

Consolidated Financial Results for the Year Ended March 31, 2022
(Japanese GAAP) (Unaudited)

May 9, 2022

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code: 9101
Listings: Prime Market of Tokyo Stock Exchanges
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Ordinary General Meeting of Shareholders: June 22, 2022
Start scheduled date of paying Dividends: June 23, 2022
Submit scheduled date of Financial Report: June 22, 2022
Preparation of Supplementary Explanation Material: Yes
Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
(1) Consolidated Operating Results

(Percentage figures show year on year changes)

| | Revenues | | Operating profit | | Recurring profit | | Profit attributable to owners of parent | |
|---------------------------|-------------|------|------------------|-------|------------------|-------|---|-------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Year ended March 31, 2022 | 2,280,775 | 41.8 | 268,939 | 275.9 | 1,003,154 | 365.9 | 1,009,105 | 624.8 |
| Year ended March 31, 2021 | 1,608,414 | -3.6 | 71,537 | 84.9 | 215,336 | 384.0 | 139,228 | 347.2 |

(Note) Comprehensive income:

Year ended March 31, 2022: ¥1,156,080 million (548.7%), Year ended March 31, 2021: ¥178,212 million (-%)

| | Profit per share | Profit per share—fully diluted | Profit per share ratio in shareholders' equity | Recurring profit/total assets | Operating profit/revenues |
|---------------------------|------------------|--------------------------------|--|-------------------------------|---------------------------|
| | yen | yen | % | % | % |
| Year ended March 31, 2022 | 5,973.76 | - | 86.0 | 38.5 | 11.8 |
| Year ended March 31, 2021 | 824.55 | - | 25.6 | 10.6 | 4.4 |

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates:

Year ended March 31, 2022: ¥742,645 million, Year ended March 31, 2021: ¥155,928 million

(2) Consolidated Financial Position

| | Total assets | Equity | Shareholders' equity ratio | Equity per share |
|---------------------------|--------------|-------------|----------------------------|------------------|
| | million yen | million yen | % | yen |
| Year ended March 31, 2022 | 3,080,023 | 1,759,073 | 55.6 | 10,144.29 |
| Year ended March 31, 2021 | 2,125,480 | 667,411 | 29.4 | 3,703.27 |

(Reference) Shareholders' equity :

Year ended March 31, 2022: ¥1,713,713 million, Year ended March 31, 2021: ¥625,332 million

(3) Cash Flow

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | million yen | million yen | million yen | million yen |
| Year ended March 31, 2022 | 507,762 | (148,571) | (237,535) | 226,694 |
| Year ended March 31, 2021 | 159,336 | (16,871) | (125,483) | 103,593 |

2. Dividends

| Date of record | Dividend per share | | | | | Total dividends paid (Full year) million yen | Payout ratio (Consolidated) % | Dividends/Equity (Consolidated) % |
|---------------------------------------|-------------------------|-------------------------|-------------------------|----------|-----------|---|----------------------------------|--------------------------------------|
| | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | Year-end | Full year | | | |
| | yen | yen | yen | Yen | yen | | | |
| Year ended March 31, 2021 | - | 20.00 | - | 180.00 | 200.00 | 33,911 | 24.3 | 6.2 |
| Year ended March 31, 2022 | - | 200.00 | - | 1,250.00 | 1,450.00 | 245,845 | 24.3 | 20.9 |
| Year ending March 31, 2023 (Forecast) | - | 650.00 | - | 400.00 | 1,050.00 | | 24.6 | |

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentage figures show year on year changes)

| | Revenues | | Operating profit | | Recurring profit | | Profit attributable to owners of parent | | Profit per share |
|---|-------------|------|------------------|-------|------------------|-------|---|-------|------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Cumulative second quarter ending September 30, 2022 | 1,160,000 | 10.3 | 97,000 | -17.7 | 460,000 | 15.8 | 440,000 | 7.0 | 2,604.95 |
| Year ending March 31, 2023 | 2,300,000 | 0.8 | 187,000 | -30.5 | 760,000 | -24.2 | 720,000 | -28.6 | 4,262.30 |

4. Notes

(1) Changes of important subsidiaries in the period: None

(Changes in specified subsidiaries involving change in consolidation scope)

New: None Exclusion: None

(2) Changes in accounting policy, changes in accounting estimates, and restatements

1. Changes in accounting policy in accordance with changes in accounting standard: Yes

2. Changes other than No.1: None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Total issued shares (Ordinary shares)

| | | | | |
|---|---------------------------|-------------|---------------------------|-------------|
| 1. Total issued shares (including treasury stock) | As of March 31, 2022 | 170,055,098 | As of March 31, 2021 | 170,055,098 |
| 2. Number of treasury stock | As of March 31, 2022 | 1,121,179 | As of March 31, 2021 | 1,195,544 |
| 3. Average number of shares | Year ended March 31, 2022 | 168,923,004 | Year ended March 31, 2021 | 168,853,771 |

(Reference)

Non-consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Operating Results

(Percentage figures show year on year changes)

| | Revenues | | Operating profit | | Recurring Profit | | Profit | |
|------------------------------|-------------|-------|------------------|---|------------------|-------|-------------|------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Year ended March 31, 2022 | 777,239 | 38.4 | 78,249 | - | 434,140 | 377.3 | 488,220 | - |
| Year ended March 31, 2021 | 561,745 | -16.1 | (15,445) | - | 90,960 | 85.9 | 38,252 | 68.9 |

| | Profit per share | Profit per share-fully diluted |
|------------------------------|---------------------|-----------------------------------|
| | yen | yen |
| Year ended March 31, 2022 | 2,890.16 | - |
| Year ended March 31, 2021 | 226.54 | - |

(2) Financial Position

| | Total assets | Equity | Shareholders' equity ratio | Equity per share |
|------------------------------|--------------|-------------|-------------------------------|---------------------|
| | million yen | million yen | % | yen |
| Year ended March 31, 2022 | 1,592,888 | 678,184 | 42.6 | 4,014.44 |
| Year ended March 31, 2021 | 1,333,529 | 249,490 | 18.7 | 1,477.48 |

(Reference) Shareholders' equity:

Year ended March 31, 2022: ¥678,184 million, Year ended March 31, 2021: ¥249,490million

*This financial report is not subject to the audit procedure.

*Assumption for the forecast of consolidated financial results for the year ending March 31, 2022

Foreign exchange rate: (full year) ¥120/US\$

Bunker oil price: (full year) US\$741.25/MT

*Bunker oil price is on average basis for all the major fuel grades including VLSFO.

The above forecast is based on currently available information and assumptions that NYK Line deems to be reasonable. NYK Line offers no assurance the forecast will be realized. Actual results may differ from the forecast as a result of various factors. Refer to page 2-8 for assumptions and other matters related to the forecast.

(Methods for obtaining supplementary materials and content of financial results disclosure)

NYK Line is to hold a financial result presentation meeting for analysts and institutional investors. The on-demand audio presentation and presentation material are available on the NYK website.

<https://www.nyk.com/english/ir/library/result/2021/>

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1. Review of Operating Results and Financial Position

(1) Review of Operating Results

1) Operating Results for the Fiscal Year 2021

Financial results for the consolidated fiscal accounting year are as follows:

(In billion yen)

| | Year Ended March 31, 2021 | Year Ended March 31, 2022 | Change | Percentage Change |
|---|------------------------------|------------------------------|--------|----------------------|
| Revenues | 1,608.4 | 2,280.7 | 672.3 | 41.8% |
| Cost and expenses | 1,375.2 | 1,827.3 | 452.1 | 32.9% |
| Selling, general and administrative expenses | 161.6 | 184.4 | 22.8 | 14.1% |
| Operating Profit | 71.5 | 268.9 | 197.4 | 275.9% |
| Recurring Profit | 215.3 | 1,003.1 | 787.8 | 365.9% |
| Profit attributable to owners of parent | 139.2 | 1,009.1 | 869.8 | 624.8% |

| | | | |
|--|---------------|---------------|------------------------|
| Average exchange rates | ¥105.79/US\$ | ¥112.06/US\$ | Yen down ¥6.27/US\$ |
| Exchange rates at the end of period | ¥110.71/US\$ | ¥122.39/US\$ | Yen down ¥11.68/US\$ |
| Average bunker oil prices | US\$362.95/MT | US\$531.19/MT | Price up US\$168.25/MT |

Overview

During the current consolidated fiscal year, the COVID-19 pandemic continued to have an impact on the global economy. The supply-and-demand for shipping space continued to be tight mainly in Liner & Logistics, leading to higher freight rates. As a result, from the first quarter, the financial results in every quarter were strong and exceeded the same period last year.

In the container shipping division, while the robust shipping demand remained ongoing, there was little improvement in the overall supply chain disruptions caused by COVID-19, resulting in strong markets throughout the year. Consequently, the financial results of OCEAN NETWORK EXPRESS PTE. LTD. (ONE) were firm. In the Air Cargo Transportation and Logistics segments, although international passenger flights continued to be suspended and cancelled due to the impact of COVID-19, cargo volumes were firm. Also, some ocean cargo continued to be shifted to air freight due to the maritime shipping disruptions. In the Bulk Shipping segment, vessel utilization increased in the car transportation division as a result of innovative vessel deployment and other actions. In the auto logistics segment, while withdrawing from unprofitable businesses, investments were made in businesses expected to grow in the future, and progress was made in revising the business portfolio. In the dry bulk division, the strong volumes of iron ore and coal combined with vessel congestion worldwide due to typhoons, heavy rain and COVID-19 border controls caused tight supply-and-demand conditions, leading to greatly higher market levels for all vessel segments compared to last year. In the energy division, although the unbalanced supply and demand for shipping capacity caused the tanker market to decrease significantly compared to last year,

the energy division was steady on support from the long-term contracts that generate stable earnings mainly for LNG carriers. Bunker prices were higher compared to last year.

As a result of the above, for the current consolidated fiscal year, revenues amounted to ¥2,280.7 billion, operating profit amounted to ¥268.9 billion, recurring profit amounted to ¥1,003.1 billion and profit attributable to owners of parent amounted to ¥1,009.1 billion, and profit significantly increased compared to last year. Due to the strong financial results at our equity method affiliate ONE, equity in earnings of unconsolidated subsidiaries and affiliates of ¥742.6 billion was recorded as non-operating income. Within this amount, the amount of equity in earnings of affiliates from ONE was ¥713.7 billion for the current fiscal year and ¥222.4 billion for the fourth quarter.

(Overview by Business Segment)

(in billion yen)

| | | Revenues | | | | Recurring profit | | |
|-------------------|--------------------------|----------|--------|--------|-------------------|------------------|--------|--------|
| | | FY2020 | FY2021 | Change | Percentage Change | FY2020 | FY2021 | Change |
| Liner & Logistics | Liner Trade | 170.5 | 190.5 | 20.0 | 11.7 % | 140.8 | 734.2 | 593.4 |
| | Air Cargo Transportation | 122.4 | 188.7 | 66.2 | 54.1 % | 33.2 | 74.0 | 40.7 |
| | Logistics | 561.2 | 847.4 | 286.2 | 51.0 % | 27.0 | 58.7 | 31.6 |
| Bulk Shipping | | 681.5 | 974.5 | 292.9 | 43.0 % | 18.6 | 139.1 | 120.4 |
| Others | Real Estate | 6.8 | 4.2 | -2.6 | -38.9 % | 2.5 | 2.1 | -0.4 |
| | Other | 129.7 | 170.4 | 40.6 | 31.3% % | -2.2 | -1.2 | 1.0 |

Liner Trade

In the container shipping division, the continued port congestion and inland congestion due to a shortage of drivers caused by COVID-19 led to little improvement in the overall supply chain disruptions, resulting in tight supply-and-demand for shipping space. In the fourth quarter, although the business was impacted by the situation in Russia and Ukraine, continued tight supply-and-demand conditions caused freight rates to rise, and the financial results of ONE were strong. In the major trades, sailings were voided in the North America trade as turnaround times grew longer due to port congestion, resulting in lower liftings and higher utilization year on year. In the Europe trade, liftings were higher compared to last year, but due to softer supply-and-demand conditions in the second half, utilization fell compared to last year. Freight rates were higher than last year on both trades, greatly contributing to profits. Within this situation, ONE worked to relieve the supply chain disruptions by procuring containers and adding extra sailings.

As a result of the above, profit increased on higher revenue in the overall Liner Trade compared to last year.

Air Cargo Transportation

In the Air Cargo Transportation segment, while international passenger flights continued to be suspended and cancelled due to the impact of COVID-19, cargo volumes of mainly automotive components and semiconductors were strong. In addition, some ocean cargo continued to be shifted to air freight due to a shortage of space aboard containerships and port congestion. This caused both cargo volumes and freight rates to trend at high levels. Also, some of the European flights were suspended in the fourth quarter due to the situation in Russia and Ukraine, but the impact on the overall results was minor.

As a result of the above, profit greatly increased on higher revenue in the overall Air Cargo Transportation segment compared to last year.

Also, in the third quarter, Nippon Cargo Airlines (NCA) cancelled the lease agreements and took ownership of 7 Boeing 747-8F aircraft operated by the company. This will enable the aircraft to be used flexibly in response to the future changes in the business environment. As a result of this acquisition, an extraordinary loss of about ¥8.0 billion was recorded in the third quarter for the penalty incurred when cancelling the lease agreements.

Logistics

In the air freight forwarding business, the supply-and-demand balance tightened following the robust demand and decreased supply of space caused by the ongoing COVID-19 related suspension and cancellation of international passenger flights. Within this situation, the efforts to secure space through agile procurement activities and to arrange charter flights led to higher handling volumes compared to last year and were the drivers of overall business performance.

In the ocean freight forwarding business, handling volumes declined slightly compared to last year as it was difficult to secure space due to tight supply-and-demand conditions caused by port and inland congestion, but sales prices caught up with the soaring procurement prices, leading to improved profit levels, and the overall business performance was strong.

In the logistics business, demand for mainly consumer goods was firm, and handling volumes increased compared to last year.

In the coastal transportation business, demand recovered from the impact of COVID-19 last year, and handling volumes increased.

As a result of the above, profit increased on higher revenue in the overall Logistics segment compared to last year.

Bulk Shipping

In the car transportation division, the shortage of automobile components caused by COVID-19 and the global semiconductor shortage had an impact on finished-car handling volumes, but along with improving vessel utilization by optimizing vessel deployment plans and sailing schedules, alternative cargo was acquired through cooperation with affiliate companies and by maintaining close communication with

customers, resulting in higher handling volumes compared to last year. In addition, the procurement of eco-friendly vessels is being actively promoted, and the second LNG-fueled pure car and truck carrier entered service in March. In the auto logistics segment, although the business environment differed in each country and region, efforts were made to reduce costs and rationalize the businesses, including withdrawing from unprofitable businesses. At the same time, investments were made in business expected to grow in the future, and progress was made in revising the business portfolio, including building and opening a new finished-car terminal in Turkey and an initiative aimed at shipping finished cars from China to Central Asia by rail.

In the dry bulk division, during the peak season from July through September, shipments of iron ore from Brazil picked up after the wet season ended, while in China, multiple typhoons, heavy rain and the enactment of stricter border measures against COVID-19 led to increased vessel waiting times. Consequently, the Capesize market rose to the highest level in 11 years. After peaking in early October, the market started to decline as vessel waiting times in China dropped, but it still trended at greatly higher levels year on year. From January, the market underwent a seasonal correction and returned to levels on par with last year. In the Panamax segment, coal procurement increased when the price of natural gas exceeded that of coal in June and July. Imports of coal into China increased ahead of the peak electricity demand season, and the market peaked in October. Thereafter, the global congestion eased, and the market corrected. From January, soy bean shipments from Brazil began earlier than usual, and the market trended at levels exceeding the same period last year. As a result, overall market levels trended at levels much higher year on year. Within this environment, along with fixing revenue through the use of futures contracts to minimize the impact of market fluctuations, efforts were made to stabilize revenue by securing long-term contracts and reduce costs through efficient operations.

In the energy division, although OPEC Plus gradually ended the coordinated production cuts from May, the shipping capacity supply-and-demand balance did not improve, and the VLCC (Very Large Crude Carrier) and petrochemical tanker markets remained at historic lows. Although the petrochemical tanker market soared from the late February due to the situation in Russia and Ukraine, the impact on the VLCC market was transitory and the market returned to the previous low levels. In the VLGC (Very Large LPG Carrier) market, from June, along with entering the weak demand season, the LPG export price from the United States rose, causing the price difference for LPG from the United States and Middle East to contract. As a result, shipments from the United States with relatively higher transportation costs due to the longer distance slackened, and the decline in overall ton-miles caused market levels to remain low. Although the market soared from September as shipments increased ahead of the peak winter demand and congestion occurred at the Panama Canal, it did not reach the strong levels seen in the previous year. In terms of tankers, although the ratio of contracts affected by market volatility is limited, the market was extremely weak compared to the same period last year and had a negative impact on earnings. In LNG carriers, the results were steady based on support from the long-term contracts that generate stable earnings. Also, in the offshore business, FPSO (Floating Production, Storage and Offloading) and drill ships were steady. As a result of the above, the overall Bulk Shipping segment recorded increased profit on higher revenue compared to the last year.

Real Estate and Other Businesses

In the real estate segment, profit decreased on lower revenue compared to last year following the partial transfer of shares of a subsidiary. Also, extraordinary income of about ¥23.0 billion was recorded in the second quarter as a result of this share transfer.

In the Other Business Services segment, bunker fuel sales were strong and a recovery was apparent in the technical service business and sales of marine equipment supplies business, resulting in improved results compared to last year. In the cruise business, some of the cruises were operated while strengthening measures against COVID-19, such as PCR inspections on the day of boarding. In the fourth quarter, cruises were scheduled to recommence following the regular vessel dry docking from January, but operations were suspended due to a problem with electrical equipment aboard the vessel that occurred in late March. As a result of the above, although revenue increased in the Other Business Services segment compared to last year, a loss was recorded.

(2) Review of Change in Financial Position

Total assets as of the end of the current consolidated fiscal year were ¥3,080.0 billion, an increase of ¥954.5 billion compared to the end of the previous consolidated fiscal year due to an increase in notes and operating accounts receivable-trade, contract assets and investment securities after recording the profit from equity method affiliates including ONE. Interest bearing debt decreased by ¥142.8 billion compared to the end of the previous consolidated fiscal year to ¥808.2 billion due to a decrease in bonds payable and loans payable, and total liabilities amounted to ¥1,320.9 billion, a decrease of ¥137.1 billion compared to the end of the previous consolidated fiscal year. Under consolidated equity, retained earnings increased by ¥951.4 billion and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥1,713.7 billion. This amount combined with the non-controlling interests of ¥45.3 billion brought total equity to ¥1,759.0 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 0.47, and the equity ratio was 55.6%.

(3) Cash Flows

The balance of cash and cash equivalents as of the end of the current consolidated fiscal year was ¥226.6 billion, an increase of ¥123.1 billion compared to the end of the previous consolidated fiscal year.

Cash flow from operating activities was ¥507.7 billion (compared to ¥159.3 billion at the end of the previous fiscal year) as a result of the profit before income taxes of ¥1,037.3 billion, non-cash depreciation and amortization of ¥101.5 billion, equity in earnings of unconsolidated subsidiaries and affiliates outflow of ¥742.6 billion and interest and dividend income of ¥288.0 billion. Cash flow from investing activities was an outflow of ¥148.5 billion (compared to an outflow of ¥16.8 billion at the end of the previous fiscal year) as a result of the acquisition and sale of non-current assets, mainly vessels. Cash flow from financing activities was an outflow of ¥237.5 billion (compared to an outflow of ¥125.4 billion at the end of the previous fiscal year) due to decreases in loans payable, payment of the dividend, redemption of bonds payable and repayment of leases liabilities.

(4) Consolidated Earnings Outlook

In the container shipping division, although the next fiscal year remains difficult to foresee due to the impact of the COVID-19 lockdowns in China and the situation in Russia and Ukraine, the forecast is based on the assumption that the robust demand mainly in North America ongoing from the current fiscal year will settle down and the situation will gradually normalize from the second half. At the terminals in Japan, handling volumes are forecast to remain unchanged from the current fiscal year, and concerning the overseas terminals, efforts will be made with the aim of transferring the terminals on the west coast of North America to ONE early in the next fiscal year.

In the Air Cargo Transportation business, supply-and-demand is expected to slacken to a certain extent due to the return of international passenger flights and lower demand, but the overall results are forecast to remain strong.

In the Logistics business, handling volumes are expected to remain unchanged from the current fiscal year in the air freight forwarding business, and although profit levels will decrease due to lower transportation demand and the return of international passenger flights, they are forecast to remain elevated compared to normal years. In the ocean freight forwarding business, handling volumes are expected to increase, but profit levels are forecast to decline due to slackening transportation demand. In the contract logistics business, earnings are expected to stabilize as a result of the initiatives carried out to date to reduce costs and revise the contracts, including price adjustments.

In the automotive transportation division, improvement is anticipated in the semiconductor shortage, and shipping volumes are forecast to increase primarily in North America.

In the dry bulk business division, although the markets for all vessel segments are expected to settle down compared to the current fiscal year, the results are forecast to remain firm.

In the energy business division, the VLCC (Very Large Crude Carrier) and VLGC (Very Large LPG Carrier) markets continue to be weak, but the results are expected to remain steady based on support from the stable medium to long-term contracts in the LNG carrier and offshore businesses.

Based on the above forecast, profit is expected to be lower on increased revenue in the next consolidated fiscal year, but the business results are expected to remain at a favorable level.

(Notes) From fiscal year ending March 2023, “Air Cargo Transportation” and “Logistics” are treated as business instead of segment. In addition, “logistic business” is renamed as “contract logistics business”. As for Bulk Shipping business, “car transportation division” is changed to “automotive transportation division”, “dry bulk division” to “dry bulk business division”, and “energy division” to “energy business division”.

(in billion yen)

| | Revenues | Operating Profit | Recurring Profit | Profit attributable to owners of parent |
|--|----------|------------------|------------------|---|
| Fiscal year Ending March 31, 2023 (Forecast) | 2,300.0 | 187.0 | 760.0 | 720.0 |
| Fiscal year Ended March 31, 2022 (Actual) | 2,280.7 | 268.9 | 1,003.1 | 1,009.1 |
| Change | 19.3 | -81.9 | -243.1 | -289.1 |

Assumptions for forecasts: (Full year) Foreign exchange rate: ¥120/US\$ Bunker oil price*: US\$741.25/MT

*Bunker oil price is on average basis for all the major fuel grades including VLSFO.

(5) Basic Policy Concerning Dividends and Planned Dividend Payments

We have designated the stable return of profits to shareholders as one of the most important management priorities, and the distribution of profits is decided after comprehensively taking into account the business forecast and other factors and generally targeting a consolidated payout ratio of 25%. At the same time, based on an ongoing minimum dividend that is not affected by the business results, an annual dividend of JPY20 per share has been set as the minimum dividend for the time being.

In addition to this basic policy, we considered a share buyback, but for the current fiscal year (year ending March 2022), we will only issue a dividend. The year-end dividend has been increased from the previous forecast by JPY250 to JPY1,250, and including the interim dividend, we plan to issue a full-year dividend of JPY1,450 per share.

Concerning the upcoming fiscal year (year ending March 2023), based on the same policy, we currently plan to issue an interim dividend of JPY650 and year-end dividend of JPY400 for a full-year dividend of JPY1,050.

2. Basic Approach to Selection of Accounting Standards

We currently apply Japanese generally accepted accounting principles to the consolidated financial statements of the NYK Group. We constantly examine application of the optimal accounting standards with a view toward the future while paying due attention to trends surrounding the various accounting standards available to us for selection.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 107,369 | 233,019 |
| Notes and operating accounts receivable-trade | 234,909 | – |
| Notes and operating accounts receivable-trade and contract assets | – | 359,158 |
| Short-term investment securities | 144 | – |
| Inventories | 37,619 | 57,029 |
| Deferred and prepaid expenses | 56,438 | 24,152 |
| Other | 104,108 | 94,937 |
| Allowance for doubtful accounts | (2,101) | (3,433) |
| Total current assets | 538,488 | 764,863 |
| Non-current assets | | |
| Vessels, property, plant and equipment | | |
| Vessels, net | 534,378 | 577,147 |
| Buildings and structures, net | 109,198 | 105,494 |
| Aircraft, net | 35,838 | 103,683 |
| Machinery, equipment, and vehicles, net | 26,040 | 27,548 |
| Furniture and fixtures, net | 5,303 | 5,979 |
| Land | 86,912 | 72,722 |
| Construction in progress | 44,704 | 65,834 |
| Other, net | 5,314 | 5,867 |
| Total vessels, property, plant and equipment | 847,689 | 964,277 |
| Intangible assets | | |
| Leasehold right | 4,912 | 5,117 |
| Software | 5,768 | 6,135 |
| Goodwill | 10,190 | 8,711 |
| Other | 3,408 | 3,637 |
| Total intangible assets | 24,279 | 23,602 |
| Investments and other assets | | |
| Investment securities | 578,892 | 1,146,438 |
| Long-term loans receivable | 21,393 | 27,503 |
| Net defined benefit asset | 60,339 | 85,644 |
| Deferred tax assets | 6,110 | 10,571 |
| Other | 53,393 | 62,099 |
| Allowance for doubtful accounts | (5,350) | (5,236) |
| Total investments and other assets | 714,779 | 1,327,019 |
| Total non-current assets | 1,586,748 | 2,314,899 |
| Deferred assets | 243 | 259 |
| Total assets | 2,125,480 | 3,080,023 |

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and operating accounts payable - trade | 168,690 | 218,650 |
| Current portion of bonds payable | 25,000 | 30,000 |
| Short-term loans payable | 161,045 | 130,919 |
| Leases liabilities | 19,477 | 23,818 |
| Income taxes payable | 14,390 | 25,097 |
| Contract liabilities | — | 39,792 |
| Provision for bonuses | 14,063 | 23,188 |
| Provision for directors' bonuses | 366 | 517 |
| Provision for stock payment | 170 | 1,270 |
| Provision for losses related to contracts | 14,364 | 134 |
| Provision for related to business restructuring | 3 | — |
| Other | 124,691 | 79,895 |
| Total current liabilities | 542,262 | 573,282 |
| Non-current liabilities | | |
| Bonds payable | 107,000 | 97,000 |
| Long-term loans payable | 560,913 | 447,069 |
| Lease liabilities | 77,707 | 79,493 |
| Deferred tax liabilities | 64,718 | 57,446 |
| Net defined benefit liability | 16,697 | 15,907 |
| Provision for directors' retirement benefits | 979 | 819 |
| Provision for stock payment | 551 | — |
| Provision for periodic dry docking of vessels | 14,595 | 16,347 |
| Provision for losses related to contracts | 52,071 | 18,074 |
| Provision for related to business restructuring | 927 | 407 |
| Other | 19,645 | 15,102 |
| Total non-current liabilities | 915,805 | 747,667 |
| Total liabilities | 1,458,068 | 1,320,949 |
| Equity | | |
| Shareholders' capital | | |
| Common stock | 144,319 | 144,319 |
| Capital surplus | 44,214 | 44,314 |
| Retained earnings | 444,801 | 1,396,300 |
| Treasury stock | (3,381) | (3,428) |
| Total shareholders' capital | 629,954 | 1,581,506 |
| Accumulated other comprehensive income (loss) | | |
| Unrealized gain (loss) on available-for-sale securities | 22,004 | 32,136 |
| Deferred gain (loss) on hedges | (29,187) | (15,452) |
| Foreign currency translation adjustments | (11,365) | 85,785 |
| Remeasurements of defined benefit plans | 13,927 | 29,737 |
| Total accumulated other comprehensive income (loss) | (4,621) | 132,207 |
| Non-controlling interests | 42,078 | 45,359 |
| Total equity | 667,411 | 1,759,073 |
| Total liabilities and equity | 2,125,480 | 3,080,023 |

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)**

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Revenues | 1,608,414 | 2,280,775 |
| Cost and expenses | 1,375,232 | 1,827,342 |
| Gross profit | 233,181 | 453,433 |
| Selling, general and administrative expenses | 161,644 | 184,493 |
| Operating profit | 71,537 | 268,939 |
| Non-operating income | | |
| Interest income | 2,385 | 2,127 |
| Dividend income | 5,552 | 6,279 |
| Equity in earnings of unconsolidated subsidiaries and affiliates | 155,928 | 742,645 |
| Foreign exchange gains | 719 | 11,384 |
| Other | 5,530 | 4,012 |
| Total non-operating income | 170,115 | 766,449 |
| Non-operating expenses | | |
| Interest expenses | 15,978 | 12,279 |
| Derivative losses | 8,363 | 17,707 |
| Other | 1,974 | 2,247 |
| Total non-operating expenses | 26,316 | 32,234 |
| Recurring profit | 215,336 | 1,003,154 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 42,009 | 19,575 |
| Gain on sale of shares of subsidiaries and associates | 903 | 29,265 |
| Other | 4,706 | 2,619 |
| Total extraordinary income | 47,618 | 51,460 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 671 | 56 |
| Impairment loss | 24,385 | 2,810 |
| Provision for losses related to contracts | 54,955 | — |
| Loss on cancellation of leased aircrafts | — | 8,048 |
| Other | 12,523 | 6,383 |
| Total extraordinary losses | 92,536 | 17,298 |
| Profit before income taxes | 170,418 | 1,037,315 |
| Income taxes - current | 15,000 | 42,459 |
| Income taxes - deferred | 9,102 | (22,961) |
| Total income taxes | 24,102 | 19,498 |
| Profit | 146,315 | 1,017,817 |
| Profit attributable to non-controlling interests | 7,086 | 8,711 |
| Profit attributable to owners of parent | 139,228 | 1,009,105 |

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Profit | 146,315 | 1,017,817 |
| Other comprehensive income | | |
| Unrealized gain (loss) on available-for-sale securities | 12,339 | 10,107 |
| Deferred gain (loss) on hedges | 1,992 | 6,346 |
| Foreign currency translation adjustments | 9,286 | 14,892 |
| Remeasurements of defined benefit plans | 12,678 | 15,943 |
| Share of other comprehensive income of associates accounted for using equity method | (4,398) | 90,974 |
| Total other comprehensive income | 31,897 | 138,263 |
| Comprehensive income | 178,212 | 1,156,080 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 170,463 | 1,145,934 |
| Comprehensive income attributable to non-controlling interests | 7,749 | 10,146 |

(3) Consolidated Statement of Changes in Equity

(Year ended March 31, 2021)

(In million yen)

| | Shareholders' capital | | | | |
|--|-----------------------|-----------------|-------------------|----------------|-----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' capital |
| Balance at the beginning of current period | 144,319 | 45,737 | 311,892 | (3,429) | 498,520 |
| Changes of items during the period | | | | | |
| Dividends of surplus | | | (6,782) | | (6,782) |
| Profit attributable to owners of parent | | | 139,228 | | 139,228 |
| Purchase of treasury stock | | | | (15) | (15) |
| Disposal of treasury stock | | 3 | | 62 | 66 |
| Change in equity of parent related to transactions with non-controlling shareholders | | (297) | | | (297) |
| Change in scope of consolidation | | (1,229) | 453 | | (776) |
| Other | | | 9 | 0 | 10 |
| Net change of items other than shareholders' capital | | | | | |
| Total changes of items during the period | — | (1,523) | 132,908 | 48 | 131,433 |
| Balance at the end of current period | 144,319 | 44,214 | 444,801 | (3,381) | 629,954 |

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total equity |
|--|---|--------------------------------|--|---|--|---------------------------|--------------|
| | Unrealized gain (loss) on available-for-sale securities | Deferred gain (loss) on hedges | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at the beginning of current period | 9,474 | (27,752) | (18,966) | 1,388 | (35,856) | 36,175 | 498,839 |
| Changes of items during the period | | | | | | | |
| Dividends of surplus | | | | | | | (6,782) |
| Profit attributable to owners of parent | | | | | | | 139,228 |
| Purchase of treasury stock | | | | | | | (15) |
| Disposal of treasury stock | | | | | | | 66 |
| Change in equity of parent related to transactions with non-controlling shareholders | | | | | | | (297) |
| Change in scope of consolidation | | | | | | | (776) |
| Other | | | | | | | 10 |
| Net change of items other than shareholders' capital | 12,530 | (1,435) | 7,601 | 12,538 | 31,234 | 5,903 | 37,138 |
| Total changes of items during the period | 12,530 | (1,435) | 7,601 | 12,538 | 31,234 | 5,903 | 168,571 |
| Balance at the end of current period | 22,004 | (29,187) | (11,365) | 13,927 | (4,621) | 42,078 | 667,411 |

(Year ended March 31,2022)

(In million yen)

| | Shareholders' capital | | | | |
|--|-----------------------|-----------------|-------------------|----------------|-----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' capital |
| Balance at the beginning of current period | 144,319 | 44,214 | 444,801 | (3,381) | 629,954 |
| Cumulative effects of changes accounting policies | | | 6,467 | | 6,467 |
| Restated balance | 144,319 | 44,214 | 451,268 | (3,381) | 636,422 |
| Changes of items during the period | | | | | |
| Dividends of surplus | | | (64,430) | | (64,430) |
| Profit attributable to owners of parent | | | 1,009,105 | | 1,009,105 |
| Purchase of treasury stock | | | | (231) | (231) |
| Disposal of treasury stock | | 0 | | 183 | 183 |
| Change in equity of parent related to transactions with non-controlling shareholders | | 99 | | | 99 |
| Change in scope of consolidation | | | 380 | | 380 |
| Other | | | (22) | (0) | (22) |
| Net change of items other than shareholders' capital | | | | | |
| Total changes of items during the period | - | 99 | 945,031 | (47) | 945,083 |
| Balance at the end of current period | 144,319 | 44,314 | 1,396,300 | (3,428) | 1,581,506 |

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total equity |
|--|---|--------------------------------|--|---|--|---------------------------|--------------|
| | Unrealized gain (loss) on available-for-sale securities | Deferred gain (loss) on hedges | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at the beginning of current period | 22,004 | (29,187) | (11,365) | 13,927 | (4,621) | 42,078 | 667,411 |
| Cumulative effects of changes in accounting policies | | | | | | | 6,467 |
| Restated balance | 22,004 | (29,187) | (11,365) | 13,927 | (4,621) | 42,078 | 673,879 |
| Changes of items during the period | | | | | | | |
| Dividends of surplus | | | | | | | (64,430) |
| Profit attributable to owners of parent | | | | | | | 1,009,105 |
| Purchase of treasury stock | | | | | | | (231) |
| Disposal of treasury stock | | | | | | | 183 |
| Change in equity of parent related to transactions with non-controlling shareholders | | | | | | | 99 |
| Change in scope of consolidation | | | | | | | 380 |
| Other | | | | | | | (22) |
| Net change of items other than shareholders' capital | 10,132 | 13,735 | 97,150 | 15,810 | 136,829 | 3,281 | 140,110 |
| Total changes of items during the period | 10,132 | 13,735 | 97,150 | 15,810 | 136,829 | 3,281 | 1,085,194 |
| Balance at the end of current period | 32,136 | (15,452) | 85,785 | 29,737 | 132,207 | 45,359 | 1,759,073 |

(4) Consolidated Statement of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Net cash provided by (used in) operating activities | | |
| Profit before income taxes | 170,418 | 1,037,315 |
| Depreciation and amortization | 98,803 | 101,596 |
| Impairment loss | 24,385 | 2,810 |
| Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets | (41,063) | (19,090) |
| Loss (gain) on sales of short-term and long-term investment securities | (963) | (29,301) |
| Loss (gain) on valuation of short-term and long-term investment securities | 4,358 | 929 |
| Equity in (earnings) losses of unconsolidated subsidiaries and affiliates | (155,928) | (742,645) |
| Interest and dividend income | (7,937) | (8,407) |
| Interest expenses | 15,978 | 12,279 |
| Foreign exchange losses (gains) | (3,285) | (8,487) |
| Decrease (increase) in notes and accounts receivable - trade | (35,150) | — |
| Decrease (increase) in notes and accounts receivable-trade and contract assets | — | (69,664) |
| Decrease (increase) in inventories | (4,789) | (20,207) |
| Increase (decrease) in notes and accounts payable - trade | 25,534 | 37,378 |
| Increase (decrease) in provision for losses related to contracts | 43,357 | (48,227) |
| Other, net | 11,342 | 11,636 |
| Subtotal | 145,061 | 257,917 |
| Interest and dividend income received | 42,000 | 288,052 |
| Interest expenses paid | (16,864) | (11,795) |
| Paid expenses related to antitrust law | (958) | — |
| Income taxes (paid) refund | (9,902) | (26,411) |
| Net cash provided by (used in) operating activities | 159,336 | 507,762 |
| Net cash provided by (used in) investing activities | | |
| Proceeds from sale and redemption of securities | — | 147 |
| Purchase of vessels, property, plant and equipment and intangible assets | (102,087) | (192,726) |
| Proceeds from sales of vessels, property, plant and equipment and intangible assets | 76,026 | 35,435 |
| Purchase of investment securities | (14,121) | (18,022) |
| Proceeds from sales and redemption of investment securities | 12,916 | 10,155 |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | (579) | (0) |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 1,762 | — |
| Payments for sales of investments in subsidiaries resulting in change in scope of consolidation | (0) | (56) |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | 883 | 36,013 |
| Payments of loans receivable | (19,221) | (13,608) |
| Collection of loans receivable | 22,415 | 10,044 |
| Other, net | 5,132 | (15,954) |
| Net cash provided by (used in) investing activities | (16,871) | (148,571) |

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | (64,207) | (1,905) |
| Net increase (decrease) in commercial papers | (19,000) | — |
| Proceeds from long-term loans payable | 125,187 | 18,423 |
| Repayments of long-term loans payable | (115,651) | (160,671) |
| Proceeds from issuance of bonds | — | 19,892 |
| Redemption of bonds | (20,000) | (25,000) |
| Repayments of leases liabilities | (19,903) | (20,389) |
| Proceeds from stock issuance to non-controlling shareholders | 1,221 | 5,983 |
| Purchase of treasury stock | (15) | (231) |
| Proceeds from sales of treasury stock | 33 | 290 |
| Cash dividends paid to shareholders | (6,782) | (64,430) |
| Cash dividends paid to non-controlling interests | (3,359) | (5,283) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (925) | (60) |
| Other, net | (2,081) | (4,155) |
| Net cash provided by (used in) financing activities | (125,483) | (237,535) |
| Effect of exchange rate change on cash and cash equivalents | 8,688 | 1,445 |
| Net increase (decrease) in cash and cash equivalents | 25,669 | 123,100 |
| Cash and cash equivalents at beginning of period | 77,092 | 103,593 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | 709 | — |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries | 122 | 8 |
| Decrease in cash and cash equivalents resulting from share exchanges | — | (7) |
| Cash and cash equivalents at end of period | 103,593 | 226,694 |

(5) Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable

(Changes in Accounting Policies Due to Revisions of Accounting Standards)

(Adoption of the Accounting Standard for Revenue Recognition)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020; hereinafter referred to as “Revenue Recognition Accounting Standard”) has been adopted from the start of the first quarter of the current consolidated fiscal year, and when control of the promised goods or service transfers to the customer, the expected monetary compensation received in return is recognized as revenue.

In accordance with the transitional arrangements set forth in the proviso of Article 84 of the Revenue Recognition Accounting Standard, retained earnings at the start of the first quarter of the current consolidated fiscal year has been adjusted to reflect the cumulative impact assuming the accounting standard is retroactively adopted prior to the start of the first quarter of the current consolidated fiscal year, and the new accounting policy has been applied from the relevant starting balances at the beginning of the accounting period.

As a result, compared to the previous accounting policy, concerning the starting balances at the beginning of the first quarter of the current consolidated fiscal year, mainly notes and operating accounts receivable-trade increased by 33,600 million yen, contract assets increased by 9,622 million yen, notes and operating accounts payable- trade increased by 5,991 million yen, contract liabilities increased by 24,640 million yen, retained earnings increased by 6,467 million yen, deferred and prepaid expenses decreased by 35,147 million yen and other under current liabilities decreased by 30,521 million yen.

Also, during the cumulative period through the current consolidated fiscal year, revenue increased by 15,778 million yen, cost and expenses increased by 8,914 million yen, operating profit increased by 6,863 million yen and recurring profit and profit before income taxes each increased by 8,559 million yen. During the current consolidated fiscal year, notes and operating accounts receivable- trade and contract assets increased by 58,992 million yen, notes and operating accounts payable- trade increased by 4,567 million yen, contract liabilities increased by 37,074 million yen, deferred and prepaid expenses decreased by 55,387 million yen and other under current liabilities decreased by 53,478 million yen.

Following the adoption of the Accounting Standard for Revenue Recognition, the line item “Notes and operating accounts receivable - trade” stated under “Current assets” in the consolidated balance sheet for the previous consolidated fiscal year has been revised to the inclusive line item “Notes and operating accounts receivable-trade and contract assets” from the current consolidated fiscal year. Also, the line item “Decrease (increase) in notes and accounts receivable-trade” stated under “Net cash provided by (used in) operating activities” in the Consolidated Statement of Cash Flows for the previous consolidated fiscal year has been revised to the inclusive line item “Decrease (increase) in notes and accounts receivable-trade and contract assets” from the current consolidated fiscal year. In accordance with the transitional handling set forth in Article 89-2 of the Accounting Standard for Revenue Recognition, the new line items have not been retroactively applied to the previous consolidated accounting period.

(Adoption of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019; hereinafter “Fair Value Accounting Standard”) has been applied from the start of the first quarter of the current consolidated fiscal year, and in accordance with the transitional arrangements set forth in Article 19 of the Fair Value Accounting Standard and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019), the new accounting policy set forth in the Fair Value Accounting Standard has been permanently adopted. As a result of this change, excluding other short-term investment securities without a market value, from the current consolidated fiscal year, the method used to determine the fair value has been revised from the average market value during the one month prior to the final day of the accounting period to the market value on the final day of the accounting period. The impact of this change on the consolidated financial statements for the current consolidated fiscal year is minor.

(Segment and Other Information)
(Segment Information)

1. Outline of reportable segments

The Company's reportable segments allow financial data to be obtained separately for the NYK Group's business domains. This data is periodically reviewed by the Company's management in order to effectively allocate operational resources and evaluate business performance.

The NYK Group operates comprehensive logistics businesses covering maritime, land, and air transportation on a global scale. These operations are categorized under six reportable segments: Liner Trade, Air Cargo Transportation, Logistics, Bulk Shipping, Real Estate, and Other. The main operations and services of each reportable segment are listed as follows.

| Reportable segment | Major operation and services in each segment: |
|--------------------------|---|
| Liner Trade | Ocean cargo shipping, ship owning and chartering, shipping agency, container terminals business, harbor transport services, tugboat operation |
| Air Cargo Transportation | Air cargo transport |
| Logistics | Warehouse operation, cargo transport/handling business, coastal cargo shipping |
| Bulk Shipping | Ocean cargo shipping, ship owning and chartering, shipping agency |
| Real Estate | Rental, management and sale of real estate properties |
| Other | Ownership and operation of passenger ships, wholesaling of ship machinery and furniture, other services related to transport, information- processing business, wholesaling of oil products, others |

2. Method for calculating revenues, profits and losses, assets, and other financial items of reportable segments. The profits and losses recorded under reportable segments are based on recurring profits or losses. Intra-segment revenues and transfers are primarily based on third-party transaction prices.

3. Information on revenues, profit (loss), assets, and other items by reportable segments

Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(In million yen)

| | Liner & Logistics | | | Bulk Shipping | Others | | Total | Adjustment | Consolidated Total |
|---|-------------------|--------------------------|-----------|---------------|-------------|---------|-----------|------------|--------------------|
| | Liner Trade | Air Cargo Transportation | Logistics | | Real Estate | Other | | | |
| Revenues | | | | | | | | | |
| Revenues from customer | 166,181 | 115,069 | 559,749 | 681,313 | 5,963 | 80,136 | 1,608,414 | – | 1,668,414 |
| Inter-segment revenues | 4,355 | 7,389 | 1,485 | 251 | 920 | 49,652 | 64,055 | (64,055) | – |
| Revenues | 170,537 | 122,459 | 561,234 | 681,564 | 6,884 | 129,789 | 1,672,469 | (64,055) | 1,608,414 |
| Segment profit (loss) | 140,821 | 33,381 | 27,049 | 18,605 | 2,584 | (2,251) | 220,090 | (4,754) | 215,336 |
| Segment assets | 428,685 | 65,535 | 348,707 | 1,271,637 | 52,400 | 173,614 | 2,340,579 | (215,099) | 2,125,480 |
| Other items | | | | | | | | | |
| Depreciation and amortization | 9,891 | 3,232 | 19,913 | 63,293 | 1,366 | 1,159 | 98,857 | (53) | 98,803 |
| Amortization of goodwill or (negative goodwill) | 42 | – | 814 | 924 | – | – | 1,782 | – | 1,782 |
| Interest income | 187 | 203 | 267 | 1,694 | 1 | 703 | 3,058 | (673) | 2,385 |
| Interest expenses | 3,347 | 337 | 1,811 | 9,614 | 48 | 1,079 | 16,237 | (259) | 15,978 |
| Equity in earnings (losses) of unconsolidated subsidiaries and affiliates | 141,565 | – | (163) | 17,504 | – | (2,977) | 155,929 | (0) | 155,928 |
| The amount of investment in associates accounted for by the equity method | 249,459 | – | 1,918 | 223,884 | – | 418 | 475,680 | (313) | 475,367 |
| Increase in vessels, property, plant and equipment and intangible assets | 6,782 | 1,569 | 6,946 | 85,745 | 384 | 753 | 102,181 | (402) | 101,778 |

(Note)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 66 million yen and other corporate expenses -4,820 million yen. The general and administrative expenses and non-operating expenses which do not belong to any single segment are treated as other corporate expenses. Details of the amount for adjustments of segment assets are receivables or assets related to internal exchange among segments of -237,649 million yen and corporate assets of 22,550 million yen. Corporate assets are mainly surplus funds invested in cash and deposits.
- On April 1, 2021, "Global Logistics" has been renamed to "Liner & Logistics".

Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(In million yen)

| | Global Logistics | | | Bulk Shipping | Others | | Total | Adjustment | Consolidated Total |
|---|------------------|--------------------------|-----------|---------------|-------------|---------|-----------|------------|--------------------|
| | Liner Trade | Air Cargo Transportation | Logistics | | Real Estate | Other | | | |
| Revenues | | | | | | | | | |
| Revenues from customer | 185,931 | 178,411 | 845,279 | 974,284 | 4,095 | 92,772 | 2,280,775 | – | 2,280,775 |
| Inter-segment revenues | 4,620 | 10,320 | 2,213 | 271 | 111 | 77,632 | 95,169 | (95,169) | – |
| Revenues | 190,552 | 188,731 | 847,492 | 974,556 | 4,207 | 170,405 | 2,375,944 | (95,169) | 2,280,775 |
| Segment profit (loss) | 734,245 | 74,068 | 58,727 | 139,100 | 2,127 | (1,231) | 1,007,038 | (3,884) | 1,003,154 |
| Segment assets | 945,345 | 141,904 | 418,931 | 1,497,120 | 27,764 | 221,454 | 3,252,520 | (172,497) | 3,080,023 |
| Other items | | | | | | | | | |
| Depreciation and amortization | 9,818 | 5,651 | 21,003 | 63,356 | 702 | 1,109 | 101,643 | (46) | 101,596 |
| Amortization of goodwill or (negative goodwill) | 45 | – | 859 | 846 | – | – | 1,750 | – | 1,750 |
| Interest income | 60 | 107 | 213 | 1,659 | 90 | 942 | 3,073 | (946) | 2,127 |
| Interest expenses | 2,561 | 568 | 1,683 | 8,212 | 19 | 113 | 13,158 | (879) | 12,279 |
| Equity in earnings (losses) of unconsolidated subsidiaries and affiliates | 715,990 | – | (103) | 30,412 | 198 | (3,856) | 742,642 | 3 | 742,645 |
| The amount of investment in associates accounted for by the equity method | 757,825 | – | 2,198 | 269,832 | 2,459 | 420 | 1,032,735 | (2,009) | 1,030,726 |
| Increase in vessels, property, plant and equipment and intangible assets | 4,296 | 74,471 | 8,214 | 118,653 | 83 | 687 | 206,407 | (1,266) | 205,140 |

(Note)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 59 million yen and other corporate expenses -3,943 million yen. The general and administrative expenses and non-operating expenses which do not belong to any single segment are treated as other corporate expenses. Details of the amount for adjustments of segment assets are receivables or assets related to internal exchange among segments of -290,074 million yen and corporate assets of 117,577 million yen. Corporate assets are mainly surplus funds invested in cash and deposits.
2. On April 1, 2021, "Global Logistics" has been renamed to "Liner & Logistics".

4. Notes Regarding Changes in Reportable Segments

(Adoption of the Accounting Standard for Revenue Recognition)

In accordance with the Changes in Accounting Policies stated above, the Revenue Recognition Accounting Standard has been adopted from the start of the first quarter of the current consolidated fiscal year, and because the accounting method for revenue recognition has been changed, the method used to measure profit or loss in each reportable segment has been similarly changed.

As a result of these changes, the revenue to external customers through the third quarter of the current consolidated fiscal year increased by 26,017 million yen in the Bulk Shipping segment, and the segment income (loss) increased by 9,936 million yen in the Bulk Shipping segment.

【Information regarding Impairment Losses on Non-current Assets by Reportable Segment】

Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(In million yen)

| | Liner Trade | Air Cargo Transportation | Logistics | Bulk Shipping | Real Estate | Other | Elimination or Corporate | Total |
|-----------------|----------------|-----------------------------|-----------|------------------|----------------|-------|-----------------------------|--------|
| Impairment loss | 194 | — | 1,126 | 22,399 | 536 | 129 | — | 24,385 |

Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(In million yen)

| | Liner Trade | Air Cargo Transportation | Logistics | Bulk Shipping | Real Estate | Other | Elimination or Corporate | Total |
|-----------------|----------------|-----------------------------|-----------|------------------|----------------|-------|-----------------------------|-------|
| Impairment loss | 75 | — | 902 | 1,832 | — | — | — | 2,810 |

【Information regarding Outstanding Goodwill by Reportable Segment】

Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(In million yen)

| | Liner Trade | Air Cargo Transportation | Logistics | Bulk Shipping | Real Estate | Other | Elimination or Corporate | Total |
|---|----------------|-----------------------------|-----------|------------------|----------------|-------|-----------------------------|--------|
| Amount of goodwill (negative goodwill) at the end of current period | 89 | — | 4,284 | 5,816 | — | — | — | 10,190 |

(Note) We have omitted disclosure of goodwill amortization because this is disclosed in segment information.

Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(In million yen)

| | Liner Trade | Air Cargo Transportation | Logistics | Bulk Shipping | Real Estate | Other | Elimination or Corporate | Total |
|---|----------------|-----------------------------|-----------|------------------|----------------|-------|-----------------------------|-------|
| Amount of goodwill (negative goodwill) at the end of current period | 49 | — | 3,674 | 4,987 | — | — | — | 8,711 |

(Note) We have omitted disclosure of goodwill amortization because this is disclosed in segment information.

【Information regarding Gain on Negative Goodwill by Reportable Segment】

Not applicable

(Information per Share)

| | Year ended March 31, 2021 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Equity per share (yen) | 3,703.27 | 10,144.29 |
| Profit per share attributable to owners of parent (yen) | 824.55 | 5,973.76 |

(Notes)

1. Profit per share – fully diluted is not stated because no dilutive securities exist.
2. The base on equity per share is summarized in the following table.

| | As of March 31, 2021 | As of March 31, 2022 |
|--|-------------------------|-------------------------|
| Total equity (million yen) | 667,411 | 1,759,073 |
| Amount deducting from total equity (million yen) | 42,078 | 45,359 |
| (Non-controlling interests) (million yen) | (42,078) | (45,359) |
| Equity related to ordinary shares (million yen) | 625,332 | 1,713,713 |
| Number of shares of ordinary shares used as basis for calculation of equity per share (Thousands of shares) | 168,859 | 168,933 |

3. The base on profit per share attributable to owners of parent is summarized in the following table.

| | Year ended March 31, 2021 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Profit (loss) attributable to owners of parent (million yen) | 139,228 | 1,009,105 |
| Amount not attributable to ordinary shares (million yen) | — | — |
| Profit (loss) attributable to owners of parent related to ordinary shares (million yen) | 139,228 | 1,009,105 |
| Weighted average number of shares outstanding (thousands of shares) | 168,853 | 168,923 |

(Notes)

When calculating equity per share, the shares held by the performance-based stock remuneration BIP trust are included in the treasury stock deducted from the total issued shares. Also, when calculating profit per share, the shares held by the BIP trust are included in the treasury stock deducted when calculating the "Average number of shares". The number of treasury stock deducted when calculating equity per share was 696,000 shares in the previous consolidated fiscal year and 612,000 shares in the current consolidated fiscal year. Also, the average number of treasury stock deducted when calculating profit per share was 705,000 shares in the previous fiscal year and 627,000 shares in the current fiscal year.

(Important Subsequent Event)

Not applicable

4. Other Information

(1) Quarterly Operating Results

Year ended March 31, 2022

| | (In million yen) | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Apr 1, 2021 – Jun 30, 2021 1Q | Jul 1, 2021 – Sep 30, 2021 2Q | Oct 1, 2021 – Dec 31, 2021 3Q | Jan 1, 2022 – Mar 31, 2022 4Q |
| Revenues | 504,611 | 546,769 | 624,577 | 604,816 |
| Operating profit (loss) | 53,000 | 64,932 | 80,059 | 70,946 |
| Recurring profit (loss) | 153,620 | 243,626 | 301,081 | 304,826 |
| Profit (loss) attributable to owners of parent for the quarter | 151,093 | 260,225 | 280,897 | 316,888 |
| Total assets | 2,238,803 | 2,395,332 | 2,723,315 | 3,080,023 |
| Equity | 805,345 | 1,074,175 | 1,347,791 | 1,759,073 |

Year ended March 31, 2021

| | (In million yen) | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Apr 1, 2020 – Jun 30, 2020 1Q | Jul 1, 2020 – Sep 30, 2020 2Q | Oct 1, 2020 – Dec 31, 2020 3Q | Jan 1, 2021 – Mar 31, 2021 4Q |
| Revenues | 361,170 | 360,861 | 423,911 | 462,471 |
| Operating profit (loss) | 8,947 | 7,743 | 31,262 | 23,583 |
| Recurring profit (loss) | 16,591 | 30,837 | 74,657 | 93,249 |
| Profit (loss) attributable to owners of parent for the quarter | 11,684 | 10,496 | 30,181 | 86,866 |
| Total assets | 1,882,678 | 1,901,705 | 1,960,549 | 2,125,480 |
| Equity | 502,347 | 510,612 | 540,502 | 667,411 |

(Note) The above operating results (revenues, operating profit (loss), recurring profit (loss) and profit (loss) attributable to owners of parent) 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) Change in Number of NYK Fleet

Following are change in the fleet owned or co-owned by the Company and its consolidated subsidiaries.

(The tonnage figures include other companies' ownership for co-owned vessels)

| Business segment | Type of vessel | Decrease during the period | | Increase during the period | |
|------------------|-----------------------------|----------------------------|---------|----------------------------|---------|
| | | Number of vessels | 1000 Kt | Number of vessels | 1000 Kt |
| Bulk Shipping | Bulk Carriers (Capesize) | 4 | 794 | 3 | 591 |
| | Bulk Carriers (Panamaxsize) | 3 | 265 | 1 | 82 |
| | Bulk Carriers (Handysize) | 3 | 146 | 1 | 46 |
| | Wood Chip Carriers | - | - | 2 | 114 |
| | Car Carriers | 1 | 16 | 2 | 36 |
| | Tankers | 3 | 922 | 4 | 985 |
| | LNG Carriers | 12 | 794 | 1 | 89 |
| | Multi-purpose Carriers | 1 | 20 | 3 | 40 |
| | Other | - | - | 2 | 3 |
| | Total | 27 | 2,959 | 19 | 1,990 |

(3) Fleet in Operation as of Fiscal Year-End

Following are the fleet owned (or co-owned) or chartered by the Company and its consolidated subsidiaries. (The tonnage figures include other companies' ownership for co-owned vessels)

| Business Segment | Type of vessel | Classification | Year ended March 31, 2020 | | Year ended March 31, 2021 | | Change | |
|------------------|-----------------------------|----------------|---------------------------|---------------|---------------------------|---------------|-------------------|---------------|
| | | | Number of vessels | 1000 Kt (dwt) | Number of vessels | 1000 Kt (dwt) | Number of vessels | 1000 Kt (dwt) |
| Liner Trade | Containerships | Owned | 26 | 1,659 | 26 | 1,665 | - | 5 |
| | | Chartered | 29 | 3,039 | 29 | 3,039 | - | - |
| | | Total | 55 | 4,699 | 55 | 4,704 | - | - |
| Bulk Shipping | Bulk Carriers (Capesize) | Owned | 21 | 4,125 | 20 | 3,923 | (1) | (201) |
| | | Chartered | 97 | 19,166 | 91 | 17,860 | (6) | (1,306) |
| | | Total | 118 | 23,292 | 111 | 21,784 | (7) | (1,507) |
| | Bulk Carriers (Panamaxsize) | Owned | 36 | 3,214 | 34 | 3,031 | (2) | (183) |
| | | Chartered | 60 | 5,106 | 56 | 4,761 | (4) | (345) |
| | | Total | 96 | 8,320 | 90 | 7,792 | (6) | (528) |
| | Bulk Carriers (Handysize) | Owned | 53 | 2,605 | 51 | 2,505 | (2) | (100) |
| | | Chartered | 89 | 4,232 | 93 | 4,603 | 4 | 370 |
| | | Total | 142 | 6,838 | 144 | 7,109 | 2 | 270 |
| | Wood Chip Carriers | Owned | 9 | 460 | 11 | 574 | 2 | 114 |
| | | Chartered | 31 | 1,717 | 26 | 1,438 | (5) | (278) |
| | | Total | 40 | 2,178 | 37 | 2,013 | (3) | (164) |
| | Car Carriers | Owned | 37 | 706 | 38 | 727 | 1 | 20 |
| | | Chartered | 73 | 1,334 | 70 | 1,299 | (3) | (35) |
| | | Total | 110 | 2,041 | 108 | 2,026 | (2) | (15) |
| | Tankers | Owned | 30 | 5,802 | 31 | 5,866 | 1 | 63 |
| | | Chartered | 19 | 2,448 | 18 | 2,982 | (1) | 533 |
| | | Total | 49 | 8,251 | 49 | 8,848 | - | 597 |
| | LNG Carriers | Owned | 26 | 1,903 | 15 | 1,199 | (11) | (704) |
| | | Chartered | 3 | 226 | 3 | 224 | - | (1) |
| | | Total | 29 | 2,130 | 18 | 1,423 | (11) | (706) |
| | Multi-purpose Carriers | Owned | 21 | 397 | 23 | 418 | 2 | 20 |
| | | Chartered | 24 | 330 | 22 | 317 | (2) | (13) |
| | | Total | 45 | 728 | 45 | 735 | - | 7 |
| Other | Owned | - | - | 2 | 3 | 2 | 3 | |
| | Chartered | - | - | - | - | - | - | |
| | Total | - | - | 2 | 3 | 2 | 3 | |
| Total | Owned | 259 | 20,877 | 251 | 19,915 | (8) | (961) | |
| | Chartered | 425 | 37,603 | 408 | 36,527 | (17) | (1,076) | |
| | Total | 684 | 58,480 | 659 | 56,443 | (25) | (2,037) | |

(4) Vessels under Construction as of Fiscal Year-End

The vessels under construction possessed by the company and consolidated companies are as follows.

| Business segment | Type of vessel | Number of vessels | 1000 Kt |
|------------------|-----------------------------|-------------------|---------|
| Bulk Shipping | Bulk Carriers (Capesize) | 1 | 210 |
| | Bulk Carriers (Panamaxsize) | 1 | 95 |
| | Wood Chip Carriers | 2 | 109 |
| | Car Carriers | 8 | 157 |
| | Tankers | 7 | 636 |
| | LNG Carriers | 6 | 407 |
| Total | | 25 | 1,616 |

(5) Aircraft in Operation as of Fiscal Year-End

| | Year ended March 31, 2021 | | Year ended March 31, 2022 | | Change | |
|----------|---------------------------|-----------------------------|---------------------------|-----------------------------|--------------------|-----------------------------|
| | Number of aircraft | Maximum take-off weight (t) | Number of aircraft | Maximum take-off weight (t) | Number of aircraft | Maximum take-off weight (t) |
| Aircraft | 8 | 3,581 | 8 | 3,581 | - | - |

(6) Balance of Interest-Bearing Debt as of Fiscal Year-End

(In million yen)

| | Year ended March 31, 2021 | Year ended March 31, 2022 | Change |
|--------------------|---------------------------|---------------------------|-----------|
| Loans | 721,958 | 577,988 | (143,970) |
| Corporate bonds | 132,000 | 127,000 | (5,000) |
| Leases liabilities | 97,184 | 103,311 | 6,127 |
| Total | 951,143 | 808,299 | (142,843) |