

**Consolidated Financial Results for the Six Months Ended September 30, 2010  
(Japanese GAAP) (Unaudited)**

October 29, 2010

**Nippon Yusen Kabushiki Kaisha (NYK Line)**

Security Code: 9101  
 Listings: The First Section of Tokyo, Osaka and Nagoya Stock Exchanges  
 URL: <http://www.nyk.com/english/index.htm>  
 Head Office: Tokyo, Japan  
 Representative: Yasumi Kudo, President  
 Contact: Tsuyoshi Endo, General Manager, IR Group Tel: +81-3-3284-5986  
 Submit scheduled date of Quarterly Financial Report: November 15, 2010  
 Start scheduled date of paying Dividends: November 22, 2010  
 Preparation of Quarterly Supplementary Explanation Material: Yes  
 Quarterly Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

(Amounts rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Six Months Ended September 30, 2010 (April 1, 2010 to September 30, 2010)**

**(1) Consolidated 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, 2010	1,010,557	27.2	86,225	-	79,869	-	44,374	-
Six month ended September 30, 2009	794,519	-44.0	(37,063)	-	(43,915)	-	(29,353)	-

	Net income per share	Net income per share – fully diluted
	yen	yen
Six months ended September 30, 2010	26.14	-
Six month ended September 30, 2009	(23.91)	-

Note: Net income per share-fully diluted for the Six months ended September 30, 2010 is not shown in the above table, as there are no residual shares having possibilities of diluting stock value. Net income per share-fully diluted for the six months ended September 30, 2009 is also not shown, because net income per share is negative although there are residual shares.

**(2) Consolidated Financial Position**

	Total assets	Equity	Shareholders' equity ratio	Equity per share
	million yen	million yen	%	yen
As of September 30, 2010	2,132,796	692,651	30.5	383.18
As of March 31, 2010	2,207,163	703,394	30.0	389.46

(Reference) Shareholders' equity:

As of September 30, 2010: ¥650,251 million

As of March 31, 2010: ¥661,232 million

## 2. Dividends

Date of record	Dividend per share				
	1 <sup>st</sup> Quarter End	2 <sup>nd</sup> Quarter End	3 <sup>rd</sup> Quarter End	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2010	-	2.00	-	2.00	4.00
Year ended March 31, 2011	-	6.00			
Year ending March 31, 2011 (Forecast)			-	5.00	11.0

Note: Revision of forecast for dividends in this quarter: Yes

## 3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentage figures shown year-on-year changes)

	Revenues		Operating income		Recurring profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
	Year ending March 31, 2011	1,930,000	13.7	130,000	-	120,000	-	76,000	-

Note: Revision of consolidated financial results forecasts in this quarter: Yes

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

Assumptions for above forecasts:

Foreign exchange rate: (for the third and fourth quarter) ¥80/US\$, (full year) ¥84.85/US\$

Bunker oil price: (third and fourth quarter) US\$475/MT, (full year) US\$471.84/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 2-6 of the attachment for assumptions and other matters related to the forecast.

## 4. Others (Refer to page 7 "Others" of the attachment for details.)

(1) Changes in important subsidiaries during this quarter period: None

New: None Exclusion: None

Note: Changes in specific subsidiaries with that of the scope of consolidation during this quarter period.

(2) Use of simplified accounting methods and particular accounting methods: Yes

Note: Use of simplified accounting methods and accounting methods particular to preparation of the quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures and presentation methods:

1. Changes with revised method of accounting: Yes

2. Changes except No.1: None

Note: Changes in accounting principles, procedures and presentation methods recorded under the changes in significant information in the preparation of Consolidated Financial Statements.

(4) Total issued shares (Ordinary shares)

1. Total issued shares (including treasury stock)	As of September 30, 2010	1,700,550,988 shares	As of March 31, 2010	1,700,550,988 shares
2. Number of treasury stock	As of September 30, 2010	3,575,891 shares	As of March 31, 2010	2,726,440 shares
3. Average number of shares (cumulative quarterly period)	Six months ended September 30, 2010	1,697,460,569 shares	Six months ended September 30, 2009	1,227,784,787 shares

### Indication of quarterly review process implementation status

This quarterly fiscal statement is exempt from quarterly review process based upon the Financial Instruments and Exchange Act. As of the press release date, the quarterly review process is ongoing.

## Supplementary Information

### **Operating Results for the Three Months Ended September 30, 2010 (July 1, 2010 – September 30, 2010)** (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, 2010	505,778	22.0	46,163	-	41,749	-	21,379	-
Three months ended September 30, 2009	414,453	-44.0	(11,540)	-	(16,837)	-	(10,434)	-

	Net income per share	Net income per share – fully diluted
	yen	yen
Three months ended September 30, 2010	12.60	-
Three months ended September 30, 2009	(8.50)	-

Note: Net income per share-fully diluted data for the three months ended September 30, 2010 is not shown in the above table, as there are no residual shares having possibilities of diluting stock value. Net income per share-fully diluted for the three months ended September 30, 2009 is not shown because net income per share is negative although there are residual shares.

## Index of the Attachments

1. Qualitative Information on Quarterly Results .....	2
(1) Qualitative Information on Consolidated Operating Results .....	2
(2) Qualitative Information on Consolidated Financial Position .....	5
(3) Qualitative Information on Consolidated Financial Results Forecasts .....	6
2. Others .....	7
(1) Overview of Changes in Important Subsidiaries .....	7
(2) Overview of Simplified Accounting Methods and Particular Accounting Methods .....	7
(3) Overview of Changes in Accounting Principles, Procedures and Presentation Methods .....	7
3. Consolidated Financial Statements .....	8
(1) Consolidated Balance Sheets .....	8
(2) Consolidated Statements of Income .....	10
Six months ended September 30, 2010 .....	10
Three months ended September 30, 2010 .....	11
(3) Consolidated Statements of Cash Flows .....	12
(4) Notes Regarding Going Concern Assumption .....	13
(5) Segment Information .....	13
(6) Notes in the Event of Significant Changes in Shareholders' Capital .....	14
4. Supplementary Information .....	15
(1) Quarterly Operating Results .....	15
(2) Foreign Exchange Rate Information .....	15
(3) Bunker Oil Prices Information .....	16
(4) Balance of Interest-Bearing Debt .....	16

## 1. Qualitative Information on Quarterly Results

### (1) Qualitative Information on Consolidated Operating Results

For the fiscal second quarter (July 1, 2010 – September 30, 2010), NYK Line posted consolidated revenues of ¥505.7 billion (¥414.4 billion in the year-ago second quarter), operating income of ¥46.1 billion (operating loss of ¥11.5 billion in the year-ago second quarter), recurring profit of ¥41.7 billion (recurring loss of ¥16.8 billion in the year-ago second quarter), and net income of ¥21.3 billion (net loss of ¥10.4 billion in the year-ago second quarter).

#### Overview

In the second fiscal quarter (July 1, 2010 – September 30, 2010), the operating environment facing the shipping business was relatively firm, despite heightened uncertainty about the economic outlook stemming from Europe's economic stagnation, the U.S. economic downturn, and the rapid appreciation of the yen in response to monetary easing in the U.S.

Revenues from shipping operations, comprising both the Liner Trade and Bulk Shipping segments, increased markedly as containerized cargo transport recovered, container freight rates picked up, and cargo volumes in the Car Carrier Division rebounded, despite soft freight rates in some areas of the dry bulk and tanker markets. Non-shipping operations performed well, as the Air Cargo Transportation segment saw an increase in cargo volume and adjusted freight rates. These factors offset the impact of the yen's appreciation, producing to a ¥91.3 billion, or 22.0%, increase in revenues. Meanwhile, we worked to reduce costs, by operating vessels at reduced speed and other means, and boost operational efficiency to counter upward pressure from rising bunker oil prices. These efforts limited cost increases versus the year-ago second quarter to ¥38.1 billion or 10.1%. By also reducing selling, general and administrative expenses, we increased operating income by ¥57.7 billion year on year, and the ratio of operating income to revenues rose 11.9 percentage points from -2.8% in the year-ago second quarter to 9.1%. As a result, recurring profit rose by ¥58.5 billion and net income increased by ¥31.8 billion year on year, both significant increases.

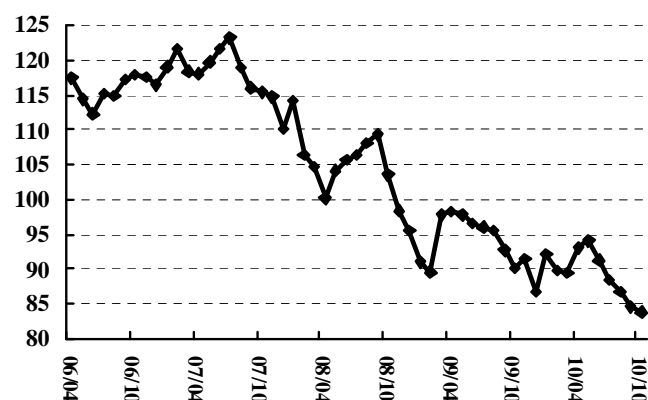
The impact of fluctuations in foreign exchange rates and bunker oil prices on recurring profit for the six-month period under review is summarized in the following table:

	Six months ended September 30, 2010	Six months ended September 30, 2009	Change	Impact
Average exchange rate	¥89.69/US\$	¥96.12/US\$	Yen up ¥6.43	¥-5.7 billion
Average bunker oil price	US\$468.67/MT	US\$333.56/MT	Price up US\$135.11	¥-13.5 billion

Notes:

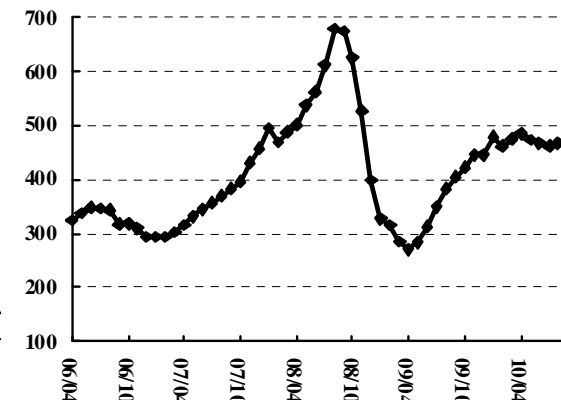
1. A ¥1 change in the exchange rate against the dollar has an annualized impact of approximately ¥1.8 billion on recurring profit.
2. A US\$1 change per metric ton in the price of bunker oil results in a change in annual recurring profit of approximately ¥200 million.

Yen/US\$ Exchange Rate Fluctuations



Period: April 2006–October 2010

US\$/MT Movements in Bunker Oil Prices



Period: April 2006–September 2010

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

## Segment Information

(In billion yen)

	Revenues				Operating income			Recurring profit		
	FY2009 2Q	FY2010 2Q	Change	Percentage change	FY2009 2Q	FY2010 2Q	Change	FY2009 2Q	FY2010 2Q	Change
<b>Liner Trade</b>	90.5	127.5	37.0	40.9 %	(17.6)	17.1	34.8	(17.9)	15.8	33.8
<b>Bulk Shipping</b>	180.8	204.9	24.1	13.3 %	9.2	19.7	10.4	5.4	17.0	11.5
<b>Logistics</b>	83.0	100.9	17.9	21.6 %	0.7	2.3	1.6	0.9	2.4	1.4
<b>Terminal and Harbor Transport</b>	27.2	32.1	4.8	17.9 %	0.7	2.3	1.6	0.4	2.2	1.8
<b>Cruises</b>	9.9	11.1	1.1	12.0 %	0.3	1.1	0.8	0.2	1.0	0.8
<b>Air Cargo Transportation</b>	14.1	22.5	8.3	58.9 %	(5.5)	2.4	8.0	(5.3)	2.1	7.4
<b>Real Estate</b>	3.3	2.9	-0.3	-11.4 %	0.9	0.9	-0.0	1.2	1.2	-0.0
<b>Other</b>	38.8	37.3	-1.5	-3.9 %	(0.3)	(0.1)	0.2	(1.8)	(0.2)	1.5

Note: From the first quarter of this fiscal year, the Group began applying the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No.17 of March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Guidance No.20 of March 21, 2008). We have conducted comparisons with the previous year as the impact on Group's consolidated financial statements for the quarter as a result of this change was none.

### Liner Trade

With the transport market continuing to recover from the previous year, the Liner Trade segment deployed vessels as needed and otherwise responded flexibly to conditions, thereby substantially boosting cargo volumes on all routes year-on-year, particularly North American routes. With the improvement in supply-demand fundamentals, the segment restored freight rates and continued charging a peak season surcharge, which substantially boosted our average freight rates on all routes. Revenues increased year-on-year as a result. Although bunker oil prices were higher than in the year-ago period, the segment continued to operate vessels at reduced speeds and successfully reduced costs through various means, resulting in a substantial improvement in performance versus the year-ago second quarter.

### Bulk Shipping

#### *Car Carrier Division*

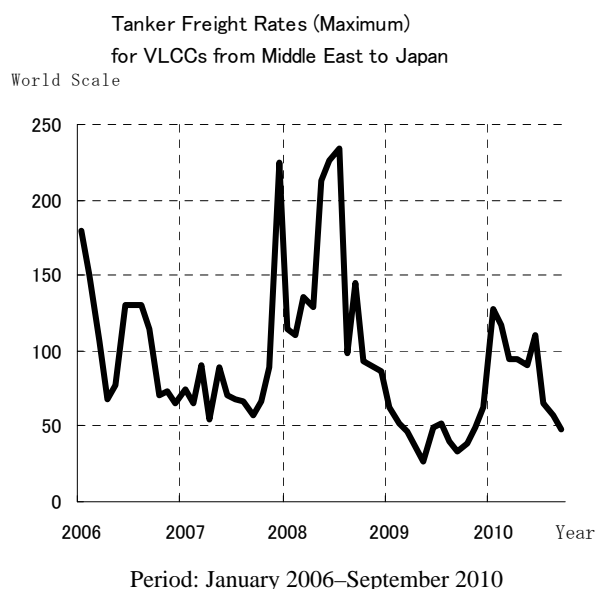
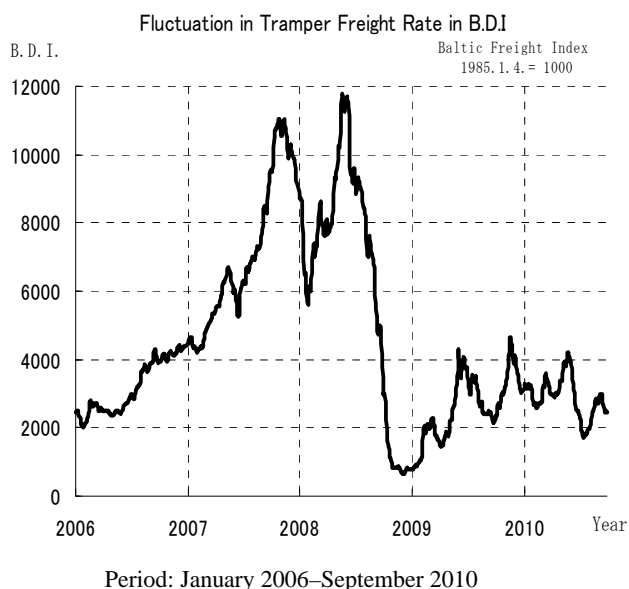
In response to a recovery in cargo traffic, the Car Carrier Division's unit transport volume increased by 40% year-on-year. During the quarter, the division enhanced fleet quality by delivery of one new car carrier and also continued to cut vessel operating costs through fuel conservation and other means.

#### *Dry Bulk Carrier Division*

Owing to steel raw material price increases and the slowing demand for steel in China, China's iron ore imports—which had been a strong market driver—contracted. Meanwhile, the effect on tonnage supply-demand fundamentals was limited owing to newbuild order cancellations and postponement of newbuild delivery dates. In July, freight rates for Capesize vessels dropped sharply, but rates for Panamax and smaller size vessels remained steady. Freight rates for Capesize recovered from August. Nonetheless, the downturn in freight rates for Capesize vessels had a major impact on the overall Dry Bulk Carrier Division, resulting in a year-on-year increase in revenues but a decline in profits.

### Tanker Division

Petroleum demand increased in emerging market economies, but cargo volumes of both crude oil and petroleum products were generally sluggish, depressed by high inventory levels. Despite the trends of scrapping tankers and retrofitting of single-hull tankers to bulk carriers, tonnage overcapacity was not fully alleviated. Freight rates for petroleum product tankers rebounded in August in response to naphtha demand in Asia, and freight rates otherwise exceeded their levels in the year-ago period, when freight rates were at historical lows. Meanwhile, revenues declined for LNG vessels, as some vessels were laid up in response to sluggish demand.



### Logistics

NYK Logistics endeavored to further improve operating efficiency and cut costs. It boosted earnings, particularly in Asia and China where cargo movement was robust, and recorded year-on-year increases in earnings in all regions, excluding the Americas. Yusen Air & Sea Service Co., Ltd. suffered from a decline in margins owing to an increase in air freight rates paid, but its earnings increased year-on-year on the back of a recovery in demand for air cargo transport in China and elsewhere in Asia. As a result, earnings in the Logistics segment as a whole increased year-on-year.

### Terminal and Harbor Transport

Domestic and overseas container terminals' cargo volumes increased year-on-year in response to a recovery in containerized cargo volumes, resulting in a year-on-year increase in the Terminal and Harbor Transport segment's revenues and earnings.

### Cruises

In the Japanese market, Asuka II's seat-load factor, average customer spend, and revenues fell year-on-year, reflecting the impact of the domestic economic slump. In the North American market, Crystal Cruises revenues increased year-on-year, despite a decline in average customer spend, because its seat-load factor was up versus a year ago, when it was hard hit by the effects of the U.S. financial crisis. Overall, the Cruises segment achieved year-on-year increases in both revenues and earnings.

### Air Cargo Transportation

Nippon Cargo Airlines Co., Ltd. benefitted from an upturn in the business environment, marked by continued strong cargo volumes, particularly in Asia, and reduced supply on some routes. As a result, both revenues and earnings increased significantly versus the year-ago second quarter, when business was severely impacted by the global economic recession.

## Real Estate and Other Business Services

The real estate business posted a year-on-year decline in revenues owing to an increase in vacancy rates, but cost-cutting efforts resulted in earnings that were on par with the year-ago second quarter. Among its other business services, both revenues and earnings for the manufacturing and processing business remained roughly flat year-on-year, while the trading business posted a year-on-year increase in earnings on the back of strong sales of materials, ship equipment, and other items in the wake of the economic recovery. On the whole, earnings increased year-on-year.

For the consolidated business results for the first three months of the year ending March 31, 2011, please see the first quarter financial results for that period (issued on July 29, 2010).

## (2) Qualitative Information on Consolidated Financial Position

### Assets, Liabilities, and Equity

Consolidated assets totaled ¥2,132.7 billion at the end of the fiscal second quarter (September 30, 2010), a decrease of ¥74.3 billion from the end of the previous fiscal year (March 31, 2010). This mainly reflects a ¥64.9 billion decrease in current assets due to a decrease in cash and deposits, although investment securities increased. Consolidated liabilities totaled ¥1,440.1 billion, a decline of ¥63.6 billion from the end of the previous fiscal year. This was mainly due to a decrease in both short-term loans payable and long-term loans payable. Shareholders' equity—the aggregate of shareholders' capital of ¥746.9 billion and valuation and translation adjustments—totaled ¥650.2 billion, and adding minority interests of ¥42.4 billion to this resulted in total equity of ¥692.6 billion. As a result, the debt-to-equity ratio ended at 1.57.

### Cash Flows

Net cash provided by operating activities during the fiscal second quarter was ¥98.4 billion, reflecting income before income taxes and minority interests of ¥69.2 billion, depreciation and amortization of ¥49.8 billion, and a ¥-13.0 billion decline in notes and accounts payable-trade.

Net cash used in investing activities was ¥-94.8 billion, primarily reflecting expenditure for noncurrent assets, mainly accounted for by investments in vessels.

Net cash used in financing activities was ¥-50.7 billion, due to the repayment of long-term loans payable and other factors. As a result, the balance of cash and cash equivalents stood at ¥230.0 billion at the end of the fiscal second quarter, a decrease of ¥51.5 billion from the beginning of the fiscal year (April 1, 2010), after taking into account the effect of exchange rate changes on cash and cash equivalents.

Trends in cash flow indicators over time are shown in the following table.

	March 31, 2008	March 31, 2009	March 31, 2010	September 30, 2009	September 30, 2010
1 Shareholders' equity ratio (%)	27.9	26.3	30.0	24.8	30.5
2 Shareholders' equity ratio at market price (%)	50.3	22.3	28.4	20.2	27.2
3 Cash flows vs ratio of interest-bearing debt (years)	5.1	7.2	17.4	-	-
4 Interest coverage ratio	8.8	6.6	2.9	-	10.9

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

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

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

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

Notes:

1. All indices are calculated using consolidated figures.

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

3. Cash flow indices are computed by using cash flows from operating activities as reported in the consolidated cash flow statements. Interest-bearing debt consists of all interest-bearing liabilities included in liabilities on the consolidated balance sheet. Interest payments are based on the interest expenses paid in the consolidated statements of cash flows.

4. Interest coverage ratio for the second quarter ended September 30, 2009 is not indicated because cash flow from operating activities was negative.



### (3) Qualitative Information on Consolidated Financial Results Forecasts

#### Revision of Earnings Forecasts

We have revised our forecast for the fiscal year ending March 31, 2011, to revenues of ¥1,930.0 billion, operating income of ¥130.0 billion, recurring profit of ¥120.0 billion, and net income of ¥76.0 billion.

(Billions of yen)

Outlook for the fiscal year ending March 2011	Revenues	Operating income	Recurring profit	Net income
Previous forecast (July 29, 2010)	1,930.0	122.0	115.0	68.0
<b>Revisions</b>	<b>1,930.0</b>	<b>130.0</b>	<b>120.0</b>	<b>76.0</b>
Year ending March 31, 2011				
Change	0.0	8.0	5.0	8.0
Percentage change	0.0%	6.6%	4.3%	11.8%

Assumptions for above forecasts:

Foreign exchange rate: (for the third and fourth quarter) ¥80/US\$, (full year)¥84.85/US\$

Bunker oil price: (for the third and fourth quarter) US\$475/MT, (full year)US\$471.84/MT,

In the Liner Trade segment, North American and European routes expect a decline in cargo movement during the winter months, so we will work to ensure efficient operations by switching to a wintertime vessel deployment pattern. In the Bulk Shipping segment's Dry Bulk Carrier Division, we expect freight rates to remain strong overall, while we anticipate continued adverse freight rate conditions for crude oil tankers, petroleum product tankers, and other vessels in the Tanker Division. In non-shipping operations, we expect restoration of freight rates to facilitate a solid recovery in the Air Cargo Transportation segment. We expect difficult conditions to persist in the Cruise segment, however, due to lagging economic recovery in both U.S. and Europe. Given concern of ongoing yen appreciation and other factors in the fiscal second half, we expect recurring profit to decline by ¥4.9 billion, but because second-quarter recurring profit exceeded our prior forecast by ¥9.8 billion, we have upwardly revised our consolidated full-year forecast by ¥5.0 billion.

#### Revision of Dividends Forecasts

NYK considers the return of profits to its shareholders as one of its most significant management issues. In accordance with our target consolidated dividend payout ratio of 25%, we have decided an interim dividend of ¥6.00 per share due to firm result of 2nd Quarter. And as our business forecast shows constant revenue during 2nd half of fiscal 2010, we now forecast year-end dividend of ¥5.00 per share, which will make forecast of ¥11.00 per share for full year.

	Dividend per share		
	Interim dividend	Year-end dividend	Full year
Previous forecast (announced on July 29, 2010)	5.00 yen	To be determined	To be determined
Revised forecast		5.00 yen	11.00 yen
Actual dividend	6.00 yen		
(Ref.) Year ended March 2010	2.00 yen	2.00 yen	4.00 yen

## 2. Others

**(1) Overview of Changes in Important Subsidiaries** (changes in specific subsidiaries due to changes in the scope of consolidation): None

### **(2) Overview of Simplified Accounting Methods and Particular Accounting Methods**

#### 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 2010 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) Overview of Changes in Accounting Principles, Procedures and Presentation Methods**

#### 1. Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method.”

From the first quarter of this fiscal year, the Company began applying “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ No.16, March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (Practical Issues Task Force No.24, March 10, 2008).

There is no effect on the consolidated financial statements as a result of this change.

#### 2. Application of “Accounting Standard for Asset Retirement Obligations” and others

From the first quarter of this fiscal year, the Company began applying “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No.21, March 31, 2008).

The effect on the consolidated financial statements as a result of this change and the change in asset retirement obligations by the application is minimal.

#### 3. Application of “Accounting Standard for Business Combinations” and others

From the first quarter of this fiscal year, the Company began applying “Accounting Standard for Business Combinations” (ASBJ Statement No.21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, December 26, 2008), the “Partial amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No.23, December 26, 2008), the “Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, December 26, 2008), the “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No.16, December 26, 2008), and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10, December 26, 2008).

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(In million yen)

	As of	As of
	September 30, 2010	March 31, 2010
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	130,216	257,245
Notes and operating accounts receivable-trade	184,963	188,292
Short-term investment securities	104,787	30,983
Inventories	41,791	44,344
Deferred and prepaid expenses	52,814	49,381
Deferred tax assets	16,031	14,755
Other	61,306	71,811
Allowance for doubtful accounts	(3,234)	(3,226)
Total current assets	588,676	653,590
Noncurrent assets		
Vessels, property, plant and equipment		
Vessels, net	704,163	651,501
Buildings and structures, net	77,768	81,075
Aircraft, net	4,475	4,764
Machinery, equipment and vehicles, net	29,402	28,816
Equipment, net	5,729	6,226
Land	62,856	62,578
Construction in progress	259,576	271,659
Other, net	4,331	4,499
Net vessels, property, plant and equipment	1,148,303	1,111,122
Intangible assets		
Leasehold right	3,027	2,570
Software	7,867	9,013
Goodwill	19,924	21,014
Other	3,178	3,227
Total intangible assets	33,997	35,825
Investments and other assets		
Investment securities	247,505	282,459
Long-term loans receivable	15,263	18,594
Deferred tax assets	14,110	16,639
Other	85,860	90,144
Allowance for doubtful accounts	(3,053)	(3,570)
Total investments and other assets	359,686	404,267
Total noncurrent assets	1,541,987	1,551,214
Deferred assets	2,132	2,359
Total assets	2,132,796	2,207,163

(In million yen)

	As of	As of
	September 30, 2010	March 31, 2010
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and operating accounts payable-trade	149,968	164,875
Short-term loans payable	116,126	135,771
Income taxes payable	9,756	8,037
Deferred tax liabilities	900	655
Advances received	45,557	45,226
Provision for bonuses	6,963	7,004
Provision for directors' bonuses	213	285
Provision for losses related to antitrust law	3,681	4,579
Other	82,000	84,101
<b>Total current liabilities</b>	<b>415,169</b>	<b>450,537</b>
<b>Noncurrent liabilities</b>		
Bonds payable	251,094	251,128
Long-term loans payable	647,098	687,718
Deferred tax liabilities	6,423	7,955
Provision for retirement benefits	15,957	16,348
Provision for directors' retirement benefits	1,973	2,462
Provision for periodic dry docking of vessels	19,051	19,434
Provision for losses related to antitrust law	1,728	1,728
Other	81,648	66,456
<b>Total noncurrent liabilities</b>	<b>1,024,975</b>	<b>1,053,232</b>
<b>Total liabilities</b>	<b>1,440,144</b>	<b>1,503,769</b>
<b>Equity</b>		
<b>Shareholders' capital</b>		
Common stock	144,319	144,319
Capital surplus	155,660	155,663
Retained earnings	448,874	408,017
Treasury stock	(1,876)	(1,576)
<b>Total shareholders' capital</b>	<b>746,977</b>	<b>706,424</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	20,409	30,007
Deferred gains (loss) on hedges	(50,827)	(30,155)
Foreign currency translation adjustments	(66,308)	(45,044)
<b>Total valuation and translation adjustments</b>	<b>(96,726)</b>	<b>(45,192)</b>
<b>Minority interests</b>	42,400	42,162
<b>Total equity</b>	<b>692,651</b>	<b>703,394</b>
<b>Total liabilities and equity</b>	<b>2,132,796</b>	<b>2,207,163</b>

**(2) Consolidated Statements of Income**  
**Six months ended September 30, 2010**

(In million yen)

	Six months ended September 30, 2009 (Apr.1 – Sep.30)	Six months ended September 30, 2010 (Apr.1 – Sep.30)
	Amount	Amount
Revenues	794,519	1,010,557
Cost and expenses	732,656	831,204
Gross profit	61,863	179,353
Selling, general and administrative expenses	98,926	93,128
Operating income (loss)	(37,063)	86,225
Non-operating income		
Interest income	1,542	1,106
Dividends income	2,587	2,510
Equity in earning of unconsolidated subsidiaries and affiliates	338	3,512
Other	3,840	3,169
Total non-operating income	8,308	10,298
Non-operating expenses		
Interest expenses	10,010	8,657
Foreign exchange losses	1,752	5,554
Other	3,396	2,442
Total non-operating expenses	15,159	16,654
Recurring profit (loss)	(43,915)	79,869
Extraordinary income		
Gain on sales of noncurrent assets	6,859	6,477
Gain on sales of investment securities	6,415	4,522
Other	2,619	4,084
Total extraordinary income	15,895	15,084
Extraordinary loss		
Loss on sales of noncurrent assets	232	2,339
Provision of allowance for doubtful accounts	2,380	-
Loss on valuation of investment securities	-	12,123
Loss on cancellation of chartered vessels	-	7,525
Other	2,873	3,703
Total extraordinary loss	5,487	25,692
Income (loss) before income taxes and minority interests	(33,507)	69,261
Income taxes	(5,105)	22,867
Income before minority interests	-	46,394
Minority interests in net income	951	2,019
Net income (loss)	(29,353)	44,374

### Three months ended September 30, 2010

(In million yen)

	Three months ended September 30, 2009 (Jul.1 – Sep.30)	Three months ended September 30, 2010 (Jul.1 – Sep.30)
	Amount	Amount
Revenues	414,453	505,778
Cost and expenses	376,119	414,275
Gross profit	38,334	91,502
Selling, general and administrative expenses	49,874	45,339
Operating income (loss)	(11,540)	46,163
Non-operating income		
Interest income	558	530
Dividends income	521	821
Equity in earning of unconsolidated subsidiaries and affiliates	330	1,667
Other	2,295	1,968
Total non-operating income	3,705	4,988
Non-operating expenses		
Interest expenses	5,063	4,318
Foreign exchange losses	1,222	3,472
Other	2,717	1,611
Total non-operating expenses	9,002	9,402
Recurring profit (loss)	(16,837)	41,749
Extraordinary income		
Gain on sales of noncurrent assets	2,427	1,412
Gain on sales of investment securities	1,573	2,184
Other	1,208	2,064
Total extraordinary income	5,209	5,661
Extraordinary loss		
Loss on sales of noncurrent assets	13	2,329
Provision of allowance for doubtful accounts	322	-
Loss on valuation of investment securities	-	12,033
Other	840	1,733
Total extraordinary loss	1,176	16,096
Income (loss) before income taxes and minority interests	(12,803)	31,314
Income taxes	(3,246)	8,966
Income before minority interests	-	22,347
Minority interests in net income	876	968
Net income (loss)	(10,434)	21,379

### (3) Consolidated Statements of Cash Flows

(In million yen)

	Six months ended	Six months ended
	September 30, 2009	September 30, 2010
	Amount	Amount
<b>Net cash provided by (used in) operating activities:</b>		
Income (loss) before income taxes and minority interests	(33,507)	69,261
Depreciation and amortization	48,053	49,838
Impairment loss	145	1,437
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(6,503)	(3,492)
Loss (gain) on sales of short-term and long-term investment securities	(6,432)	(4,575)
Loss (gain) on valuation of short-term and long-term investment securities	238	12,123
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(338)	(3,512)
Interest and dividends income	(4,129)	(3,616)
Interest expenses	10,010	8,657
Foreign exchange losses (gains)	(93)	453
Decrease (increase) in notes and accounts receivable-trade	9,890	35
Decrease (increase) in inventories	(9,645)	2,137
Increase (decrease) in notes and accounts payable-trade	(8,248)	(13,035)
Other, net	(8,016)	(8,181)
Subtotal	(8,576)	107,531
Interest and dividends income received	6,510	5,611
Interest expenses paid	(11,793)	(9,012)
Income taxes (paid) refund	11,806	(5,712)
Net cash provided by (used in) operating activities	(2,052)	98,416
<b>Net cash provided by (used in) investing activities:</b>		
Purchase of short-term investment securities	(1,305)	(34)
Proceeds from sales of short-term investment securities	1,345	327
Purchase of vessels, property, plant and equipment and intangible assets	(103,716)	(136,001)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	87,382	28,249
Purchase of investment securities	(7,607)	(1,929)
Proceeds from sales of investment securities	15,750	7,479
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	(5,617)	(870)
Collection of loans receivable	3,650	3,445
Other, net	(6,405)	4,441
Net cash provided by (used in) investing activities	(6,760)	(94,893)
<b>Net cash provided by (used in) financing activities:</b>		
Net increase (decrease) in short-term loans payable	(90,437)	(16,835)
Increase (decrease) in commercial paper	(4,000)	-
Proceeds from long-term loans payable	128,235	64,867
Repayment of long-term loans payable	(47,720)	(93,948)
Proceeds from issuance of bonds	59,787	-
Purchase of treasury stock	(34)	(309)
Proceeds from sales of treasury stock	14	6
Cash dividends paid to shareholders	(2,455)	(3,395)
Cash dividends paid to minority shareholders	(440)	(486)
Other, net	(1,973)	(670)
Net cash provided by (used in) financing activities	40,975	(50,773)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(3,828)	(6,762)
<b>Net increase (decrease) in cash and cash equivalents</b>	28,333	(54,012)
<b>Cash and cash equivalents at beginning of period</b>	126,768	281,660
<b>Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	4,663	460
<b>Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries</b>	-	226
<b>Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries</b>	(63)	1,737
<b>Cash and cash equivalents at end of period</b>	159,702	230,072

#### (4) Notes Regarding Going Concern Assumption

The second quarter of this fiscal year (April 1, 2010 – September 30, 2010)

Not applicable

#### (5) Segment Information

[Segment information by business]

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 Transportation	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, 2009 (April 1, 2009 – September 30, 2009)

(In million yen)

	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transportation	Real Estate	Other	Total	Elimination or Corporate	Consolidated Total
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.

[Segment Information]

(Additional Information)

From the first quarter of this fiscal year, Group began applying the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No.17 of March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Guidance No.20 of March 21, 2008).

#### 1. Outline of reportable segments

The Group's reportable segments are the business units for which the Company is able to obtain respective financial information separately in order for the management to conduct periodic investigation to distribute management resources and evaluate their business results.

The Group sets up a business as a comprehensive global-logistics enterprise offering ocean, land, and air transportation. Its



reportable segments comprise of eight segments; Liner Trade and Bulk Shipping as core businesses, Logistics, Terminal and Harbor Transport, Cruise, Air Cargo Transportation, Real Estate and Other business. Major operation and services in each reportable segment is as follows:

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

## 2. Information on revenues and income (loss) by reportable segments

Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010)

(In million yen)

	Reportable Segments								Total	Adjustment (*1)	Consolidated Statements of Income (*2)
	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transportation	Real Estate	Other			
Revenues											
(1) Revenues from customer	248,772	411,969	201,878	47,225	20,200	40,782	4,883	34,844	1,010,557	-	1,010,557
(2) Inter-segment revenues	1,955	2,939	573	15,560	-	4,980	999	42,083	69,092	(69,092)	-
Total	250,728	414,909	202,451	62,786	20,200	45,763	5,882	76,927	1,079,650	(69,092)	1,010,557
Segment income (loss)	26,196	39,439	4,441	3,976	(285)	4,098	2,481	(488)	79,861	8	79,869

Note: 1. Adjustment of segment income (loss) refers to elimination of intersegment transactions.

2. Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statements of income.

Three months ended September 30, 2010 (July 1, 2010 – September 30, 2010)

(In million yen)

	Reportable Segments								Total	Adjustment (*1)	Consolidated Statements of Income (*2)
	Liner Trade	Bulk Shipping	Logistics	Terminal and Harbor Transport	Cruise	Air Cargo Transportation	Real Estate	Other			
Revenues											
(1) Revenues from customer	126,667	203,800	100,675	24,225	11,123	20,057	2,386	16,840	505,778	-	505,778
(2) Inter-segment revenues	922	1,194	305	7,895	-	2,509	570	20,490	33,888	(33,888)	-
Total	127,590	204,995	100,980	32,121	11,123	22,567	2,957	37,330	539,666	(33,888)	505,778
Segment income (loss)	15,871	17,008	2,412	2,293	1,087	2,131	1,231	(290)	41,745	3	41,749

Note: 1. Adjustment of segment income (loss) refers to elimination of intersegment transactions.

2. Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statements of income.

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

The second quarter of this fiscal year (April 1, 2010 – September 30, 2010)

Not applicable

## 4. Supplementary Information

### (1) Quarterly Operating Results

Year ended March 31, 2011

(In 100 million yen)

	Apr 1, 2010 – Jun 30, 2010	Jul 1, 2010– Sep 30, 2010	Oct 1, 2010 – Dec 31, 2010	Jan 1, 2011 – Mar 31, 2011
	1Q	2Q	3Q	4Q
Revenues	5,047	5,057		
Operating income	400	461		
Recurring profit	381	417		
Net income for the quarter	229	213		
Net income per share for the quarter	13.54	12.60		
Net income per share for the quarter – fully diluted	-	-		
Total assets	21,877	21,327		
Equity	6,839	6,926		
Equity per share	378.15	383.18		

Year ended March 31, 2010

(In 100 million yen)

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

- 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. Net income per share-fully diluted for the 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. Net income per share-fully diluted for the third and fourth quarter period in the fiscal year ended March 31, 2010, and the first and second quarter period in the fiscal year ended March 31, 2011 are not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

### (2) Foreign Exchange Rate Information

	Six months ended September 30, 2010	Six months ended September 30, 2009	Change	Year ended March 31, 2010
Average exchange rate during the period	¥89.69 /US\$	¥96.12 /US\$	Yen up ¥6.43	¥93.04/US\$
Exchange rate at the end of the period	¥83.82 /US\$	¥90.21 /US\$	Yen up ¥6.39	¥93.04/US\$

**(3) Bunker Oil Prices Information**

	Six months ended September 30, 2010	Six months ended September 30, 2009	Change	Year ended March 31, 2010
Average bunker oil prices	US\$468.67/MT	US\$333.56/MT	Price up US\$135.11	US\$393.83/MT

**(4) Balance of Interest-Bearing Debt**

(In 100 million yen)

	As of September 30, 2010	As of March 31, 2010	Change	As of September 30, 2009
Loans	7,632	8,234	-602	8,447
Corporate bonds	2,510	2,511	-0	2,711
Leases	65	72	-7	88
Total	10,208	10,818	-610	11,246