

YUSEN AIR & SEA SERVICE CO., LTD.

Non-consolidated Balance Sheets (As of March 31, 2003 and March 31, 2004)

(Millions of JPY)

Item	March 31, 2003		March 31, 2004		Increase/ Decrease
	Amount	Ratio	Amount	Ratio	
<b>ASSETS</b>					
<b>I Current Assets</b>					
Cash and time deposits	2,673		2,642		-32
Trade notes receivable	286		84		-202
Accounts receivable	13,568		16,062		2,493
Inventory assets	10		10		0
Prepaid expenses	109		120		10
Deferred tax assets - current	490		576		86
Deposits paid	500		-		-500
Short-term loans to affiliates	89		90		-
Other current assets	674		491		-183
Less: Allowance for doubtful accounts	17		11		6
<b>Total current assets</b>	<b>18,386</b>	<b>43.0%</b>	<b>20,064</b>	<b>44.7%</b>	<b>1,678</b>
<b>II Fixed Assets</b>					
<b>Property, Plant and Equipment</b>					
Buildings	6,828		6,781		
Less: Accumulated depreciation	2,702	4,125	2,924	3,857	-269
Structures	307		310		
Less: Accumulated depreciation	174	133	191	119	-14
Motor vehicles	154		147		
Less: Accumulated depreciation	122	32	111	36	5
Furniture and fixtures	347		373		
Less: Accumulated depreciation	204	142	218	155	13
Land		<b>6,433</b>		<b>6,620</b>	187
Construction in progress		-		<b>359</b>	359
<b>Total property, plant and equipment</b>	<b>10,866</b>	<b>25.4%</b>	<b>11,146</b>	<b>24.8%</b>	<b>281</b>

(Millions of JPY)

Item	March 31, 2003		March 31, 2004		Increase/ Decrease
	Amount	Ratio	Amount	Ratio	
<b>Intangible fixed assets</b>					
Software	539		512		-27
Others	50		48		-2
<b>Total Intangible fixed assets</b>	<b>589</b>	<b>1.4%</b>	<b>560</b>	<b>1.3%</b>	<b>-29</b>
<b>Investment and other assets</b>					
Investments in securities	1,471		1,032		-439
Investments in stocks of affiliates	5,625		5,705		79
Investment in affiliates	2,327		2,327		-
Long-term loans to employees	6		2		-5
Long-term loans to affiliated companies	359		270		-90
Claims in bankruptcy, reorganization claims, and similar claims	28		6		-22
Prepaid expense - non current	7		6		-1
Deferred tax assets - non current	1,159		1,827		668
Guarantee mony deposits	1,038		966		-73
Memberships	298		261		-38
Prepaid pension cost	563		640		77
Other assets	106		357		250
Less: Allowance for doubtful accounts	43		314		-271
<b>Total investment and Other Assets</b>	<b>12,950</b>	<b>30.2%</b>	<b>13,085</b>	<b>29.2%</b>	<b>135</b>
<b>Total fixed assets</b>	<b>24,405</b>	<b>57.0%</b>	<b>24,792</b>	<b>55.3%</b>	<b>387</b>
<b>Total Assets</b>	<b>42,792</b>	<b>100.0%</b>	<b>44,856</b>	<b>100.0%</b>	<b>2,064</b>

(Millions of JPY)

Item	March 31, 2003		March 31, 2004		Increase/ Decrease
	Amount	Ratio	Amount	Ratio	
<b>LIABILITIES</b>					
<b>I Current Liabilities</b>					
Accounts payable-trade	7,985		9,557		1,572
Short-term bank loans	3,020		3,260		240
Current portion of long-term debt	2,692		412		-2,280
Account payable-others	501		435		-66
Accrued expenses	16		138		121
Accrued income taxes	2,077		1,189		-889
Deposits payable	92		75		-18
Accrued bonus to employees	895		1,022		127
Other current liabilities	172		126		-47
<b>Total current liabilities</b>	<b>17,454</b>	<b>40.8%</b>	<b>16,214</b>	<b>36.1%</b>	<b>-1,240</b>
<b>II Long-Term Liabilities</b>					
Long-term debt	3,756		5,444		1,688
Accrued retirement benefits to employees	3,107		3,266		158
Accrued retirement benefits to directors and statutory auditors	248		300		52
Other long-term liabilities	37		41		3
<b>Total long-term liabilities</b>	<b>7,151</b>	<b>16.7%</b>	<b>9,051</b>	<b>20.2%</b>	<b>1,900</b>
<b>Total liabilities</b>	<b>24,605</b>	<b>57.5%</b>	<b>25,265</b>	<b>56.3%</b>	<b>660</b>
<b>SHAREHOLDERS' EQUITY</b>					
<b>I Common stock</b>					
<b>I Common stock</b>	<b>4,301</b>	<b>10.1%</b>	<b>4,301</b>	<b>9.6%</b>	-
<b>II Additional paid-in Capital</b>					
Capital surplus reserve	4,744		4,744		
<b>Total Additional paid-in Capital</b>	<b>4,744</b>	<b>11.1%</b>	<b>4,744</b>	<b>10.6%</b>	-
<b>III Retained earnings</b>					
Legal reserve of retained earnings	336		337		
Voluntary reserve					
Special tax-purpose reserve	25		20		
General reserve	3,300		3,600		
Unappropriated retained earnings	5,434		6,495		
<b>Total Retained earnings</b>	<b>9,096</b>	<b>21.2%</b>	<b>10,452</b>	<b>23.3%</b>	<b>1,356</b>
<b>IV Unrealized gains (losses) on securities</b>	<b>55</b>	<b>0.1%</b>	<b>130</b>	<b>0.3%</b>	<b>74</b>
<b>V Treasury stock</b>	<b>10</b>	<b>0.0%</b>	<b>36</b>	<b>-0.1%</b>	<b>-26</b>
<b>Total shareholders' equity</b>	<b>18,186</b>	<b>42.5%</b>	<b>19,591</b>	<b>43.7%</b>	<b>1,404</b>
<b>Total liabilities and Shareholders' equity</b>	<b>42,792</b>	<b>100.0%</b>	<b>44,856</b>	<b>100.0%</b>	<b>2,064</b>

**Non-consolidated Statements of Income**

(Millions of JPY)

Item	March 31, 2003		March 31, 2004		Increase/ Decrease
	Amount	Ratio	Amount	Ratio	
<b>I Net Sales</b>					
Sales from air and sea cargo operations	59,005		61,878		
Sales from other operations	218	<b>100.0%</b>	213	<b>100.0%</b>	2,866
<b>II Cost of Sales</b>					
Cost of air and sea cargo operations	42,531		45,357		
Cost of other operations	128	<b>72.0%</b>	126	<b>73.3%</b>	2,823
<b>Gross profit on sales</b>		<b>28.0%</b>		<b>26.7%</b>	43
<b>III Selling, General and Administrative Expenses</b>					
Directors' remuneration	166		176		
Salaries and bonuses for employees	5,019		5,026		
Subcontract expenses	822		898		
Provision for accrued bonuses	755		871		
Retirement benefits	415		446		
Provision for directors' retirement benefits	68		59		
Welfare expense	915		1,119		
Sales commission	1,061		1,020		
Advertising expense	24		24		
Rent expense	555		498		
Depreciation	221		270		
Provision for allowance for doubtful accounts	4		-		
Others	2,155	<b>20.6%</b>	2,209	<b>20.3%</b>	427
<b>Operating income</b>		<b>7.4%</b>		<b>6.4%</b>	<b>-384</b>
<b>IV Non-operating income</b>					
Interest income	3		2		
Interest income on securities	0		0		
Dividend income	221		274		
Exchange gain	108		198		
Gains on sale of investments in securities	-		28		
Other non-operating incomes	111	<b>0.8%</b>	66	<b>0.9%</b>	123
<b>V Non-operating expenses</b>					
Interest expense	168		128		
Loss on sale of investments in securities and affiliates	29		-		
Other non-operating expenses	-		29		
<b>Ordinary income</b>		<b>7.8%</b>		<b>7.1%</b>	<b>-52</b>
<b>VI Extraordinary income</b>					
Reversal of allowance for doubtful accounts	-	-	6		6
<b>VII Extraordinary expenses</b>					
Loss on write-down of investment securities	125		178		
Loss on liquidation of affiliates	28		-		
Loss on write-down of investments in affiliates	514		-		
Loss on write-down of golf club membership	33		-		
Impairment losses on fixed assets	-		902		
Provision for allowance for doubtful accounts	-	<b>1.2%</b>	293	<b>2.2%</b>	672
<b>Income before income taxes</b>		<b>6.6%</b>		<b>2.8%</b>	<b>-875</b>
Income taxes	2,350		2,082		
Deferred income taxes	608	<b>3.0%</b>	805	<b>2.1%</b>	<b>-465</b>
<b>Net income for the period</b>		<b>3.6%</b>		<b>2.8%</b>	<b>-411</b>
<b>Retained earnings brought forward</b>					1,533
<b>Interrim dividend</b>					62
<b>Unappropriated retained earnings at the end of the period</b>					1,061