948)	-
Total	350,082	638,775	256,943	73,607	26,898	48,662	5,839	131,014	1,531,823	(111,948)	1,419,874
Operating income (loss)	(4,163)	131,698	4,747	4,561	2,742	(5,765)	1,859	(856)	134,824	4	134,829
Recurring profit (loss)	(3,734)	134,606	5,111	3,984	2,606	(5,879)	2,334	798	139,828	4	139,833

Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009) (In million yen)

	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transpor-tation	Real Estate	Other	Total	Elimination or Corporate	Consolidated Total
Revenues											
(1) Revenues from customer	176,473	334,619	160,220	42,962	19,372	23,385	4,997	32,487	794,519	-	794,519
(2) Inter-segment revenues	2,237	3,301	615	11,996	-	2.871	1,133	41,177	63,333	(63,333)	-
Total	178,710	337,920	160,835	54,959	19,372	26,257	6,131	73,665	857,852	(63,333)	794,519
Operating income (loss)	(36,139)	10,293	(737)	948	(216)	(12,045)	1,868	(1,041)	(37,070)	6	(37,063)
Recurring profit (loss)	(36,598)	3,886	(555)	642	(397)	(11,831)	2,547	(1,616)	(43,921)	6	(43,915)

Notes: 1. Classification of business segment:
Business segments are categorized primarily based on the type and nature of service and organizational setup as well as by referencing Japan Standard Industrial Classification.
2. Major operation and services in each segment:

Liner Trade ·························	Ocean cargo shipping, ship owning and chartering, shipping agency
Bulk Shipping ·························	Ocean/coastal cargo shipping, ship owning and chartering, shipping agency
Logistics ·························	Warehouse operation, cargo transport/handling business
Terminal and Harbor Transport ···········	Container terminals business, harbor transport services, tugboat operation
Cruise ·························	Ownership and operation of passenger boats
Air Cargo Transportation ·····················	Air cargo Transport
Real Estate ·························	Rental, management and sale of real estate properties
Other ·························	Wholesaling of ship machinery and furniture, other services related to transport, information-processing business and wholesaling of oil products

3. Common operating expenses are allocated to individual segments.

(6) Notes in the Event of Significant Changes in Shareholders' Capital

The second quarter of this fiscal year (April 1, 2009 – September 30, 2009)
Not applicable

6. Other Supplementary Information

(1)Revision of Medium-Term Management Plan

The NYK Group has recently revised its medium-term management plan, *New Horizon 2010*. Details follow.

1. Management Strategies and Indicators

In April 2008, the NYK Group launched a new three-year medium-term management plan, *New Horizon 2010*, and has been striving to be a global *monohakobi* (transport) enterprise. However, in the wake of the recent “once in a century” economic malaise, the NYK Group decided in April 2009 to revise this management plan while keeping the core strategies in place.

To respond to this difficult economic environment, in January 2009, the NYK Group launched a two-year Emergency Structural Reform Project named *Yosoro*. Through this project, the NYK Group has been carrying out structural reforms which have included the rationalization of fleet sizes, cost-cutting measures, and overhauls of its earnings structure and operational structure. These measures are steadily yielding results. On top of this, we are beginning to see a signs that the global economy is bottoming out in response to monetary and economic countermeasures.

However, the environment facing the NYK Group remains challenging. Conditions in the shipping market are tough, as the recovery in both transport volumes and freight rates has been sluggish, particularly in the liner trade segment, while bunker oil prices are on the rise. In light of these conditions, we decided to once again revise *New Horizon 2010*. Going forward, we will rebuild our business portfolio, bolster our financial position by carefully selecting capital expenditures, further reduce costs, and otherwise advance the Emergency Structural Reform Project measures. The NYK Group will work in unison to achieve the goals laid out in the medium-term management plan.

The basic strategies of *New Horizon 2010* remain unchanged.

(Targets and achievements of *New Horizon 2010*)

(In billion yen)	FY2008 Actual	FY2009 Planned	FY2010 Planned
Revenues	2,429.9	1,680.0	1,900.0
Recurring profit	140.8	(33.0)	40.0
Net income	56.1	(27.0)	20.0

（Assumption）

Foreign exchange rates	¥100.82/US$	¥93.06/US$	¥90.00/US$
Bunker oil price	US$503.21/MT	US$381.78/MT	US$400.00/MT

（Financial Indicator）

(In billion yen)	2008 Actual	2009 Planned	2010 Planned
Interest-bearing debt at year-end	1,077.9	1,120.0	1,200.0
Shareholders’equity at year-end	544.1	510.0	530.0
Shareholders’ equity ratio	26.3%	24.5%	23.7%
DER	1.98	2.2	2.3
ROIC	5.9%	-0.6%	2.1%
Cash flows from operating activities	150.4	80.0	110.0
Cash flow from investing activities	(170.2)	(100.0)	(170.0)

(Dividend Policy)
NYK Line regards the return of profits to shareholders as one of the most important issues it faces as part of its operations. Dividends will be determined with consideration given to level of retained earnings required to finance further to fortify the Company against future changes in market conditions that may occur in the industry, our results outlook, and a target dividend payout ratio of 25%.

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

(i) Drastic Changes in the External Environment
In January 2009, a two-year Emergency Structural Reform Project (*Yosoro*) was formulated in response to the tumultuous economic environment that the Group has faced since autumn 2008. Through this project, the NYK Group has been carrying out structural reforms that have included the rationalization of fleet sizes, cost-reduction measures, and overhauls of its earnings structure and operational structure.
In the Global Logistics Division, we have been downsizing our container vessel fleet and expanding non-asset business by strengthening other areas such as the ocean and air forwarding business. In the Bulk/Energy Transport Division, we are strengthening operations in resources and energy transport, including our offshore business. We are overhauling the Air Cargo Transportation segment by revising our growth strategy and developing the charter business, and we are also looking at ways to return subsidiary Nippon Cargo Airlines Co., Ltd. to a sound financial position. Further, we are currently in talks on the integration of the air cargo businesses operated by Japan Airlines International Co., Ltd. and Nippon Cargo Airlines Co., Ltd. in the aim of further streamlining those operations. The NYK Group’s operating performance may register the effects of these measures as they progress.
In addition to these measures to rebuild our business portfolio, we are bolstering our financial position by carefully selecting capital expenditures and continuing our determined cost-reduction efforts.

(ii) Environmental Initiatives
Protecting the environment is one of the most important management issues for the NYK Group as we aim to be an environmental leader. Under the *NYK Cool Earth Project*, an environmental project launched last year and directly overseen by the company president, we aim to reduce greenhouse gas emissions by a minimum of 10% on ton/mile basis by 2013 compared with fiscal 2006 emissions. To achieve this, we are developing innovative environmental technologies, reducing fuel consumption, practicing low-speed navigation, and implementing other reforms to realize an environmentally friendly business model.

(iii) Enhancing CSR-oriented Management

CSR (Corporate Social Responsibility) oriented management is the bedrock of our medium-term management plan's core strategies. The first tenet of CSR is sound and highly transparent management. We will continue to enhance our internal controls and our compliance framework. The second tenet of CSR is safe, environmentally friendly operations. To ensure that our ships travel the waters safely, we will continue to raise employee awareness and establish procedures for preventing accidents. To protect the environment, we will work to reduce greenhouse gas emissions. The third tenet of CSR is workplaces that instill pride, and to achieve this we are working to build strong relationships with all of our stakeholders and enhance our services by putting into practice the NYK Group Values (Integrity, Innovation, and Intensity) which embody the Group's corporate philosophy.

(2) Quarterly operating results (on a consolidated basis)

Year ended March 31, 2010

(In 100 million yen)

	Apr 1, 2009 – Jun 30, 2009	Jul 1, 2009– Sep 30, 2009	Oct 1, 2009 – Dec 31, 2009	Jan 1, 2010 – Mar 31, 2010
	1Q	2Q	3Q	4Q
Revenues	3,800	4,144		
Operating income	(255)	(115)		
Recurring profit	(270)	(168)		
Net income for the quarter	(189)	(104)		
Net income per share for the quarter	(¥15.41)	(¥8.50)		
Net income per share for the quarter – fully diluted	-	-		
Total asset	21,197	21,106		
Net asset	5,990	5,655		
Net asset per share	¥454.22	¥426.39		

Year ended March 31, 2009

(In 100 million yen)

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

Notes: 1. The above operating results are based on the results for the first quarter and the cumulative results for the first six, nine and twelve months, and are computed by taking the difference between the two adjacent periods.

2. Diluted net income per share data for the second and third quarter period in the fiscal year ended March 31, 2009 are not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

3. Diluted net income per share-fully diluted data for the fourth quarter period in the fiscal year ended March 31, 2009, and first and second quarter period in the fiscal year ended March 31, 2010 are not shown in the above table, because net income per share was negative although there are residual shares.

(3) Foreign exchange rate information (on a consolidated basis)

	Six months ended September 30, 2009	Six months ended September 30, 2008	Change	Year ended March 31, 2009
Average exchange rate during the period	¥96.12 /US$	¥105.66 /US$	Yen up ¥9.54	¥100.82 /US$
Exchange rate at the end of the period	¥90.21 /US$	¥103.57 /US$	Yen up ¥13.36	¥98.23 /US$

(4) Bunker oil prices information (on a consolidated basis)

	Six months ended September 30, 2009	Six months ended September 30, 2008	Change	Year ended March 31, 2009
Average bunker oil prices	US$333.56/MT	US$593.73/MT	Price down US$260.17	US$503.21/MT

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

(In 100 million yen)

	Six months ended September 30, 2009	Year ended March 31, 2009	Change	Six months ended September 30, 2008
Loans	8,447	8,528	-81	7,868
Corporate bonds	2,711	2,111	599	2,262
Commercial paper	-	40	-40	210
Other	88	99	-11	131
Total	11,246	10,779	467	10,472