Consolidated Financial Results for Three Months Ended June 30, 2022
(Japanese GAAP) (Unaudited)

August 3, 2022

Nippon Yusen Kabushiki Kaisha (NYK Line)

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Listings: Prime Market of Tokyo Stock Exchanges
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Start scheduled date of paying Dividends: -
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 Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	673,050	33.4	89,174	68.3	377,726	145.9	343,377	127.3
Three months ended June 30, 2021	504,611	39.7	53,000	492.3	153,620	825.9	151,093	-

(Note) Comprehensive income:
Three Months ended June 30, 2022: ¥485,696 million (194.9%), Three Months ended June 30, 2021: ¥164,721 million (-%)

	Profit per share	Profit per share–fully diluted
	yen	yen
Three months ended June 30, 2022	2,031.67	-
Three months ended June 30, 2021	894.72	-

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of June 30, 2022	3,504,816	2,028,845	56.6
As of March 31, 2022	3,080,023	1,759,073	55.6

(Reference) Shareholders' equity: As of June 30, 2022: ¥1,983,529 million, As of March 31, 2022: ¥1,713,713 million

2. Dividends

Date of record	Dividend per share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Year-end	Total
	yen	yen	yen	yen	yen
Year ending March 31, 2022	-	200.00	-	1,250.00	1,450.00
Year ending March 31, 2023	-				
Year ending March 31, 2023 (Forecast)		1,000.00	-	145.00	-

(Note) Revision of forecast for dividends in this quarter: Yes

(Note)
A 3-for-1 common stock split for ordinary shares of the company is planned to be conducted with an effective date of October 1, 2022. Concerning the (forecast) year-end dividend per share for the fiscal year ending March 31, 2023, the dividend amount based on the number of shares after the stock split is shown, and the total full-year dividend is displayed as " – ". Based on the number of shares prior to the stock split, the (forecast) year-end dividend for the fiscal year ending March 31, 2023 is ¥435 for a full-year dividend of ¥1,435 per share.

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	1,300,000	23.6	150,000	27.2	720,000	81.2	670,000	62.9	3,961.82
Year ending March 31,2023	2,500,000	9.6	250,000	−7.0	1,040,000	3.7	960,000	−4.9	1,891.51

(Note) Revision of forecast in this quarter: None

(Note)
A 3-for-1 common stock split for ordinary shares of the company is planned to be conducted with an effective date of October 1, 2022. Full-year earnings per share in the consolidated forecast for the fiscal year ending March 31, 2023 uses the number of shares after the stock split. Based on the number of shares prior to the stock split, earnings per share are expected to be ¥5,674.54.

***Notes**

(1) Changes of important subsidiaries in the period: None
(Changes in specified subsidiaries involving change in consolidation scope)
New: None Exclusion: None

(2) Particular accounting methods used for preparation of quarterly consolidated financial statements: None

(3) 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

(4) Total issued shares (Ordinary shares)

1. Total issued shares (including treasury stock)	As of June 30, 2022	170,055,098	As of March 31, 2022	170,055,098
2. Number of treasury stock	As of June 30, 2022	805,417	As of March 31, 2022	1,121,179
3. Average number of shares (cumulative quarterly period)	Three months ended June 30, 2022	169,012,493	Three months ended June 30, 2021	168,871,621

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

*Assumptions for the forecast of consolidated financial results and other particular issues
Foreign exchange rate:
(for the second, third and fourth quarter) ¥128.00/US$
(for full year) ¥127.62/US$
Bunker oil price:
(for the second quarter) US$899.00/MT
(for the third quarter) US$852.00/MT
(for fourth quarter) US$812.50/MT
(for full year) US$838.24/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 that the forecast will be realized. Actual results may differ from the forecast as a result of various factors. Refer to pages 2-7 of the attachment 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/2022/)

Index of the Attachments

1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

（In billion yen）

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change	Percentage Change
Revenues	504.6	673.0	168.4	33.4%
Operating Profit	53.0	89.1	36.1	68.3%
Recurring Profit	153.6	377.7	224.1	145.9%
Profit attributable to owners of parent	151.0	343.3	192.2	127.3%

In the first quarter of the fiscal year ending March 31, 2023 (April 1, 2022 to June 30, 2022), consolidated revenues amounted to ¥673.0 billion (increased by ¥168.4 billion compared to the first quarter of the previous fiscal year), operating profit amounted to ¥89.1 billion (increased by ¥36.1 billion), recurring profit amounted to ¥377.7 billion (increased by ¥224.1 billion), profit attributable to owners of parent amounted to ¥343.3 billion (increased by ¥192.2 billion).

Due to the strong performance of OCEAN NETWORK EXPRESS PTE. LTD. (ONE), our equity-method affiliate, equity in earnings of unconsolidated subsidiaries and affiliates of ¥274.3 billion in non-operating income was recorded. Within this amount, equity in earnings of affiliates from ONE was ¥264.4 billion.

Changes in the average exchange rate between the U.S. dollar and yen as well as the average bunker oil price during the first quarter of the current and previous fiscal years are shown in the following tables.

	Three months ended Jun 30, 2021	Three months ended Jun 30, 2022	Change
Average exchange rates	¥109.80/US$	¥126.49/US$	Yen down ¥16.69/US$
Average bunker oil prices	US$441.92/MT	US$789.48/MT	Price up US$347.56/MT

Note: Exchange rates and bunker oil prices are our internal figures.

Overview by Business Segment

Business segment information for the three months ended June 30, 2022 (April 1, 2022 to June 30, 2022) is as follows.

(in billion yen)

		Revenues				Recurring profit		
		FY2021 1Q	FY2022 1Q	Change	Percentage Change	FY2021 1Q	FY2022 1Q	Change
Liner & Logistics	Liner Trade	50.1	51.8	1.6	3.3 %	111.3	270.4	159.0
	Air Cargo Transportation	43.9	62.5	18.5	42.3 %	15.3	24.6	9.3
	Logistics	176.8	239.8	63.0	35.6 %	11.5	19.3	7.7
Bulk Shipping		217.6	292.2	74.5	34.2 %	16.0	64.1	48.1
Others	Real Estate	1.5	0.8	-0.7	-45.1 %	0.7	0.4	-0.2
	Other	33.9	63.1	29.2	86.2 %	-0.6	0.3	1.0

Liner Trade Business

In the container shipping division, although ONE was affected by the overall supply chain disruptions caused by port congestion, as well as the lockdowns in China and the situation in Russia and Ukraine, freight rates remained high, and the financial results were strong. In the major trades, sailings were voided in the North America trade as turnaround times grew longer due to port congestion and cargo volumes declined due to the lockdowns in China. As a result, both liftings and utilization fell compared to the same period last year. In the Europe trade, too, both liftings and utilization fell compared to the same period last year due to port congestion caused by the impact of the lockdowns and containers destined for Russia piling up at the ports. On the other hand, freight rates were higher than the same period last year on both trades, driving the overall results.

At the terminals in Japan, although handling volumes slightly declined due to delays in the containership voyage schedules and the impact of the lockdowns, they remained generally unchanged from the same period last year. At the overseas terminals, handling volumes declined compared to the same period last year due to the sale of several terminals in North America.

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

Air Cargo Transportation Business

In the Air Cargo Transportation Business, cargo volumes slowed slightly due to the impact of the lockdowns in China and other factors. As a result of the widespread suspension of flights on the Shanghai service and cancellation of flights on the Europe service due to the situation in Russia and Ukraine, supplied space and shipping volumes were below the initial plan. However, freight rates remained high on

support from strong transportation demand for semiconductor manufacturing equipment and the long-term contracts renewed under the favorable market conditions.
As a result of the above, profit increased on higher revenue in the overall Air Cargo Transportation Business compared to the same period last year.

Logistics Business

In the air freight forwarding business, although the tight supply-and-demand conditions started to slacken following the return of international passenger flights, sales prices trended at high levels compared to the same period last year. As a result, a certain profit level was achieved despite the lower handling volumes year on year caused by the impact of the lockdowns in China and other factors.
In the ocean freight forwarding business, handling volumes declined compared to the same period last year due to slower shipments caused by the lockdowns and other factors, but profit levels remained firm as a result of sales prices remaining high and efforts to expand sales of ancillary services such as customs clearance.
In the contract logistics business, although labor and energy costs soared particularly in Europe and the United States, handling volumes increased compared to the same period last year through active shipments mainly due to strong demand for consumer goods.
In the coastal transportation business, although handling volumes declined on several services, they increased in the ferry business, and the overall financial results benefited from the yen's depreciation and soaring feeder freight rates.
As a result of the above, profit increased on higher revenue in the overall Logistics Business compared to the same period last year.

Bulk Shipping Business

In the automotive transportation division, although the automobile production volumes declined due to the shortage of automotive components caused by COVID-19 and the global semiconductor shortage, vessel utilization was improved by optimizing vessel deployment plan and sailing schedules. As a result, transportation volumes were generally unchanged compared to the same period last year, and the financial results benefited from the foreign exchange rate. Also, the procurement of eco-friendly vessels is being actively promoted, and the second LNG-fueled pure car and truck carrier has entered service. In the auto logistics business, following the changes in the business environment, the scope of operations in some regions was revised, and actions were taken to increase profitability while reorganizing the portfolio, including acquiring shipments from China. At the same time, preparations were made for opening the finished-car terminal in Egypt and efforts were made to develop new business.
In the dry bulk business division, the Capesize market temporarily recovered after the seasonal market correction ended in late April when the increased vessel waiting times in China due to the lockdowns combined with more active shipments of coal. This unseasonal rise in market levels was subsequently followed by a rapid fall. From June, the market fell further as concerns about slowing global economic activity increased, and the market trended at levels below the same period last year. In the Panamax segment, strong cargo volumes of grain and coal caused markets to remain at levels exceeding the previous year until May. Thereafter, the market levels started to decline in line with the deterioration in the Capesize market, but overall, the market trended at levels above the same period last year. Also, in the

Handymax and Handy markets, the cross trade particularly from the Pacific Ocean to Atlantic Ocean became more active, and shipments of minor bulk cargo were strong, causing markets to trend at levels exceeding the same period last 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 business division, the supply-and-demand balance for VLCC (Very Large Crude Carrier) did not improve, and markets remained at historic lows. In the petrochemical tanker market, due to the impact of the situation in Russia and Ukraine, the origin of shipments bound for Europe shifted from Russia to the United States and India, resulting in longer sailing distances. The subsequent decline in shipping capacity supply caused supply-and-demand conditions to tighten, leading to greatly higher market levels compared to the same period last year. In the VLGC (Very Large LPG Carrier) market, the supply-and-demand balance tightened due to congestion at the Panama Canal and strong cargo volumes to Europe despite seasonally weaker demand, and the market trended at levels exceeding the same period last year. 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 Business recorded increased profit on higher revenue compared to the same period last year.

Also, in the energy business division, an extraordinary loss of about ¥17.8 billion was recorded in the LNG carrier business in relation to LNG transportation involving the Sakhalin 2 project due to the deteriorating business environment caused by the situation in Russia and Ukraine.

Real Estate and Other Businesses

In the Real Estate Business, profit decreased on lower revenue compared to the same period last year following the partial transfer of shares of a subsidiary in the last fiscal year.

In Other Business Services, although some of the manufacturing businesses did not perform as well as last year due to the impact of higher oil prices, strong performances by the bunker fuel sales business and marine equipment supplies sales business drove the overall results. In the cruise business, operations were suspended in late March due to a problem involving the electrical equipment aboard the ship, but cruises resumed from early June. As a result of the above, revenue increased in Other Business Services compared to the same period last year, and a profit was recorded.

(2) Explanation of the Financial Position

Status of Assets, Liabilities and Equity

Status of Assets, Liabilities and Equity

As of the end of the first quarter of the current consolidated accounting period, assets amounted to ¥3,504.8 billion, an increase of ¥424.7 billion compared to the end of the previous consolidated fiscal year due to an increase in notes and operating accounts receivable-trade and contract assets, an increase in investment securities after recording the profit from ONE and other equity method affiliates and an increase in tangible non-current assets, mainly vessels. Under liabilities, interest bearing debt increased by ¥45.0 billion to ¥853.3 billion due to an increase in loans payable, and total liabilities amounted to ¥1,475.9 billion, an increase of ¥155.0 billion compared to the end of the previous consolidated fiscal year. Under consolidated equity, retained earnings increased by ¥131.4 billion, and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥1,983.5 billion. This amount combined with non-controlling interest of ¥45.3 billion brought total equity to ¥2,028.8 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 0.43, and the equity ratio was 56.6%.

(3) Explanation of the Consolidated Earnings Forecast and Future Outlook

① Forecast of the Consolidated Financial Results

Compared to the consolidated forecast issued at the start of the fiscal year, each business performed above expectations in the first quarter.

It is still difficult to foresee the business environment due to the risk of slowing global growth from the disruptions caused by the situation involving Russia and Ukraine and ongoing global inflation. However, in the container shipping division, the forecast is based on the assumption that the supply chain disruptions will gradually improve from the second half after the peak season and the strong cargo volumes and high freight rates will weaken.

At the terminals in Japan, handling volumes are expected to remain unchanged from the last fiscal year. At the overseas terminals, with priority to transferring the terminal in the North America west coast to ONE, it is planned to then successively transfer the terminals in the other regions.

In the Air Cargo Transportation Business, seasonal peak demand will occur early in the second half, but due to the gradual return of international passenger flights, the tight supply-and-demand conditions are expected to soften to a certain extent.

In the Logistics Business, due to loosening in the tight supply-and-demand conditions, profit levels are expected to fall to a certain extent in both the air freight forwarding business and ocean freight forwarding business. In the contract logistics business, although soaring personnel expenses will have an impact, continued efforts will be made to stabilize earnings through cost cutting measures and revisions to the service contracts, including price adjustments.

In the automotive transportation division, lower automobile production volumes due to the semiconductor and automotive component shortages continue to be a concern, but transportation volumes are forecast to remain firm through efforts to acquire transportation demand including used vehicles and construction equipment.

In the dry bulk business division, although market levels are expected to decline for all vessel segments compared to the last fiscal year, they are forecast to remain at strong levels.

In the energy business division, the VLCC market is expected to recover from the second half, and the VLGC market is forecast to remain firm. Overall, the business is expected to remain strong on support from the stable medium to long-term contracts in LNG carriers and the offshore business.

Based on the above outlook, the second quarter and full-year consolidated forecasts have been revised as follows. Note that no additional changes have been made to the upward revision announced on July 21, 2022.

(in billion yen)

		Initial forecast (May 9, 2022)	Revised forecast (same as July 21, 2022)	Change	Percentage Change
Cumulative second quarter ending September 30, 2022	Revenues	1,160.0	1,300.0	140.0	12.1%
	Operating Profit	97.0	150.0	53.0	54.6%
	Recurring Profit	460.0	720.0	260.0	56.5%
	Profit attributable to owners of parent	440.0	670.0	230.0	52.3%

Fiscal Year ending March 31, 2023	Revenues	2,300.0	2,500.0	200.0	8.7%
	Operating Profit	187.0	250.0	63.0	33.7%
	Recurring Profit	760.0	1,040.0	280.0	36.8%
	Profit attributable to owners of parent	720.0	960.0	240.0	33.3%

Assumptions for the forecast of consolidated financial results:
Foreign Exchange Rate
(for the second, third and fourth quarters) ¥128.00/US$
(for the full year) ¥127.62/US$

Bunker Oil Price
(for the second quarter) US$899.00/MT
(for the third quarter) US$852.00/MT
(for the fourth quarter) US$812.50/MT
(for the full year) US$838.24/MT
*Bunker oil price is on average basis for all the major fuel grades including VLSFO.

② Dividends for the Fiscal Year ending March 31, 2023

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%.
In accordance with this basic policy, at the present time, the interim dividend planned for the current fiscal year (ending March 31, 2023) has been increased by JPY350 per share from the initial forecast to JPY1,000 per share. Concerning the year-end dividend, following the 3-for-1 common stock split to be conducted with a record date of September 30, 2022 and effective date of October 1, 2022, it was planned to issue a dividend of JPY135 per share, but this dividend has been increased by JPY10 to JPY145 per share. Concerning the full-year dividend, it is not possible to simply add the interim and year-end dividend together due to the stock split, but based on the number of shares prior to the stock split, it is equivalent to a full-year dividend of JPY1,435 per share.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	233,019	148,675
Notes and operating accounts receivable-trade and contract assets	359,158	410,221
Inventories	57,029	73,455
Deferred and prepaid expenses	24,152	31,088
Other	94,937	97,989
Allowance for doubtful accounts	(3,433)	(3,364)
Total current assets	764,863	758,066
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	577,147	650,286
Buildings and structures, net	105,494	135,748
Aircraft, net	103,683	101,664
Machinery, equipment, and vehicles, net	27,548	28,331
Furniture and fixtures, net	5,979	6,448
Land	72,722	95,069
Construction in progress	65,834	80,902
Other, net	5,867	6,316
Total vessels, property, plant and equipment	964,277	1,104,768
Intangible assets		
Leasehold right	5,117	5,423
Software	6,135	7,334
Goodwill	8,711	8,337
Other	3,637	2,932
Total intangible assets	23,602	24,028
Investments and other assets		
Investment securities	1,146,438	1,431,737
Long-term loans receivable	27,503	29,492
Net defined benefit asset	85,644	85,485
Deferred tax assets	10,571	7,897
Other	62,099	68,884
Allowance for doubtful accounts	(5,236)	(5,785)
Total investments and other assets	1,327,019	1,617,712
Total non-current assets	2,314,899	2,746,509
Deferred assets	259	240
Total assets	3,080,023	3,504,816

(In million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	218,650	239,996
Current portion of bonds payable	30,000	10,000
Short-term loans payable	130,919	163,845
Leases liabilities	23,818	24,130
Income taxes payable	25,097	17,186
Contract liabilities	39,792	52,429
Provision for bonuses	23,188	19,640
Provision for directors' bonuses	517	429
Provision for stock payment	1,270	1,310
Provision for losses related to contracts	134	137
Other	79,895	129,850
Total current liabilities	573,282	658,956
Non-current liabilities		
Bonds payable	97,000	87,000
Long-term loans payable	447,069	484,509
Leases liabilities	79,493	83,886
Deferred tax liabilities	57,446	58,329
Net defined benefit liability	15,907	16,296
Provision for directors' retirement benefits	819	719
Provision for stock payment	-	48
Provision for periodic dry docking of vessels	16,347	16,167
Provision for losses related to contracts	18,074	17,209
Provision for related to business restructuring	407	399
Other	15,102	52,447
Total non-current liabilities	747,667	817,014
Total liabilities	1,320,949	1,475,971
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	44,314	44,344
Retained earnings	1,396,300	1,527,718
Treasury stock	(3,428)	(2,822)
Total shareholders' capital	1,581,506	1,713,560
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	32,136	35,140
Deferred gain (loss) on hedges	(15,452)	(3,521)
Foreign currency translation adjustments	85,785	209,965
Remeasurements of defined benefit plans	29,737	28,383
Total accumulated other comprehensive income (loss)	132,207	269,969
Non-controlling interests	45,359	45,315
Total equity	1,759,073	2,028,845
Total liabilities and equity	3,080,023	3,504,816

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

(Consolidated Statement of Income)

(In million yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Revenues	504,611	673,050
Cost and expenses	408,434	533,288
Gross profit	96,177	139,761
Selling, general and administrative expenses	43,176	50,586
Operating profit	53,000	89,174
Non-operating income		
Interest income	443	733
Dividend income	2,733	2,209
Equity in earnings of unconsolidated subsidiaries and affiliates	113,326	274,377
Foreign exchange gains	417	11,912
Other	1,033	3,333
Total non-operating income	117,954	292,565
Non-operating expenses		
Interest expenses	3,576	2,987
Other	13,758	1,025
Total non-operating expenses	17,334	4,013
Recurring profit	153,620	377,726
Extraordinary income		
Gain on sales of non-current assets	3,616	1,978
Gain on sale of shares of subsidiaries and associates	5,372	1,151
Gain on step acquisitions	-	1,485
Other	823	1,083
Total extraordinary income	9,811	5,699
Extraordinary losses		
Loss on sales of non-current assets	15	0
Impairment losses	11	17,844
Loss on valuation of investment securities	1,029	-
Other	2,483	532
Total extraordinary losses	3,540	18,376
Profit before income taxes	159,892	365,049
Total income taxes	7,856	18,378
Profit	152,035	346,670
Profit attributable to non-controlling interests	942	3,293
Profit attributable to owners of parent	151,093	343,377

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	152,035	346,670
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	83	3,077
Deferred gain (loss) on hedges	(24)	1,846
Foreign currency translation adjustments	(2,131)	19,892
Remeasurements of defined benefit plans	(707)	(1,387)
Share of other comprehensive income of associates accounted for using equity method	15,465	115,597
Total other comprehensive income	12,685	139,025
Comprehensive income	164,721	485,696
(Breakdown)		
Comprehensive income attributable to owners of parent	164,432	481,138
Comprehensive income attributable to non-controlling interests	288	4,557

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The first quarter of this fiscal year (April 1, 2022 – June 30, 2022)

Not applicable

(Notes in the Event of Significant Changes in Shareholders' Capital)

The first quarter of this fiscal year (April 1, 2022 – June 30, 2022)

Not applicable

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

(Adoption of the Accounting Standards Update 2016-02 "Leases")

At affiliates preparing their financial statements in accordance with US GAAP, the Accounting Standards Update (ASU) 2016-02 "Leases" has been adopted from the first quarter of the current consolidated fiscal year. Under this new policy, the lessee is required to record nearly all leases as assets and liabilities in the quarterly consolidated balance sheet.

As a result of adopting this accounting standard, the starting balances at the beginning of the first quarter of the current consolidated fiscal year have increased mainly by 19,889 million yen for Buildings and structures, 20,305 million yen for Land, 9,574 million yen for Other current liabilities and 31,074 million yen for Other non-current liabilities. The impact on retained earnings is minor.

Also, the impact on the quarterly consolidated statement of income through the first quarter of the current consolidated fiscal year is minor.

(Adoption of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on June 17, 2021; hereinafter "Implementation Guidance for the Fair Value Measurement 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 27-2 of the Implementation Guidance for the Fair Value Measurement Accounting Standard, the new accounting policy set forth in the Implementation Guidance for the Fair Value Measurement Accounting Standard will be permanently adopted.

The adoption of this implementation guidance will have no impact on the quarterly consolidated financial statements.

(Segment Information)

Ⅰ. Three months ended June 30, 2021 (April 1, 2021 – June 30, 2021)
Revenues and income or loss by reportable segment

(In million yen)

	Liner & Logistics			Bulk Shipping	Others		Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics		Real Estate	Other			
Revenues									
(1) Revenues from customer	48,950	41,310	176,413	217,667	1,483	18,787	504,611	-	504,611
(2) Inter-segment revenues	1,242	2,633	391	28	111	15,114	19,521	(19,521)	-
Total	50,192	43,944	176,804	217,696	1,594	33,901	524,133	(19,521)	504,611
Segment income (loss)	111,373	15,323	11,586	16,060	732	(666)	154,409	(789)	153,620

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 16 million yen and other corporate expenses -806 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.
2. Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statement of income.

Ⅱ. Three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)
1. Revenues and income or loss by reportable segment

(In million yen)

	Liner & Logistics			Bulk Shipping	Others		Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics		Real Estate	Other			
Revenues									
(1) Revenues from customer	50,558	59,833	239,175	292,182	876	30,423	673,050	-	673,050
(2) Inter-segment revenues	1,295	2,683	642	31	-	32,706	37,360	(37,360)	-
Total	51,854	62,517	239,818	292,213	876	63,130	710,410	(37,360)	673,050
Segment income (loss)	270,452	24,672	19,300	64,196	441	343	379,406	(1,680)	377,726

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 11 million yen and other corporate expenses -1,691 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.
2. Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statement of income.

3. Other Information

(1) Quarterly Operating Results

Year ending March 31, 2023

(In million yen)

	Apr 1, 2022 – Jun 30, 2022 1Q	Jul 1, 2022 – Sep 30, 2022 2Q	Oct 1, 2022 – Dec 31, 2022 3Q	Jan 1, 2023 – Mar 31, 2023 4Q
Revenues	673,050			
Operating profit (loss)	89,174			
Recurring profit (loss)	377,726			
Profit (loss) attributable to owners of parent for the quarter	343,377			
Total assets	3,504,816			
Equity	2,028,845			

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

(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) Foreign Exchange Rate Information

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change	Year ended March 31, 2022
Average exchange rate during the period	¥109.80/US$	¥126.49/US$	Yen down ¥16.69/US$	¥112.06/US$
Exchange rate at the end of the period	¥110.58/US$	¥136.68/US$	Yen down ¥26.10/US$	¥122.39/US$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2022	Three months ended June 30, 2022	Change
Loans	577,988	648,354	70,366
Corporate bonds	127,000	97,000	(30,000)
Leases liabilities	103,311	108,016	4,705
Total	808,299	853,371	45,071