

## Earnings Report for the 3Q Ended December 31, 2009 (Summary)

January 29, 2010

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 February 12, 2010

Scheduled date of dividend payment -

(Figures are rounded to the nearest million yen)

### 1. Consolidated Business Results and Financial Position for 3Q of Fiscal 2009 (from April 1, 2009, to December 31, 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	%
3Q Ended December 31, 2009	86,866	△36.5	1,499	△67.5	2,309	△58.0	1,271	△58.2
3Q Ended December 31, 2008	136,832	-	4,614	-	5,491	-	3,040	-

	Net Income per Share	Fully Diluted Net Income per Share
	yen	yen
3Q Ended December 31, 2009	30.13	-
3Q Ended December 31, 2008	72.08	-

#### (2) Changes in Consolidated Financial Position

	Total Assets	Equity	Shareholders' Equity Ratio	Equity per Share
	Millions of yen	Millions of yen	%	yen
3Q Ended December 31, 2009	78,317	52,514	64.7	1,201.15
Fiscal Year Ended March 31, 2009	75,733	51,249	65.4	1,173.84

Note) Shareholder's Equity

3Q ended December 31, 2009: 50,653 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	124,000	△26.0	2,500	△45.3	3,400	△36.5	1,650	52.4	39.13

Note) Revisions of estimated consolidated results in the quarter under review: Yes

## 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)  
3Q ended December 2009: 42,220,800 shares      Term ended March 2009: 42,220,800 shares
  - ② Number of outstanding stocks at end of term  
3Q ended December 2009: 50,168 shares      Terms ended March 2009: 50,212 shares
  - ③ Average number of shares during the period (quarter)  
3Q ended December 2009: 42,170,642 shares      3Q ended December 2008: 42,170,592 shares

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

1. Estimated consolidated full-year earnings announced on October 27, 2009 have been revised in this document.
2. 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 3Q ended December 31, 2009

## 1. 3Q Consolidated Balance Sheets

	(millions of yen)	
	As of December 31, 2009	Condensed consolidated balance sheet relating to fiscal year ended March 31, 2009
Assets		
Current Assets		
Cash and cash equivalents	19,390	18,901
Trade notes and accounts receivable	26,134	22,848
Inventory Assets	31	32
Deferred tax assets - current	971	670
Other current assets	3,072	4,925
Allowance for doubtful accounts	△140	△131
Total current assets	49,458	47,245
Fixed Assets		
Property, plant, and equipment		
Buildings and structures	17,699	17,858
Accumulated depreciation	△8,030	△7,635
Buildings and structures (net)	9,669	10,223
Machinery and equipment, and motor vehicles	1,006	1,032
Accumulated depreciation	△711	△670
Machinery and equipment, and motor vehicles (net)	295	362
Tools, furniture and fixtures	4,141	3,904
Accumulated depreciation	△2,833	△2,539
Tools, furniture and fixtures (net)	1,308	1,365
Land	6,923	7,327
Construction in progress	2	0
Total property, plant, and equipment	18,197	19,277
Intangible fixed assets		
Goodwill	14	21
Other assets	1,228	1,093
Total intangible fixed assets	1,242	1,114
Investments and other assets		
Investments in securities	2,461	2,708
Long-term loan receivables	174	177
Deferred tax assets - non current	2,350	2,438
Other assets	4,909	3,253
Allowance for doubtful accounts	△474	△479
Total investments and other assets	9,420	8,097
Total Fixed Assets	28,859	28,488
Total Assets	78,317	75,733

	As of December 31, 2009	(millions of yen) Condensed consolidated balance sheet relating to fiscal year ended March 31, 2009
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes and accounts payable	12,824	10,798
Short-term bank loans	1,150	500
Accrued income taxes	513	382
Deferred tax liabilities - current	3	12
Accrued bonuses to employees	941	1,325
Accrued bonuses to directors and corporate auditors	25	-
Other current liabilities	3,908	4,176
<b>Total Current Liabilities</b>	<b>19,364</b>	<b>17,193</b>
<b>Long-Term Liabilities</b>		
Long-term debt	-	1,000
Deferred tax liabilities - non current	73	72
Accrued pension and severance costs for employees	4,076	3,923
Accrued pension and severance costs for directors and corporate auditors	333	351
Allowance for surcharge payments under the Anti-Monopoly Act	1,728	1,728
Negative goodwill	5	8
Other long-term liabilities	224	209
<b>Total Long Term Liabilities</b>	<b>6,439</b>	<b>7,291</b>
<b>Total Liabilities</b>	<b>25,803</b>	<b>24,484</b>
<b>Equity</b>		
<b>Shareholders' Capital</b>		
Common stock	4,301	4,301
Capital surplus	4,812	4,812
Retained earnings	47,358	46,668
Treasury stock	△68	△68
<b>Total Shareholders' Capital</b>	<b>56,403</b>	<b>55,713</b>
<b>Valuation and Translation Adjustments</b>		
Unrealized gain on available-for-sale securities	131	2
Foreign currency translation adjustments	△5,881	△6,214
<b>Total Valuation and Translation Adjustments</b>	<b>△5,750</b>	<b>△6,212</b>
<b>Minority Interests in Consolidated Subsidiaries</b>	<b>1,861</b>	<b>1,748</b>
<b>Total Equity</b>	<b>52,514</b>	<b>51,249</b>
<b>Total Liabilities and Equity</b>	<b>78,317</b>	<b>75,733</b>

## 2. 3Q Consolidated Statements of Income (for the first nine months)

	(millions of yen)	
	3Q ended December 31, 2008	3Q ended December 31, 2009
Net Sales		
Air and sea cargo	132,895	84,443
Travel	3,816	2,340
Others	121	83
Total Net Sales	136,832	86,866
Cost of Sales		
Air and sea cargo	104,830	62,985
Travel	181	172
Others	636	682
Total Cost of Sales	105,647	63,839
Gross Profit on Sales	31,185	23,027
Selling, General and Administrative Expenses	26,571	21,528
Operating Income	4,614	1,499
Non-Operating Income		
Interest income	332	116
Dividend income	39	20
Foreign currency exchange gain, net	370	434
Equity in earnings of unconsolidated subsidiaries and affiliate companies	33	145
Amortization of negative goodwill	19	2
Other non-operating income	164	151
Total Non-Operating Income	957	868
Non-Operating Expenses		
Interest expenses	43	24
Loss on disposal of fixed assets	18	16
Other Non-Operating Expenses	19	18
Total Non-Operating Expenses	80	58
Ordinary Income	5,491	2,309
Extraordinary Income		
Reversal of allowance for doubtful accounts	54	14
Total Extraordinary Income	54	14
Extraordinary Expenses		
Loss on valuation of investment securities	582	72
Loss on sale of fixed assets	43	21
Loss on disposal of fixed assets	77	-
Impairment loss	-	136
Loss on valuation of golf club membership	10	13
Total Extra Ordinary Expenses	712	242
Income before Income Taxes	4,833	2,081
Income Taxes	1,429	526
Minority Interests in Net Income of Consolidated Subsidiaries	364	284
Net Income	3,040	1,271

### 3. Business Segments Information

3Q (from April 1, 2008 to December 31, 2008)

(millions of yen)

	Cargo	Travel	Others	Total	Elimination or unallocatable amounts	Consolidated Total
Net sales and Operating income:						
(1) Net sales to outside customers	132,895	3,816	121	136,832	-	136,832
(2) Inter-segment sales / transfers	-	-	1,123	1,123	△1,123	-
Total sales	132,895	3,816	1,244	137,955	△1,123	136,832
Operating income (loss)	4,097	307	209	4,613	1	4,614

3Q (from April 1, 2009 to December 31, 2009)

(millions of yen)

	Cargo	Travel	Others	Total	Elimination or unallocatable amounts	Consolidated Total
Net sales and Operating income:						
(1) Net sales to outside customers	84,443	2,340	83	86,866	-	86,866
(2) Inter-segment sales / transfers	-	-	1,044	1,044	△1,044	-
Total sales	84,443	2,340	1,127	87,910	△1,044	86,866
Operating income (loss)	1,234	99	166	1,499	0	1,499

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

2. Breakdown of each segment

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. Changes in accounting methods

First three quarters of the previous consolidated fiscal year.

(Translation methods of items of financial statements of foreign consolidated subsidiaries)

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 nine months were 4,545 million yen higher in the cargo business and 56 million yen higher in others, than if they had been translated by the old method. Operating income rose 231 million yen in the cargo business and 27 million yen in others. The travel business was not affected by the change.

## 4. Geographical Segments Information

3Q (from April 1, 2008 to December 31, 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	61,012	12,642	15,599	26,138	21,441	136,832	-	136,832
(2) Inter-segment sales / transfers	151	555	769	188	139	1,802	△1,802	-
Total sales	61,163	13,197	16,368	26,326	21,580	138,634	△1,802	136,832
Operating income (loss)	748	407	817	1,485	1,216	4,673	△59	4,614

3Q (from April 1, 2009 to December 31, 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	44,053	7,272	7,922	14,445	13,174	86,866	-	86,866
(2) Inter-segment sales / transfers	128	362	443	387	107	1,427	△1,427	-
Total sales	44,181	7,634	8,365	14,832	13,281	88,293	△1,427	86,866
Operating income (loss)	839	△263	△525	580	872	1,503	△4	1,499

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. Changes in accounting methods

First three quarters of the previous consolidated fiscal year.

(Translation methods of items of financial statements of foreign consolidated subsidiaries)

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 nine months in North America, Europe, East Asia and South Asia and Oceania rose 421 million yen, 1,474 million yen, 1,028 million yen and 1,686 million yen respectively. Operating income in North America, Europe, East Asia and South Asia and Oceania increased 18 million yen, 92 million yen, 81 million yen and 72 million yen respectively. Japan was not affected by the change.