

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

July 29, 2010

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code: 9101
 Listings: The First Section of Tokyo, Osaka and Nagoya Stock Exchanges
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 Start scheduled date of paying Dividends -
 Preparation of Quarterly Supplementary Explanation Material: Yes
 Quarterly Financial Results Presentation Held: Yes

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2010 (April 1, 2010 to June 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 | % |
| Three months ended June 30, 2010 | 504,779 | 32.8 | 40,061 | - | 38,119 | - | 22,994 | - |
| Three month ended June 30, 2009 | 380,065 | -44.1 | (25,522) | - | (27,077) | - | (18,919) | - |

| | Net income per share | Net income per share – fully diluted |
|-------------------------------------|----------------------|--------------------------------------|
| | yen | yen |
| Three months ended June 30, 2010 | 13.54 | - |
| Three month ended June 30, 2009 | (15.41) | - |

Note: Net income per share-fully diluted for the first quarter period ended June 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 first quarter period ended June 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 June 30, 2010 | 2,187,711 | 683,979 | 29.3 | 378.15 |
| As of March 31, 2010 | 2,207,163 | 703,394 | 30.0 | 389.46 |

(Reference) Shareholders' equity:

As of June 30, 2010: ¥642,018 million

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

2. Dividends

| Date of record | Dividend per share | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|----------|-------|
| | 1 st Quarter End | 2 nd Quarter End | 3 rd 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 | - | | | | |
| Year ending March 31, 2011 (Forecast) | | 5.00 | - | - | - |

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

Dividend forecast for year-end have yet to be determined at the current moment.

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 |
| Cumulative second quarter ending September 30, 2010 | 990,000 | 24.6 | 73,000 | - | 70,000 | - | 36,000 | - | 21.20 |
| Year ending March 31, 2011 | 1,930,000 | 13.7 | 122,000 | - | 115,000 | - | 68,000 | - | 40.05 |

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 second quarter) ¥87/US\$, (for the third and fourth quarter) ¥85/US\$, (full year) ¥87.45/US\$

Bunker oil price: (for the second, third and fourth quarter) US\$475/MT, (full year) US\$475.02/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 June 30, 2010 | 1,700,550,988 shares | As of March 31, 2010 | 1,700,550,988 shares |
| 2. Number of treasury stock | As of June 30, 2010 | 2,740,626 shares | As of March 31, 2010 | 2,726,440 shares |
| 3. Average number of shares (cumulative quarterly period) | Three months ended June 30, 2010 | 1,697,817,835 shares | Three months ended June 30, 2009 | 1,227,795,873 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.

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 | 5 |
| | |
| 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 |
| (3) Consolidated Statements of Cash Flows | 11 |
| (4) Notes Regarding Going Concern Assumption | 12 |
| (5) Segment Information | 12 |
| (6) Notes in the Event of Significant Changes in Shareholders' Capital | 13 |
| | |
| 4. Supplementary Information | 14 |
| (1) Quarterly Operating Results | 14 |
| (2) Foreign Exchange Rate Information | 14 |
| (3) Bunker Oil Prices Information | 15 |
| (4) Balance of Interest-Bearing Debt | 15 |

1. Qualitative Information on Quarterly Results

(1) Qualitative Information on Consolidated Operating Results

For the fiscal first quarter (April 1, 2010—June 30, 2010), NYK Line posted consolidated revenues of ¥504.7 billion, compared with ¥380.0 for the same period last year, operating income of ¥40.0 billion, compared with operating loss of ¥25.5 billion, for the same period last year, recurring profit of ¥38.1 billion, compared with recurring loss of ¥27.0 billion for the same period last year, and net income of ¥22.9 billion, compared with net loss of ¥18.9 billion for the same period last year.

Overview

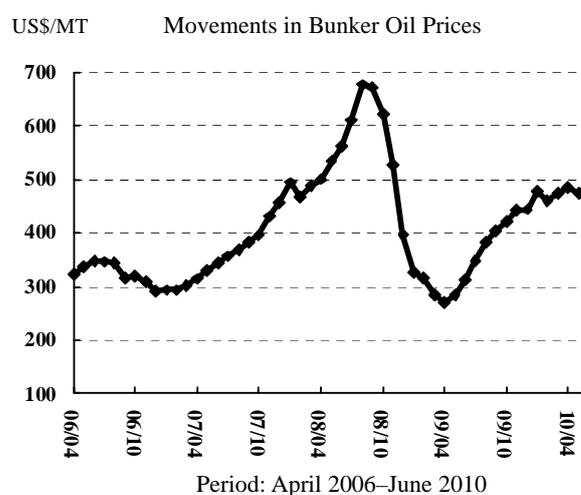
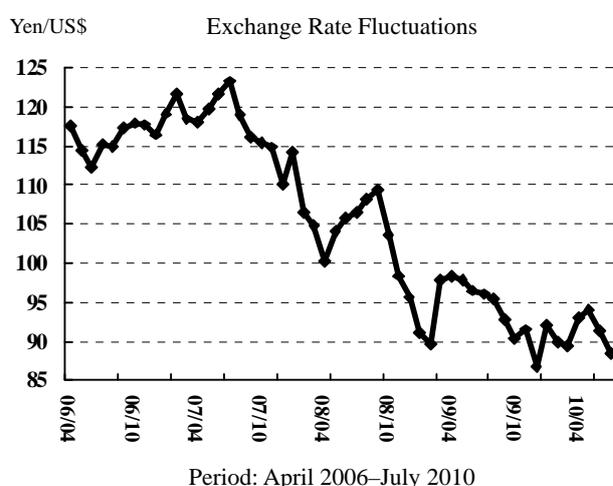
In the fiscal first quarter (April 1, 2010 – June 30, 2010), the global economy continued to recover and demand grew by more than expected in response market expansions in emerging economies, such as China. The operating environment facing shipping operators also appears headed toward a full recovery. Consolidated revenues increased ¥124.7 billion, or 32.8%, versus the year-ago first quarter. Revenues from shipping segment, comprising both the Liner Trade and Bulk Shipping segments, increased markedly as containerized cargo movement recovered, container freight rates picked up, dry bulk market recovered, and cargo volumes in the Car Carrier Division increased. Cargo volumes increased in the Logistics, Terminal and Harbor Transport, and Air Cargo Transportation segments also. 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 and other factors. These efforts limited the increase in cost and expenses versus the year-ago first quarter to ¥60.3 billion, or 16.9%. By reducing selling, general and administrative expenses also, operating income climbed ¥65.5 billion year on year, and the ratio of operating income to revenues rose 14.7 percentage points from -6.7% in the year-ago first quarter to 7.9%. As a result, recurring profit rose by ¥65.1 billion and net income rose by ¥41.9 billion year on year, both significant increases.

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

| | Three months ended June 30, 2010 | Three months ended June 30, 2009 | Change | Impact |
|--------------------------|-------------------------------------|-------------------------------------|------------------------|----------------|
| Average exchange rate | ¥92.81/US\$ | ¥97.50/US\$ | Yen up ¥4.69 | ¥ -2.6 billion |
| Average bunker oil price | US\$475.08/MT | US\$288.72/MT | Price up US\$186.36 | ¥ -9.3 billion |

Notes:

1. A ¥1 change in the exchange rate against the dollar has an annualized impact of approximately ¥2.2 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.



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

Segment Information

(In billion yen)

| | Revenues | | | | Operating income | | | Recurring profit | | |
|----------------------------------|--------------|--------------|--------|----------------------|------------------|--------------|--------|------------------|--------------|--------|
| | FY2009 1Q | FY2010 1Q | Change | Percentage change | FY2009 1Q | FY2010 1Q | Change | FY2009 1Q | FY2010 1Q | Change |
| Liner Trade | 88.1 | 123.1 | 34.9 | 39.7% | (18.4) | 11.7 | 30.2 | (18.6) | 10.3 | 28.9 |
| Bulk Shipping | 157.0 | 209.9 | 52.8 | 33.7% | 1.0 | 23.4 | 22.4 | (1.5) | 22.4 | 23.9 |
| Logistics | 77.8 | 101.4 | 23.6 | 30.4% | (1.4) | 1.8 | 3.2 | (1.5) | 2.0 | 3.5 |
| Terminal and Harbor Transport | 27.7 | 30.6 | 2.9 | 10.7% | 0.1 | 1.6 | 1.4 | 0.2 | 1.6 | 1.4 |
| Cruises | 9.4 | 9.0 | -0.3 | -3.8% | (0.5) | (1.3) | -0.7 | (0.6) | (1.3) | -0.7 |
| Air Cargo Transportation | 12.0 | 23.1 | 11.1 | 92.4% | (6.4) | 2.0 | 8.5 | (6.5) | 1.9 | 8.4 |
| Real Estate | 2.7 | 2.9 | 0.1 | 4.7% | 0.8 | 0.9 | 0.0 | 1.2 | 1.2 | -0.0 |
| Other | 34.8 | 39.5 | 4.7 | 13.8% | (0.6) | (0.2) | 0.3 | 0.2 | (0.1) | -0.4 |

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

As the market recovery, ongoing since last fiscal year, grew more pronounced, cargo movement on all routes, particularly North American routes and European routes, grew substantially year on year. We also restored freight rates as supply-demand fundamentals improved, which substantially boosted our average freight rates, and revenues increased year on year as a result. Although costs were up owing to higher bunker oil prices, the Liner Trade operated vessels at reduced speeds and successfully reduced costs through various means, resulting in a substantial improvement in performance versus the year-ago first quarter.

Bulk Shipping

Car Carrier Division

In response to a recovery in cargo movement, the Car Carrier Division's unit transport volume increased by 70% from its year-ago level in the fiscal first quarter. In the fiscal first quarter, the division enhanced fleet quality by commissioning six new car carriers into service and scrapping or selling six car carriers. It also continued to cut vessel operating costs through fuel conservation and other means.

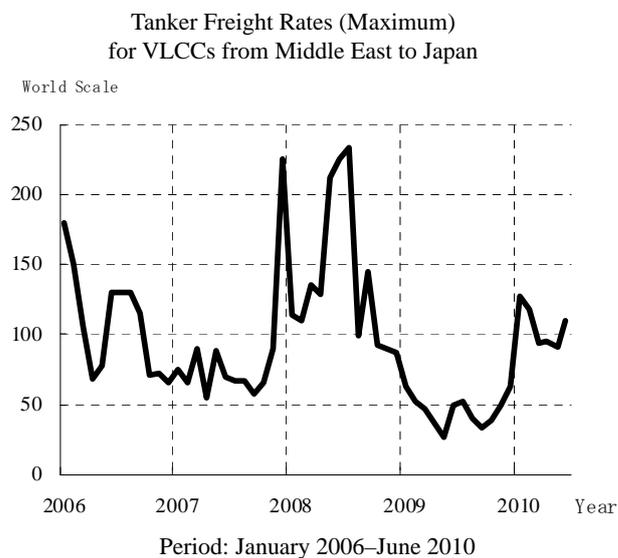
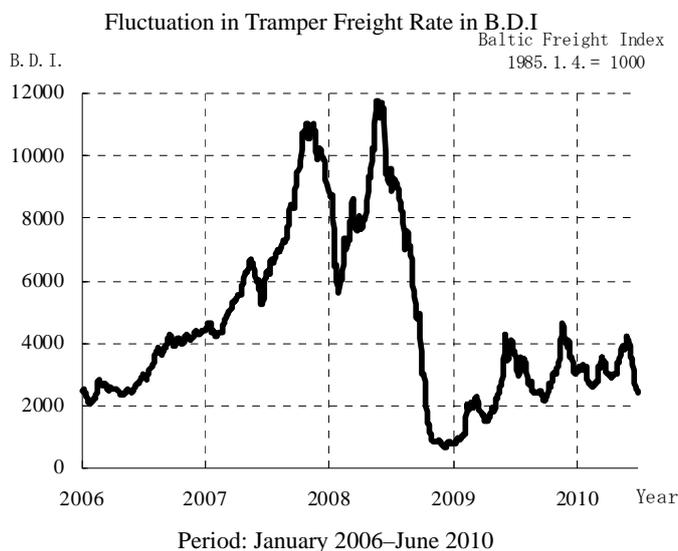
Dry Bulk Carrier Division

Demand for steel and energy remained firm, mainly in emerging economies, and South American grain shipments entered their peak, but China's iron ore imports, a strong market impetus, entered a downturn in response to iron ore price hikes by resource majors in Australia and Brazil and slowing steel demand in China. Meanwhile, the effect on tonnage supply-demand fundamentals was limited, owing to newbuild order cancellations and postponement of newbuild delivery dates. Freight rates, mainly for Capesize vessels, dropped sharply from June and entered a correction, but rates for Panamax and smaller vessels buoyed the market average during the fiscal first quarter, and the Dry Bulk Carrier Division's earnings were up year on year as a result.

Tanker Division

Petroleum demand increased in emerging market economies such as China but remained weak in

developed countries. Seaborne cargo volumes of both crude oil and petroleum products were generally sluggish, depressed by high inventory levels. Despite the scrapping and retrofitting of single-hull tankers and use of vessels for floating storage, tonnage overcapacity was not fully alleviated. Tanker freight rates, World Scale, exceeded their year-ago levels, reaching 100 in early June as the use of VLCCs for floating storage in Iran and other factors put a squeeze on tonnage supply. Freight rates for petrochemical tankers also rebounded temporarily in May in response to rising naphtha demand in Asia. The Tanker Division's earnings were up year on year as a result.



Logistics

NYK Logistics endeavored to further improve operating efficiency and cut costs, and although it failed to turn a profit in Europe, the U.S. and elsewhere, it increased earnings in Asia, where economic recovery is ongoing. Overall, NYK Logistics' earnings were up year on year in almost all regions. Yusen Air & Sea Service Co., Ltd. suffered from a decline in margins, but its earnings increased year on year on the back of a recovery in demand for air cargo transport. 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 the recovery in containerized cargo movement, 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 failed to grow, reflecting the impact of the economic slump throughout its around-the-world cruise sales period. In the North American market, Crystal Cruises' proactive sales promotion strategy successfully boosted revenues year on year, but bunker oil and other expenses increased. As a result, a year-on-year earnings declined in the Cruises segment overall.

Air Cargo Transportation

Nippon Cargo Airlines Co., Ltd. actively sought to benefit from recovering cargo movement and endeavored to substantially revise and reduce costs, including fixed expenses. This produced a marked increase in earnings versus the year-ago first quarter, when it was suffering from depressed capacity utilization amid a slump in freight rates and cargo movement.

Real Estate and Other Business Services

The real estate business achieved results on par with the year-ago first quarter by maintaining high occupancy rates at its main office building properties. In Other Business Services, the trading business's revenues increased on the back of increases in bunker oil prices, and the manufacturing and processing business' earnings also increased year on year from price increases.

(2) Qualitative Information on Consolidated Financial Position

Assets, Liabilities, and Equity

Consolidated assets totaled ¥2,187.7 billion at the end of fiscal first quarter (June 30, 2010), a decrease of ¥19.4 billion compared with the end of the previous fiscal year (March 31, 2010). This mainly reflects a decrease in current assets of ¥16.3 billion due to a decrease in cash and deposits while short-term investment securities increased. Consolidated liabilities totaled ¥1,503.7 billion, around the same level as at the end of the previous fiscal year. Shareholders' equity—the aggregate of shareholders' capital and valuation and translation adjustments—totaled ¥642.0 billion, and adding minority interests of ¥41.9 billion to this resulted in total equity of ¥683.9 billion. As a result, the debt-equity ratio finished at 1.67.

Cash Flows

Net cash provided by operating activities for the three month period was ¥33.5 billion, reflecting quarterly net income before income taxes and minority interests of ¥37.9 billion as well as depreciation and amortization of ¥24.8 billion, and ¥-8.1 billion in income taxes paid. Net cash used in investing activities was ¥-49.7 billion, primarily reflecting increased expenditure for noncurrent assets, mainly accounted for by investments in vessels. Net cash used in financing activities was ¥-6.2 billion, due to cash dividends paid to shareholders. As a result, the balance of cash and cash equivalents stood at ¥256.6 billion at the end of the first quarter, a decrease of ¥25.0 billion compared with the beginning of the fiscal year (April 1, 2010), 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, 2008 | March 31, 2009 | March 31, 2010 | June 30, 2009 | June 30, 2010 |
|--|----------------|----------------|----------------|---------------|---------------|
| 1 Shareholders' equity ratio (%) | 27.9 | 26.3 | 30.0 | 26.3 | 29.3 |
| 2 Shareholders' equity ratio at market price (%) | 50.3 | 22.3 | 28.4 | 24.2 | 25.4 |
| 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 | - | 7.3 |

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. 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 first quarter ended June 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 up our performance forecast for the fiscal year ending March 31, 2011, to revenues of ¥1,930.0 billion, operating income of ¥122.0 billion, recurring profit of ¥115.0 billion, and net income of ¥68.0 billion.

(Billions of yen)

| Outlook for the fiscal year ending March 2011 | | Revenues | Operating income | Recurring profit | Net income |
|---|-------------------|----------------|------------------|------------------|-------------|
| Cumulative second quarter ending September 30, 2010 | Initial forecast | 940.0 | 37.0 | 34.0 | 15.0 |
| | Revisions | 990.0 | 73.0 | 70.0 | 36.0 |
| | Change | 50.0 | 36.0 | 36.0 | 21.0 |
| | Percentage change | 5.3% | 97.3% | 105.9% | 140.0% |
| Year ending March 31, 2011 | Initial forecast | 1,900.0 | 74.0 | 65.0 | 35.0 |
| | Revisions | 1,930.0 | 122.0 | 115.0 | 68.0 |
| | Change | 30.0 | 48.0 | 50.0 | 33.0 |
| | Percentage change | 1.6% | 64.9% | 76.9% | 94.3% |

Assumptions for above forecasts:

Foreign exchange rate: (for the second quarter) ¥87/US\$, (for the third and fourth quarter) ¥85/US\$, (full year) ¥87.45/US\$

Bunker oil price: (for the second, third and fourth quarter) US\$475/MT, (full year) US\$475.02/MT

In the Liner Trade, cargo movement remains firm on North American and European routes, and restoration of freight rates progressed better-than-expected. The Bulk Shipping segment's Dry Bulk Carrier Division is currently seeing a decline in iron ore shipments to China and a downturn in freight rates mainly for Capesize vessels, but freight rates remain firm for Panamax, Handy and other small to medium ship types. We expect the Car Carrier Division's unit transport volume to slightly exceed initial expectations.

The Air Cargo Transportation segment is steadily capturing demand for air cargo transport, which is currently in a recovery trend. In the Logistics segment, demand is recovering mainly in China and elsewhere in Asia. The Terminal and Harbor Transport segment is enjoying strong levels of containerized cargo movement. We anticipate increases in transport volume for both of these segments.

While the global economy remains in a recovery trend, the economic slowdown of Europe and the U.S. by the European financial crisis, economic trend of China, and ongoing yen appreciation is concerned. Given these sources of uncertainty, we remain cautious about our fiscal-second-half earnings forecast. In light of the above, we have upwardly revised our consolidated performance forecasts for the cumulative second quarter and the full fiscal year.

Revision of Dividends Forecasts

NYK considers returning profits to shareholders one of its highest priorities. We have revised our interim dividend forecast upward in light of significant upward revisions to our earnings forecast. We now forecast an interim dividend of ¥5 per share in accord with our target consolidated dividend payout ratio of 25%. In view of a murky fiscal-second-half outlook, we have yet to set a year-end dividend forecast. We will monitor our operating environment and earnings performance and announce our forecast as soon as it is decided.

| (Date of Record) | Dividend per share | | | | |
|---|-------------------------|-------------------------|-------------------------|------------------|------------------|
| | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | Year-end | Full year |
| Previous forecast (Apr. 27, 2010) | - | ¥2.50 | - | ¥2.50 | ¥5.00 |
| Revised forecast | / | ¥5.00 | - | To be determined | To be determined |
| Actual result of year ending March 2011 | - | / | / | / | / |
| (Ref.) Year ended March 2010 | - | ¥2.00 | - | ¥2.00 | ¥4.00 |

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 first 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 June 30, 2010 | As of March 31, 2010 |
|---|---------------------|----------------------|
| | Amount | Amount |
| Assets | | |
| Current assets | | |
| Cash and deposits | 162,374 | 257,245 |
| Notes and operating accounts receivable-trade | 192,701 | 188,292 |
| Short-term investment securities | 100,787 | 30,983 |
| Inventories | 44,482 | 44,344 |
| Deferred and prepaid expenses | 54,375 | 49,381 |
| Deferred tax assets | 18,564 | 14,755 |
| Other | 67,070 | 71,811 |
| Allowance for doubtful accounts | (3,164) | (3,226) |
| Total current assets | 637,192 | 653,590 |
| Noncurrent assets | | |
| Vessels, property, plant and equipment | | |
| Vessels, net | 686,214 | 651,501 |
| Buildings and structures, net | 78,152 | 81,075 |
| Aircraft, net | 4,549 | 4,764 |
| Machinery, equipment and vehicles, net | 30,379 | 28,816 |
| Equipment, net | 5,943 | 6,226 |
| Land | 62,959 | 62,578 |
| Construction in progress | 266,021 | 271,659 |
| Other, net | 4,383 | 4,499 |
| Net vessels, property, plant and equipment | 1,138,604 | 1,111,122 |
| Intangible assets | | |
| Leasehold right | 2,630 | 2,570 |
| Software | 8,606 | 9,013 |
| Goodwill | 20,456 | 21,014 |
| Other | 3,091 | 3,227 |
| Total intangible assets | 34,785 | 35,825 |
| Investments and other assets | | |
| Investment securities | 258,292 | 282,459 |
| Long-term loans receivable | 17,119 | 18,594 |
| Deferred tax assets | 14,397 | 16,639 |
| Other | 88,296 | 90,144 |
| Allowance for doubtful accounts | (3,220) | (3,570) |
| Total investments and other assets | 374,885 | 404,267 |
| Total noncurrent assets | 1,548,275 | 1,551,214 |
| Deferred assets | 2,243 | 2,359 |
| Total assets | 2,187,711 | 2,207,163 |

(In million yen)

| | As of June 30, 2010 | As of March 31, 2010 |
|---|---------------------|----------------------|
| | Amount | Amount |
| Liabilities | | |
| Current liabilities | | |
| Notes and operating accounts payable-trade | 155,667 | 164,875 |
| Short-term loans payable | 129,781 | 135,771 |
| Income taxes payable | 6,398 | 8,037 |
| Deferred tax liabilities | 649 | 655 |
| Advances received | 49,409 | 45,226 |
| Provision for bonuses | 7,272 | 7,004 |
| Provision for directors' bonuses | 130 | 285 |
| Provision for losses related to antitrust law | 3,939 | 4,579 |
| Other | 91,292 | 84,101 |
| Total current liabilities | 444,542 | 450,537 |
| Noncurrent liabilities | | |
| Bonds payable | 251,111 | 251,128 |
| Long-term loans payable | 684,491 | 687,718 |
| Deferred tax liabilities | 7,172 | 7,955 |
| Provision for retirement benefits | 16,359 | 16,348 |
| Provision for directors' retirement benefits | 2,023 | 2,462 |
| Provision for periodic dry docking of vessels | 19,880 | 19,434 |
| Provision for losses related to antitrust law | 1,728 | 1,728 |
| Other | 76,422 | 66,456 |
| Total noncurrent liabilities | 1,059,189 | 1,053,232 |
| Total liabilities | 1,503,732 | 1,503,769 |
| Equity | | |
| Shareholders' capital | | |
| Common stock | 144,319 | 144,319 |
| Capital surplus | 155,662 | 155,663 |
| Retained earnings | 427,490 | 408,017 |
| Treasury stock | (1,579) | (1,576) |
| Total shareholders' capital | 725,892 | 706,424 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 18,651 | 30,007 |
| Deferred gains (loss) on hedges | (42,085) | (30,155) |
| Foreign currency translation adjustments | (60,439) | (45,044) |
| Total valuation and translation adjustments | (83,874) | (45,192) |
| Minority interests | 41,960 | 42,162 |
| Total equity | 683,979 | 703,394 |
| Total liabilities and equity | 2,187,711 | 2,207,163 |

(2) Consolidated Statements of Income

(In million yen)

| | Three months ended | Three months ended |
|---|--------------------|--------------------|
| | June 30, 2009 | June 30, 2010 |
| | Amount | Amount |
| Revenues | 380,065 | 504,779 |
| Cost and expenses | 356,536 | 416,928 |
| Gross profit | 23,528 | 87,850 |
| Selling, general and administrative expenses | 49,051 | 47,788 |
| Operating income (loss) | (25,522) | 40,061 |
| Non-operating income | | |
| Interest income | 983 | 575 |
| Dividends income | 2,065 | 1,688 |
| Equity in earning of unconsolidated subsidiaries and affiliates | 8 | 1,844 |
| Other | 1,545 | 1,201 |
| Total non-operating income | 4,602 | 5,309 |
| Non-operating expenses | | |
| Interest expenses | 4,947 | 4,338 |
| Foreign exchange losses | 530 | 2,081 |
| Other | 679 | 831 |
| Total non-operating expenses | 6,157 | 7,251 |
| Recurring profit (loss) | (27,077) | 38,119 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 4,432 | 5,064 |
| Gain on sales of investment securities | 4,842 | 2,338 |
| Other | 1,410 | 2,019 |
| Total extraordinary income | 10,685 | 9,423 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 219 | 10 |
| Provision of allowance for doubtful accounts | 2,057 | - |
| Loss on cancellation of chartered vessels | - | 7,356 |
| Other | 2,033 | 2,229 |
| Total extraordinary loss | 4,311 | 9,596 |
| Income (loss) before income taxes and minority interests | (20,703) | 37,946 |
| Income taxes | (1,858) | 13,900 |
| Income before minority interests | - | 24,046 |
| Minority interests in net income | 74 | 1,051 |
| Net income (loss) | (18,919) | 22,994 |

(3) Consolidated Statements of Cash Flows

(In million yen)

| | Three months ended | Three months ended |
|--|--------------------|--------------------|
| | June 30, 2009 | June 30, 2010 |
| | Amount | Amount |
| Net cash provided by (used in) operating activities: | | |
| Income (loss) before income taxes and minority interests | (20,703) | 37,946 |
| Depreciation and amortization | 23,899 | 24,848 |
| Impairment loss | 137 | - |
| Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets | (4,193) | (4,502) |
| Loss (gain) on sales of short-term and long-term investment securities | (4,842) | (2,348) |
| Loss (gain) on valuation of short-term and long-term investment securities | 2 | 89 |
| Equity in (earnings) losses of unconsolidated subsidiaries and affiliates | (8) | (1,844) |
| Interest and dividends income | (3,049) | (2,264) |
| Interest expenses | 4,947 | 4,338 |
| Foreign exchange losses (gains) | 2,512 | 856 |
| Decrease (increase) in notes and accounts receivable-trade | 17,531 | (6,852) |
| Decrease (increase) in inventories | (7,051) | (287) |
| Increase (decrease) in notes and accounts payable-trade | (7,607) | (8,500) |
| Other, net | (6,251) | 1,199 |
| Subtotal | (4,674) | 42,679 |
| Interest and dividends income received | 5,008 | 3,592 |
| Interest expenses paid | (6,680) | (4,578) |
| Income taxes (paid) refund | (13,155) | (8,142) |
| Net cash provided by (used in) operating activities | (19,500) | 33,550 |
| Net cash provided by (used in) investing activities: | | |
| Purchase of short-term investment securities | (398) | (35) |
| Proceeds from sales of short-term investment securities | 862 | 329 |
| Purchase of vessels, property, plant and equipment and intangible assets | (54,885) | (72,738) |
| Proceeds from sales of vessels, property, plant and equipment and intangible assets | 55,084 | 17,787 |
| Purchase of investment securities | (3,898) | (1,343) |
| Proceeds from sales of investment securities | 12,285 | 3,805 |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | (3,225) | - |
| Payments of loans receivable | (3,065) | (468) |
| Collection of loans receivable | 1,586 | 2,196 |
| Other, net | 4,545 | 740 |
| Net cash provided by (used in) investing activities | 8,889 | (49,727) |
| Net cash provided by (used in) financing activities: | | |
| Net increase (decrease) in short-term loans payable | (20,967) | (3,107) |
| Increase (decrease) in commercial paper | 28,000 | - |
| Proceeds from long-term loans payable | 35,333 | 25,366 |
| Repayment of long-term loans payable | (25,466) | (24,466) |
| Purchase of treasury stock | (19) | (7) |
| Proceeds from sales of treasury stock | 8 | 2 |
| Cash dividends paid to shareholders | (2,455) | (3,395) |
| Cash dividends paid to minority shareholders | (366) | (415) |
| Other, net | (305) | (236) |
| Net cash provided by (used in) financing activities | 13,759 | (6,260) |
| Effect of exchange rate change on cash and cash equivalents | (700) | (5,026) |
| Net increase (decrease) in cash and cash equivalents | 2,447 | (27,464) |
| Cash and cash equivalents at beginning of period | 126,768 | 281,660 |
| Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | 4,635 | 460 |
| Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries | - | 207 |
| Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries | (63) | 1,737 |
| Cash and cash equivalents at end of period | 133,787 | 256,602 |

(4) Notes Regarding Going Concern Assumption

The first quarter of this fiscal year (April 1, 2010 – June 30, 2010)

Not applicable

(5) Segment Information

[Segment information by business]

Three months ended June 30, 2009 (April 1, 2009 – June 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 | 86,855 | 155,167 | 77,548 | 22,164 | 9,440 | 10,821 | 2,288 | 15,778 | 380,065 | - | 380,065 |
| (2) Inter-segment revenues | 1,308 | 1,877 | 277 | 5,539 | - | 1,237 | 505 | 19,028 | 29,775 | (29,775) | - |
| Total | 88,164 | 157,045 | 77,826 | 27,704 | 9,440 | 12,059 | 2,794 | 34,807 | 409,841 | (29,775) | 380,065 |
| Operating income (loss) | (18,485) | 1,028 | (1,474) | 199 | (550) | (6,479) | 880 | (645) | (25,526) | 3 | (25,522) |
| Recurring profit (loss) | (18,619) | (1,525) | (1,540) | 222 | (656) | (6,523) | 1,299 | 262 | (27,081) | 3 | (27,077) |

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 ShippingOcean/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 EstateRental, 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

Three months ended June 30, 2010 (April 1, 2010 – June 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 | 122,105 | 208,168 | 101,202 | 22,999 | 9,077 | 20,724 | 2,496 | 18,003 | 504,779 | - | 504,779 |
| (2) Inter-segment revenues | 1,033 | 1,745 | 267 | 7,664 | - | 2,471 | 428 | 21,593 | 35,204 | (35,204) | - |
| Total | 123,138 | 209,914 | 101,470 | 30,664 | 9,077 | 23,196 | 2,924 | 39,597 | 539,983 | (35,204) | 504,779 |
| Segment income (loss) | 10,324 | 22,431 | 2,029 | 1,683 | (1,372) | 1,967 | 1,249 | (198) | 38,115 | 4 | 38,119 |

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 first quarter of this fiscal year (April 1, 2010 – June 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 | | | |
| Operating income | 400 | | | |
| Recurring profit | 381 | | | |
| Net income for the quarter | 229 | | | |
| Net income per share for the quarter | 13.54 | | | |
| Net income per share for the quarter – fully diluted | - | | | |
| Total assets | 21,877 | | | |
| Equity | 6,839 | | | |
| Equity per share | 378.15 | | | |

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 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

| | Three months ended June 30, 2010 | Three months ended June 30, 2009 | Change | Year ended March 31, 2010 |
|---|-------------------------------------|-------------------------------------|-----------------|------------------------------|
| Average exchange rate during the period | ¥92.81 /US\$ | ¥97.50 /US\$ | Yen up ¥4.69 | ¥93.04/US\$ |
| Exchange rate at the end of the period | ¥88.48 /US\$ | ¥96.01 /US\$ | Yen up ¥7.53 | ¥93.04/US\$ |

(3) Bunker Oil Prices Information

| | Three months ended June 30, 2010 | Three months ended June 30, 2009 | Change | Year ended March 31, 2010 |
|---------------------------|-------------------------------------|-------------------------------------|------------------------|------------------------------|
| Average bunker oil prices | US\$475.08/MT | US\$288.72/MT | Price up US\$186.36 | US\$393.83/MT |

(4) Balance of Interest-Bearing Debt

(In 100 million yen)

| | As of June 30, 2010 | As of March 31, 2010 | Change | As of June 30, 2009 |
|------------------|---------------------|----------------------|--------|---------------------|
| Loans | 8,142 | 8,234 | -92 | 8,583 |
| Corporate bonds | 2,511 | 2,511 | -0 | 2,111 |
| Commercial paper | - | - | - | 320 |
| Leases | 67 | 72 | -4 | 94 |
| Total | 10,721 | 10,818 | -97 | 11,109 |