

Earnings Report for the 2Q Ended September 30, 2009 (Summary)

October 27, 2009

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

Stock Exchange Listing: Tokyo Stock Exchange First Section

Code Number: 9370

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

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Scheduled date of submission of Financial Reports	November 13, 2009	
Scheduled date of dividend payment	December 4, 2009	

(Figures are rounded to the nearest million yen)

1. Consolidated Business Results and Financial Position for 2Q of Fiscal 2009 (from April 1, 2009, to September 30, 2009)

(1) Changes in Consolidated Business Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q Ended September 30, 2009	52,270	△43.7	125	△96.4	696	△83.1	250	△89.5
2Q Ended September 30, 2008	92,846	-	3,447	-	4,122	-	2,382	-

	Net Income per Share	Fully Diluted Net Income per Share
	yen	yen
2Q Ended September 30, 2009	5.93	-
2Q Ended September 30, 2008	56.49	-

(2) Changes in Consolidated Financial Position

	Total Assets	Equity	Shareholders' Equity Ratio	Equity per Share
	Millions of yen	Millions of yen	%	yen
2Q Ended September 30, 2009	76,934	53,034	66.6	1,214.99
Fiscal Year Ended March 31, 2009	75,733	51,249	65.4	1,173.84

Note) Shareholder's Equity

2Q ended September 30, 2009: 51,237 million yen

The year ended March 31, 2009: 49,501 million yen

2. Dividend Payments

(Base Date)	Dividends per share				
	1Q Ended June 30	2Q Ended September 30	3Q Ended December 31	Fiscal Year Ended March 31	Full year
	yen	yen	yen	yen	yen
Fiscal Year Ended March 31, 2009	-	10.00	-	8.00	18.00
Fiscal Year Ended March 31, 2010	-	8.00			
Fiscal Year Ended March 31, 2010 (Outlook)			-	8.00	16.00

Note) Revisions of expected dividends in the quarter under review: None

3. Consolidated Outlook for Fiscal 2009 (from April 1, 2009 to March 31, 2010)

	Estimated Net Sales		Estimated Operating Income		Estimated Ordinary Income		Estimated Net Income		Estimated Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	120,000	△28.3	2,900	△36.6	3,400	△36.5	1,900	75.4	45.06

Note) Revisions of estimated consolidated results in the quarter under review: None

4. Other Information

- (1) Changes in important subsidiaries during the term under review (changes in specified subsidiaries requiring a change in the scope of consolidation): None
- (2) Application of simplified accounting and accounting specific to the preparation of consolidated financial statements for the quarter: Yes
* See the Notes of P3.
- (3) Changes in accounting principles, procedures, presentation, etc. in relation to the preparation of consolidated financial statements for the quarter (changes stated in "Changes in basic matters for the preparation of consolidated financial statements for the quarter")
 - ① Changes related to the revision of accounting standards, etc.: None
 - ② Changes other than the changes set out in ① above: None
- (4) Total number of outstanding shares (common shares)
 - ① Number of outstanding share at end of term (including treasury stocks)
2Q ended September 2009: 42,220,800 shares Term ended March 2009: 42,220,800 shares
 - ② Number of outstanding stocks at end of term
2Q ended September 2009: 50,168 shares Terms ended March 2009: 50,212 shares
 - ③ Average number of shares during the period (quarter)
2Q ended September 2009: 42,170,647 shares 2Q ended September 2008: 42,170,570 shares

* Explanation about the appropriate use of earnings forecasts and other comments

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.

Notes:

(1) Changes in important subsidiaries during the term under review (changes in specified subsidiaries requiring a change in the scope of consolidation): Not applicable.

(2) Application of simplified accounting and accounting specific to the preparation of consolidated financial statements for the quarter

- Calculation of tax expenses

Tax expenses are calculated by multiplying income before income taxes by an effective tax rate that is reasonably estimated by applying tax effect accounting to estimated income before income taxes for the fiscal year including the second quarter under review.

The Company uses the earnings forecast and tax planning used at the end of the previous fiscal year to judge the collectability of deferred tax assets if the business environment does not seem to have changed significantly after the end of the previous fiscal year and if the temporary difference is considered not to have changed considerably.

The adjustment for corporate income taxes is included in corporate income taxes.

(3) Changes in accounting principles, procedures, presentation, etc. in relation to the preparation of consolidated financial statements for the quarter: Not applicable.

I. Fiscal Statements for the 2Q ended September 30, 2009

1. 2Q Consolidated Balance Sheets

	(millions of yen)	
	As of September 30, 2009	Condensed consolidated balance sheet relating to fiscal year ended March 31, 2009
Assets		
Current Assets		
Cash and cash equivalents	20,070	18,901
Trade notes and accounts receivable	23,589	22,848
Inventory Assets	25	32
Deferred tax assets - current	985	670
Other current assets	2,698	4,925
Allowance for doubtful accounts	△149	△131
Total current assets	47,218	47,245
Fixed Assets		
Property, plant, and equipment		
Buildings and structures	18,014	17,858
Accumulated depreciation	△7,979	△7,635
Buildings and structures (net)	10,035	10,223
Machinery and equipment, and motor vehicles	1,058	1,032
Accumulated depreciation	△718	△670
Machinery and equipment, and motor vehicles (net)	340	362
Tools, furniture and fixtures	4,262	3,904
Accumulated depreciation	△2,842	△2,539
Tools, furniture and fixtures (net)	1,420	1,365
Land	7,146	7,327
Construction in progress	-	0
Total property, plant, and equipment	18,941	19,277
Intangible fixed assets		
Goodwill	17	21
Other assets	1,258	1,093
Total intangible fixed assets	1,275	1,114
Investments and other assets		
Investments in securities	2,457	2,708
Long-term loan receivables	168	177
Deferred tax assets - non current	2,381	2,438
Other assets	4,973	3,253
Allowance for doubtful accounts	△479	△479
Total investments and other assets	9,500	8,097
Total Fixed Assets	29,716	28,488
Total Assets	76,934	75,733

	As of September 30, 2009	(millions of yen) Condensed consolidated balance sheet relating to fiscal year ended March 31, 2009
Liabilities		
Current Liabilities		
Trade notes and accounts payable	11,575	10,798
Short-term bank loans	250	500
Accrued income taxes	399	382
Deferred tax liabilities - current	3	12
Accrued bonuses to employees	935	1,325
Accrued bonuses to directors and corporate auditors	17	-
Other current liabilities	3,318	4,176
Total Current Liabilities	16,497	17,193
Long-Term Liabilities		
Long-term debt	1,000	1,000
Deferred tax liabilities - non current	75	72
Accrued pension and severance costs for employees	4,043	3,923
Accrued pension and severance costs for directors and corporate auditors	308	351
Allowance for surcharge payments under the Anti-Monopoly Act	1,728	1,728
Negative goodwill	6	8
Other long-term liabilities	243	209
Total Long Term Liabilities	7,403	7,291
Total Liabilities	23,900	24,484
Equity		
Shareholders' Capital		
Common stock	4,301	4,301
Capital surplus	4,812	4,812
Retained earnings	46,675	46,668
Treasury stock	△68	△68
Total Shareholders' Capital	55,720	55,713
Valuation and Translation Adjustments		
Unrealized gain on available-for-sale securities	113	2
Foreign currency translation adjustments	△4,596	△6,214
Total Valuation and Translation Adjustments	△4,483	△6,212
Minority Interests in Consolidated Subsidiaries	1,797	1,748
Total Equity	53,034	51,249
Total Liabilities and Equity	76,934	75,733

2. 2Q Consolidated Statements of Income (for the first six months)

	(millions of yen)	
	2Q ended September 30, 2008	2Q ended September 30, 2009
Net Sales		
Air and sea cargo	89,986	50,658
Travel	2,777	1,556
Others	83	56
Total Net Sales	92,846	52,270
Cost of Sales		
Air and sea cargo	70,923	37,182
Travel	121	124
Others	428	452
Total Cost of Sales	71,472	37,758
Gross Profit on Sales	21,374	14,512
Selling, General and Administrative Expenses	17,927	14,387
Operating Income	3,447	125
Non-Operating Income		
Interest income	229	89
Dividend income	31	16
Foreign currency exchange gain, net	321	333
Equity in earnings of unconsolidated subsidiaries and affiliate companies	22	67
Amortization of negative goodwill	13	1
Other non-operating income	110	103
Total Non-Operating Income	726	609
Non-Operating Expenses		
Interest expenses	32	16
Loss on disposal of fixed assets	6	7
Other Non-Operating Expenses	13	15
Total Non-Operating Expenses	51	38
Ordinary Income	4,122	696
Extraordinary Income		
Reversal of allowance for doubtful accounts	37	3
Total Extraordinary Income	37	3
Extraordinary Expenses		
Loss on valuation of investment securities	284	53
Loss on sale of fixed assets	43	-
Loss on disposal of fixed assets	77	-
Impairment loss	-	136
Total Extra Ordinary Expenses	404	189
Income before Income Taxes	3,755	510
Income Taxes	1,151	141
Minority Interests in Net Income of Consolidated Subsidiaries	222	119
Net Income	2,382	250

3. Industry Segments Information

2Q (from April 1, 2008 to September 30, 2008)

(millions of yen)

	Air and sea cargo	Travel	Others	Total	Elimination or unallocatable amounts	Consolidated Total
Net sales and Operating income:						
(1) Net sales to outside customers	89,986	2,777	83	92,846	-	92,846
(2) Inter-segment sales / transfers	-	-	754	754	△754	-
Total sales	89,986	2,777	837	93,600	△754	92,846
Operating income (loss)	3,016	283	149	3,448	△1	3,447

Notes : 1. Business segments are determined according to the applicability of the business descriptions and characteristics.

2. Breakdown of each segment

Air and sea cargo: Air transportation agency, Consolidation business, Customs agency

Travel: Travel agency, Airline agency

Other: Non-life insurance agency, Finance business, Real estate lease business, Temporary staffing business

3. Referring to changes in accounting principles, procedures, presentation, etc. in relation to the preparation of consolidated financial statements for the quarter, the revenues and expenses of foreign consolidated subsidiaries and equity method affiliates were formerly translated based on the spot exchange rate on the closing date of subsidiaries and equity method affiliates. However, starting the first quarter under review, they are translated based on the average exchange rate for the period. Consequently, total sales for the total period of the first six months were 289 million yen lower in the air and sea cargo business and 34 million yen higher in others, than if they had been translated by the old method. Operating income fell 9 million yen in the air and sea cargo business and rose 39 million yen in others. The travel business was not affected by the change.

2Q (from April 1, 2009 to September 30, 2009)

(millions of yen)

	Air and sea cargo	Travel	Others	Total	Elimination or unallocatable amounts	Consolidated Total
Net sales and Operating income:						
(1) Net sales to outside customers	50,658	1,556	56	52,270	-	52,270
(2) Inter-segment sales / transfers	-	-	697	697	△697	-
Total sales	50,658	1,556	753	52,967	△697	52,270
Operating income (loss)	△16	28	113	125	0	125

Notes : 1. Business segments are determined according to the applicability of the business descriptions and characteristics.

2. Breakdown of each segment

Air and sea cargo: Air transportation agency, Consolidation business, Customs agency

Travel: Travel agency, Airline agency

Other: Non-life insurance agency, Finance business, Real estate lease business, Temporary staffing business

4. Geographical Segments Information

2Q (from April 1, 2008 to September 30, 2008)

(millions of yen)

	Japan	North America	Europe	East Asia	South Asia and Oceania	Total	Elimination or unallocatable amounts	Consolidated Total
Net sales and Operating income:								
(1) Net sales to outside customers	43,243	8,248	10,454	16,754	14,147	92,846	-	92,846
(2) Inter-segment sales / transfers	104	390	555	131	99	1,279	△1,279	-
Total sales	43,347	8,638	11,009	16,885	14,246	94,125	△1,279	92,846
Operating income (loss)	701	331	640	983	826	3,481	△34	3,447

Notes : 1. Geographic areas are determined according to the linkage and geographical proximity of each business.

2. Breakdown of each area

- (1) North America: United States, Canada
- (2) Europe: United Kingdom, Germany, France, Italy, Netherlands
- (3) East Asia: China, Hong Kong, Taiwan, South Korea
- (4) South Asia and Oceania: Singapore, Indonesia, Australia, Thailand, Vietnam, Philippines

3. Referring to changes in accounting principles, procedures, presentation, etc. in relation to the preparation of consolidated financial statements for the quarter, the revenues and expenses of foreign consolidated subsidiaries and equity method affiliates were formerly translated based on the spot exchange rate on the closing date of subsidiaries and equity method affiliates. However, starting the first quarter under review, they are translated based on the average exchange rate for the period. Because of the change, total sales for the total period of the first six months in North America, Europe, and East Asia fell 30 million yen, 404 million yen and 181 million yen, and the total sales in South Asia and Oceania rose 307 million yen, respectively. Operating income in North America, Europe and East Asia decreased 0 million yen, 33 million yen and 5 million yen, and operating income in South Asia and Oceania increased 17 million yen, respectively. Japan was not affected by the change.

2Q (from April 1, 2009 to September 30, 2009)

(millions of yen)

	Japan	North America	Europe	East Asia	South Asia and Oceania	Total	Elimination or unallocatable amounts	Consolidated Total
I Net sales and Operating income:								
(1) Net sales to outside customers	26,410	4,668	5,096	8,457	7,639	52,270	-	52,270
(2) Inter-segment sales / transfers	82	217	223	90	71	683	△683	-
Total sales	26,492	4,885	5,319	8,547	7,710	52,953	△683	52,270
Operating income (loss)	268	△310	△464	238	395	127	△2	125

Notes:

(1) Geographic areas are determined according to the linkage and geographical proximity of each business.

(2) Breakdown of each area

- ① North America: United States, Canada
- ② Europe: United Kingdom, Germany, France, Italy, Netherlands
- ③ East Asia: China, Hong Kong, Taiwan, South Korea
- ④ South Asia and Oceania: Singapore, Indonesia, Australia, Thailand, Vietnam, Philippines, India