



Non-Consolidated Earnings Report for the Fiscal Year Ended March 31, 2006 (Summary)

May 11, 2006

Company Name: YUSEN AIR & SEA SERVICE CO., LTD.

Stock Exchange Listing: Tokyo Stock Exchange First Section

Code Number 9370 Head Office Tokyo

(URL <http://www.yusen.co.jp>)

Representative Title Representative Director and President

Name Shunichi Yano

Inquiries Title General Manager, Accounting Department

Name Kazuo Kato TEL (03) 3669-6436

Meeting of the Board of Directors for Approval of results: May 11, 2006

Interim Dividend System: Yes

Date of general shareholders' meeting: June 29, 2006

Minimum Trading Unit System: Yes (1unit=100shares)

Date of Year-End Dividend Payment: June 30, 2006

1 . Non-Consolidated Business Results and Financial Position for Fiscal 2005 (from April 1, 2005, to March 31, 2006)

(1) Changes in Non-consolidated Business Results

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
The Year Ended March 31, 2006	78,029	(1.4)	4,258	(20.7)	5,058	(12.2)
The Year Ended March 31, 2005	76,977	(24.0)	5,372	(34.6)	5,764	(31.4)

	Net Income		Net Income per Share		Fully Diluted Net Income per Share		Return on Equity	Return on Assets	Ordinary Income to Net Sales
	Millions of yen	%	yen	sen	yen	sen	%	%	%
The Year Ended March 31, 2006	2,998	(11.2)	139	36	-	-	12.7	9.9	6.5
The Year Ended March 31, 2005	3,377	(94.0)	155	97	-	-	16.0	12.2	7.5

1 Average number of issued shares

For the year ended March 31, 2006: 21,066,523 shares

For the year ended March 31, 2005: 21,074,566 shares

2 Changes in accounting procedures: None

3 The percentage figures accompanying net sales, operating income, ordinary income, and net income represent year-on-year changes.

4 The amounts are rounded to the nearest million yen.

(2) Dividend Payments

	Annual dividends per share						Total amount of dividends (for the year)	Dividend propensity	Ratio of dividends to capital stock
			Interim dividends		Year-end dividends				
	yen	sen	yen	sen	yen	sen	Millions of yen	%	%
The Year Ended March 31, 2006	30	00	10	00	20	00	632	21.5	2.5
The Year Ended March 31, 2005	30	00	7	50	22	50	632	19.2	2.8

(3) Changes in Non-consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share	
	Millions of yen	Millions of yen	%	yen	sen
The Year Ended March 31, 2006	53,011	24,862	46.9	1,177	26
The Year Ended March 31, 2005	49,385	22,514	45.6	1,064	40

Notes 1 Number of issued shares

The Year Ended March 31, 2006: 21,065,508 shares

The Year Ended March 31, 2005: 21,067,412 shares

2 Number of treasury stocks

The Year Ended March 31, 2006: 44,892 shares

The Year Ended March 31, 2005: 42,988 shares

2 . Non-Consolidated Outlook for Fiscal 2006 (from April 1, 2006, to March 31, 2007)

	Estimated Net Sales	Estimated Ordinary Income	Estimated Net Income	Estimated Annual Dividends per Share					
				Interim dividends		Year-end dividends			
	Millions of yen	Millions of yen	Millions of yen	yen	sen	yen	sen	yen	sen
Interim period	41,000	2,270	1,340	7	50	—	—	—	—
Full year	83,780	5,360	3,180	—	—	7	50	15	00

References

1 . Estimated net income per share (full year): 75yen 48sen

2 . Estimated operating income (full year): 4,630 million yen

(Note) According to the resolution at the Board of Directors held on February 28, 2006, the company conducted a 2-for-1 stock split of its common shares on April 1, 2006 on the holders at the close of business on March 31, 2006. Estimated annual dividends per share and estimated net income per share (full year) are based on issued shares after this stock split.

The above projections are based on information available at the time of the release of this report and contain uncertainties. Actual results could differ materially from the projections due to changes in business conditions and other factors.

(1) Non-consolidated Balance Sheets (as of March 31, 2005 and March 31, 2006)

Items	Fiscal 2004 (ended March 31, 2005)		Fiscal 2005 (ended March 31, 2006)		Changes from Fiscal 2004
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Changes (millions of yen)
ASSETS					
I Current Assets					
1 Cash and cash equivalents	3,350		3,946		596
2 Notes receivable, trade	19		54		35
3 Accounts receivable	15,703		19,093		3,390
4 Inventory assets	17		12		-5
5 Prepaid expenses	126		127		1
6 Deferred tax assets -current	689		645		-44
7 Short-term loans to affiliates	201		108		-93
8 Other current assets	851		903		52
Less: Allowance for doubtful accounts	-15		-13		2
Total current assets	20,941	42.4	24,875	46.9	3,934
II Fixed Assets					
1 Property, plant, and equipment					
(1) Buildings	11,152		11,181		
Less: Accumulated depreciation	3,172	7,980	3,810	7,371	-609
(2) Structures	444		450		
Less: Accumulated depreciation	205	239	238	212	-27
(3) Motor vehicles	146		146		
Less: Accumulated depreciation	114	32	111	35	3
(4) Machinery and equipment	492		703		
Less: Accumulated depreciation	263	229	385	318	89
(5) Land	6,620		6,620		-
(6) Construction in progress	-		-		-
Total property, plant and equipment	15,100	30.6	14,556	27.5	-544
2 . Intangible fixed assets					
(1) Software	483		589		106
(2) Telephone rights	39		39		-
(3) Right of telegram-use	8		6		-2
(4) Development costs of software in progress	215		44		-171
(5) Other intangible fixed assets	1		2		1
Total intangible fixed assets	746	1.5	680	1.3	-66
3 . Investments and advances					
(1) Investments in securities	793		1,025		232
(2) Investments in affiliates	5,702		5,726		24
(3) Investments in equities of affiliates	2,327		2,327		-
(4) Long-term loans to employees	1		2		1
(5) Long-term loans to affiliates	180		-		-180
(6) Bankrupt and delinquent loans receivable	5		3		-2
(7) Long-term prepaid expenses	9		9		0
(8) Deferred tax assets, non-current	2,038		2,001		-37
(9) Guaranteed deposits	908		984		76
(10) Golf club membership	252		244		-8
(11)Prepaid pension cost	385		583		198
(12)Other assets	313		310		-3
Less: Allowance for doubtful accounts	-315		-314		1
Total investments and advances	12,598	25.5	12,900	24.3	302
Total fixed assets	28,444	57.6	28,136	53.1	-308
Total Assets	49,385	100.0	53,011	100.0	3,626

Items	Fiscal 2004 (ended March 31, 2005)		Fiscal 2005 (ended March 31, 2006)		Changes from Fiscal 2004
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Changes (millions of yen)
LIABILITIES					
Current Liabilities					
1 . Trade notes and accounts payable	9,060		10,056		996
2 . Short-term bank loans	300		-		-300
3 . Current portion of long-term debt	1,251		3,651		2,400
4 . Account payable-others	982		690		-292
5 . Accrued expenses	163		122		-41
6 . Accrued income taxes	1,634		1,714		80
7 . Deposit payable	95		87		-8
8 . Deposits received under Cash Management Services	2,181		3,186		1,005
9 . Accrued bonuses to employees	1,240		1,155		-85
10 . Other current liabilities	41		242		201
Total current liabilities	16,947	34.3	20,903	39.4	3,956
Long-Term Liabilities					
1 . Long-term debt	6,505		3,854		-2,651
2 . Accrued retirement benefits to employees	3,094		3,141		47
3 . Accrued retirement benefits to directors and statutory auditors	286		212		-74
4 . Other long term liabilities	39		39		-
Total long-term liabilities	9,924	20.1	7,246	13.7	-2,678
Total liabilities	26,871	54.4	28,149	53.1	1,278
SHAREHOLDERS' EQUITY					
Common stock	4,301	8.7	4,301	8.1	-
Capital surplus					
1 . Capital reserve	4,744		4,744		-
Total capital surplus	4,744	9.6	4,744	9.0	
Retained earnings					
1 . Legal reserve of retained earnings	337		337		
2 . Voluntary reserve					
(1) Reserve for special amortization	15		10		
(2) Other reserves	3,900		10,900		
3 . Unappropriated retained earnings at the end of the term	9,228		4,456		
Total retained earnings	13,480	27.3	15,703	29.6	2,223
Unrealized gains (losses) on securities	97	0.2	232	0.4	135
Treasury stock	-108	-0.2	-118	-0.2	-10
Total shareholders' equity	22,514	45.6	24,862	46.9	2,348
Total liabilities and shareholders' equity	49,385	100.0	53,011	100.0	3,626

(2) Non-Consolidated Statement of Income

Items	Fiscal 2004 (from April 1, 2004 to March 31, 2005)		Fiscal 2005 (from April 1, 2005 to March 31, 2006)		Changes from fiscal 2004
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Changes (millions of yen)
Net sales					
1 . Air and sea cargo	76,775		77,820		
2 . Others	202	76,977	209	78,029	1,052
Cost of sales					
1 . Air and sea cargo	57,354		60,267		
2 . Others	125	57,479	137	60,404	2,925
Gross profit on sales		19,498		17,625	-1,873
Selling, general and administrative expense					
1 . Directors' remuneration	210		223		
2 . Salaries and bonuses to employees	5,129		5,144		
3 . Subcontract expenses	1,154		1,388		
4 . Provision for bonuses to employees for accrued bonuse	1,117		976		
5 . Retirement benefits	555		447		
6 . Provision for director's retirement benefits	61		61		
7 . Welfare benefits	1,434		959		
8 . Sales commission	1,084		1,055		
9 . Advertising expense	71		50		
10 . Rent expense	508		513		
11 . Depreciation	302		431		
12 . Provision for allowance for doubtful account	8		0		
13 . Other expenses	2,493	14,126	2,120	13,367	-759
Operating income		5,372		4,258	-1,114
Non-operating income					
1 . Interest income	2		5		
2 . Interest income on securities	0		-		
3 . Divided profit	351		632		
4 . Gains on foreign exchange	38		187		
5 . Gains on sales of investments in securities	15		0		
6 . Gains on liquidation of credit and debt	59		4		
7 . Other non-operating income	76	541	89	917	376
Non-operating expenses					
1 . Interest expenses	107		101		
2 . Losses on disposals of fixed assets	28		6		
3 . Other non-operating expenses	14	149	10	117	-32
Ordinary income		5,764		5,058	-706
Extraordinary expenses					
1 . Loss on liquidation of investment securities	-		3		
2 . Loss on write down of golf club membership	8		11		
3 . Expenses related to early repayment of long-term loans	80	88	-	14	-74
Net income before income taxes		5,676		5,044	-632
Income taxes	2,600		2,056		
Adjustments on income taxes	-301	2,299	-10	2,046	-253
Net income		3,377		2,998	-379
Retained earnings brought forward from the previous term		6,009		1,669	-4,340
Interim dividends		158		211	53
Unappropriated retained earnings at the end of the term		9,228		4,456	-4,772