

Consolidated Financial Results for Nine Months Ended December 31, 2022
(Japanese GAAP) (Unaudited)

February 3, 2023

Nippon Yusen Kabushiki Kaisha (NYK Line)

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Start scheduled date of paying Dividends -
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Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 to December 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	%
Nine months ended December 31, 2022	2,050,198	22.3	249,404	26.0	1,005,965	44.1	920,372	33.0
Nine months ended December 31, 2021	1,675,958	46.3	197,992	312.9	698,327	472.0	692,216	-

(Note) Comprehensive income: Nine Months ended December 31, 2022: ¥1,085,390 million (45.8%), Nine Months ended December 31, 2021: ¥744,451 million (-%)

	Profit per share		Profit per share-fully diluted	
	yen		yen	
Nine months ended December 31, 2022	1,812.60		-	
Nine months ended December 31, 2021	1,365.97		-	

(Note) A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. "Profit per share" and "Profit per share-fully diluted" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of December 31, 2022	3,754,637	2,441,785	63.8
As of March 31, 2022	3,080,023	1,759,073	55.6

(Reference) Shareholders' equity: As of December 31, 2022: ¥2,396,920 million, As of March 31, 2022: ¥1,713,713 million

2. Dividends

Date of record	Dividend per share				
	1 st Quarter End	2 nd Quarter End	3 rd Quarter End	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2022	-	200.00	-	1,250.00	1,450.00
Year ending March 31, 2023	-	1,050.00	-		
Year ending March 31, 2023 (Forecast)				160.00	-

(Note) Revision of forecast for dividends in this quarter: No

(Note) A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. The (forecast) year-end dividend per share for the fiscal year ending March 31, 2023 indicated above is based on the number of shares after the stock split, and the full-year dividend is stated as “-”. Based on the number of shares prior to the stock split, the (forecast) year-end dividend for the fiscal year March 31, 2023 would be ¥480.00 for a full-year dividend of ¥1,530.00 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
Year ending March 31, 2023	2,600,000	14.0	290,000	7.8	1,080,000	7.7	1,000,000	-0.9	1,969.05

(Note) Revision of forecast in this quarter: Yes

(Note) A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. The full-year profit per share in the consolidated financial results forecast for the fiscal year ending March 31, 2023 is based on the number of shares after the stock split. Based on the number of shares prior to the stock split, profit per share is forecast to be ¥5,907.16.

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) 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 December 31, 2022	510,165,294	As of March 31, 2022	510,165,294
2. Number of treasury stock	As of December 31, 2022	1,990,232	As of March 31, 2022	3,363,537
3. Average number of shares (cumulative quarterly period)	Nine months ended December 31, 2022	507,763,538	Nine months ended December 31, 2021	506,758,474

A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. “Total issued shares”, “Number of treasury stock” and “Average number of shares” have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

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

*Assumptions for the forecast of consolidated financial results and other particular issues

Foreign exchange rates:

(for the fourth quarter) ¥130.00/US\$

(for the full year) ¥134.28/US\$

Bunker oil prices:

(for the fourth quarter) US\$660.00/MT

(for the full year) US\$767.24/MT

*Bunker oil prices are 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 2-8 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	2
(1) Review of Operating Results	2
(2) Explanation about Financial Position	6
(3) Explanation of Consolidated Earnings Forecast and Future Outlook	7
2. Consolidated Financial Statements	8
(1) Consolidated Balance Sheet	8
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	10
(3) Notes Regarding Consolidated Financial Statements	12
(Notes Regarding Going Concern Assumption)	12
(Notes in the Event of Significant Changes in Shareholders' Capital)	12
(Changes in Accounting Policies Due to Revisions of Accounting Standards)	12
(Segment Information)	14
3. Other Information	15
(1) Quarterly Operating Results	15
(2) Foreign Exchange Rate Information	15
(3) Balance of Interest-Bearing Debt	15

1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

(In billion yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Percentage Change
Revenues	1,675.9	2,050.1	374.2	22.3%
Operating Profit	197.9	249.4	51.4	26.0%
Recurring Profit	698.3	1,005.9	307.6	44.1%
Profit attributable to owners of parent	692.2	920.3	228.1	33.0%

In the first nine months of the fiscal year ending March 31, 2023 (April 1, 2022 to December 31, 2022), consolidated revenues amounted to ¥2,050.1 billion (increased by ¥374.2 billion compared to the first nine months of the previous fiscal year), operating profit amounted to ¥249.4 billion (increased by ¥51.4 billion), recurring profit amounted to ¥1,005.9 billion (increased by ¥307.6 billion), profit attributable to owners of parent amounted to ¥920.3 billion (increased by ¥228.1 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 ¥745.1 billion in non-operating income was recorded. Within this amount, equity in earnings of affiliates from ONE was ¥711.3 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 nine months of the current and previous fiscal years are shown in the following tables.

	Nine months ended Dec 31, 2021	Nine months ended Dec 31, 2022	Change
Average exchange rates	¥110.97/US\$	¥135.70/US\$	Yen down ¥24.73/US\$
Average bunker oil prices	US\$504.05/MT	US\$801.46/MT	Price up US\$297.41/MT

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

Overview by Business Segment

Business segment information for the nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022) is as follows.

(in billion yen)

		Nine Months Ended						
		Revenues				Recurring profit		
		Dec 31, 2021	Dec 31, 2022	Change	Percentage Change	Dec 31, 2021	Dec 31, 2022	Change
Liner & Logistics	Liner Trade	141.0	153.5	12.4	8.8%	504.4	728.8	224.3
	Air Cargo Transportation	141.6	178.3	36.7	25.9%	56.4	56.4	0.0
	Logistics	613.3	689.9	76.5	12.5%	45.6	50.2	4.5
Bulk Shipping		724.6	956.6	232.0	32.0%	93.9	174.4	80.5
Others	Real Estate	3.3	2.5	-0.7	-23.7%	1.6	1.2	-0.4
	Other	118.2	184.3	66.0	55.9%	-1.1	0.6	1.7

Liner Trade

In the container shipping division, while transportation demand continued to noticeably slow due to multiple factors including inflation and high consumer goods inventories in consumer markets mainly in Europe and the United States, the supply of space increased following the alleviation of port congestion at most ports around the world, and as a result, spot freight rates fell. ONE was affected by lower freight rates and cargo volumes during the most recent quarter, but the strong performance during the first half enabled the financial results to exceed the same period last year. In the major North America and Europe trades, although liftings and utilization have fallen year over year, the average freight rates including the first half exceeded the same period last year on both trades. In response to the weaker cargo volumes, ONE is deploying its ships based on the demand situation, including blank sailings, and working to cut costs.

At the terminals in Japan, handling volumes declined slightly compared to the same period last year due in part to continued delays in the containership voyage schedules. At the overseas terminals, handling volumes declined compared to the same period last year due to the sale of several terminals in North America. However, ancillary income from container demurrage increased at several terminals and contributed to the bottom line.

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

In the Air Cargo Transportation Business, due to the continued global economic slowdown and weaker demand for shifting some of the maritime cargo to air freight, the peak demand that usually occurs during the fall period did not materialize, and handling volumes declined compared to the same period last year. Although freight rates continued to trend at levels exceeding the same period last year, costs including fuel expenses increased.

As a result of the above, revenue increased in the overall Air Cargo Transportation Business compared to the same period last year, and a profit on par with the last year was recorded.

Logistics

In the air freight forwarding business, due to weaker cargo volumes, the busy season that usually occurs in the third quarter did not materialize, and both handling volumes and profit levels fell compared to the same period last year.

In the ocean freight forwarding business, although handling volumes fell compared to the same period last year, it was possible to secure a certain level of profit through efforts to conduct agile marketing and increase sales of ancillary services such as custom clearance despite the slackening in the supply-and-demand balance.

In the contract logistics business, efforts were made to revise the service prices in line with the soaring labor and energy costs in Europe and the United States, and the continued firm demand for general consumer goods drove the overall performance and made it possible to achieve strong financial results. In the coastal transportation business, it was possible to secure a certain level of profit due in part to increased handling volumes.

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

In the automotive transportation division, the impact of the global semiconductor shortage and COVID-19 on automobile production volumes is gradually receding, and transportation volumes increased compared to the same period last year. Although schedule disruptions occurred on some voyages due to port congestion and rough weather at sea, vessel utilization increased as a result of optimized vessel deployment plans and vessel operations, and the business flexibly responded to customer requests. In the auto logistics business, following the partial recovery in finished car volumes, handling volumes increased compared to the same period last year particularly in Europe and Southeast Asia. The business companies in each country further invested in acquiring new business and worked to increase profitability.

In the dry bulk business division, although the Capesize market rose to unseasonably high levels from the end of April, it subsequently fell to weak levels for the remainder of the first half. The market rebound in October lacked strength, and although it rebounded again following last-minute demand for the transportation of iron ore heading into the end of the year, the market trended at levels greatly below the same period last year. In the Panamax segment, markets remained at levels exceeding the previous year until May, but they declined thereafter in line with the deterioration in the Capesize market. Although the markets started to recover from September as shipments of harvested grain commenced from the United States, weakness in the Capesize market continued to weigh on the markets, and they trended at levels below the same period last year. The Handymax and Handy segments mirrored the Panamax segment and also trended at levels below the same period last year. Although markets were lower than the same period last year for all vessel segments, transportation contracts made from opportunistic efforts under the favorable market helped to achieve the results. Also, within this business environment, continued efforts were made to stabilize revenue by securing long-term contracts and reduce costs through efficient operations.

In the energy business division, VLCC (Very Large Crude Carrier) strongly rebounded off the low first quarter market levels in July, and from mid-August, shipments of oil became more active particularly from the United States and Middle East to Europe and Asia. As a result, the market quickly recovered and then rose sharply in late November. Thereafter, concerns about a global economic recession and continued cuts to oil production caused shipment volumes to slacken. Although the market fell as a result, it trended at levels greatly exceeding the same period last year. In the petrochemical tanker market, due to the situation in Russia and Ukraine, the origin of shipments bound for Europe shifted from Russia to the United States, Middle East and India, resulting in longer sailing distances. This caused supply-and-demand conditions to tighten, and markets trended at levels greatly exceeding the same period last year. In the VLGC (Very Large LPG Carrier) segment, markets trended at levels exceeding the previous year on support from increased long-distance shipments from the United States to China, India and Asia, as well as firm shipments from the Middle East and congestion at the destination and Panama Canal heading into the end of the year. In the LNG carrier segment, 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), drill ships and shuttle tankers performed generally as expected.

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

Also, in the energy business division, an extraordinary loss was recorded in relation to LNG transportation involving projects such as the Sakhalin 2 project in response to 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, the bunker fuel sales business was strong, and the marine equipment supplies sales business was firm. In the cruise business, cruises resumed in mid-June, and although they were suspended following the occurrence of a COVID-19 infection involving a crew member, operations resumed from mid-September. During the third quarter, the cruise ship entered the dock for about two weeks to repair the ship's electrical equipment.

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

As of the end of the third quarter of the current consolidated fiscal year, assets amounted to ¥3,754.6 billion, an increase of ¥674.6 billion compared to the end of the previous consolidated fiscal year due to factors including an increase in tangible non-current assets, mainly vessels, and an increase in investment securities after recording the profit from ONE and other equity method affiliates. Interest bearing debt decreased by ¥79.5 billion to ¥728.7 billion due to factors including a decrease in short-term loans payable, and total liabilities amounted to ¥1,312.8 billion, a decrease of ¥8.0 billion compared to the end of the previous consolidated fiscal year. Under consolidated equity, retained earnings increased by ¥530.8 billion and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥2,396.9 billion. This amount combined with the non-controlling interests of ¥44.8 billion brought total equity to ¥2,441.7 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 0.30, and the equity ratio was 63.8%.

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

① Forecast of the Consolidated Financial Results

In the Liner Trade Business, although it will take some time for demand to recover and spot freight rates to improve in the container shipping division and profit levels are forecast to decline in the fourth quarter, full-year profits are expected to remain at high levels.

At the terminals in Japan, handling volumes are expected to remain firm. At the overseas terminals, with priority to transferring the terminals on the west coast of North America to ONE, it is planned to then successively transfer the terminals in the other regions.

In the Air Cargo Transportation Business, although the forecast has been revised down due to weaker demand and falling freight rates, full-year profits are expected to remain at high levels.

In the Logistics Business, although demand has weakened in both the air freight forwarding business and ocean freight forwarding business, full-year profits are expected to remain at high levels. Also, in the contract logistics business, although soaring personnel expenses and other costs 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 Bulk Shipping Business, the impact in the automotive transportation division of the semiconductor and automotive component shortages on production volumes is gradually receding. Recently, transportation demand has been strong, and full-year transportation volumes are forecast to grow year on year.

In the dry bulk business division, although the market levels for all vessel segments are expected to trend below last year, efforts will be made to minimize the impact of market volatility through the use of futures contracts and securing transportation contracts when the markets are high.

In the energy business division, the VLCC market is expected to recover from the low levels in the first quarter, and the VLGC market is forecast to remain firm. Also, profits in LNG carriers and the offshore business are expected to remain firm on support from the stable medium to long-term contracts.

Based on the above, the forecast of the full-year consolidated financial results has been revised as follows.

(in billion yen)

Consolidated forecast for the fiscal year ending March 31, 2023	Revenues	Operating Profit	Recurring Profit	Profit attributable to owners of parent
Previous Forecast (Nov 4, 2022)	2,700.0	270.0	1,110.0	1,030.0
Revised Forecast	2,600.0	290.0	1,080.0	1,000.0
Change	-100.0	20.0	-30.0	-30.0
Percentage Change (%)	-3.7%	7.4%	-2.7%	-2.9%

Assumptions for the forecast of consolidated financial results:

Foreign Exchange Rate (for the fourth quarter) ¥130.00/US\$ (for the full year) ¥134.28/US\$

Bunker Oil Price* (for the fourth quarter) US\$660.00/MT (for the full year) US\$767.24/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, we issued an interim dividend for the current consolidated fiscal year (ending March 31, 2023) of ¥1,050 per share. Concerning the year-end dividend, following factors including the 3-for-1 common stock split conducted with a record date of September 30, 2022 and effective date of October 1, 2022, it is planned to issue a dividend of ¥160 per share. Concerning the full-year dividend, it is not possible to simply add the interim and year-end dividends together due to the stock split, but based on the number of shares prior to the stock split, the full-year dividend is planned to be equivalent to ¥1,530 per share.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	233,019	240,036
Notes and operating accounts receivable-trade and contract assets	359,158	365,220
Inventories	57,029	62,155
Deferred and prepaid expenses	24,152	34,328
Other	94,937	102,474
Allowance for doubtful accounts	(3,433)	(2,938)
Total current assets	764,863	801,275
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	577,147	633,292
Buildings and structures, net	105,494	133,220
Aircraft, net	103,683	98,061
Machinery, equipment, and vehicles, net	27,548	29,441
Furniture and fixtures, net	5,979	6,782
Land	72,722	91,797
Construction in progress	65,834	118,364
Other, net	5,867	7,856
Total vessels, property, plant and equipment	964,277	1,118,816
Intangible assets		
Leasehold right	5,117	5,279
Software	6,135	7,342
Goodwill	8,711	7,342
Other	3,637	2,877
Total intangible assets	23,602	22,841
Investments and other assets		
Investment securities	1,146,438	1,630,894
Long-term loans receivable	27,503	28,342
Net defined benefit asset	85,644	85,003
Deferred tax assets	10,571	7,771
Other	62,099	64,747
Allowance for doubtful accounts	(5,236)	(5,263)
Total investments and other assets	1,327,019	1,811,496
Total non-current assets	2,314,899	2,953,155
Deferred assets	259	207
Total assets	3,080,023	3,754,637

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	218,650	226,789
Current portion of bonds payable	30,000	10,000
Short-term loans payable	130,919	82,249
Leases liabilities	23,818	24,884
Income taxes payable	25,097	19,712
Contract liabilities	39,792	55,308
Provision for bonuses	23,188	13,343
Provision for directors' bonuses	517	496
Provision for stock payment	1,270	158
Provision for losses related to contracts	134	143
Other	79,895	99,426
Total current liabilities	573,282	532,512
Non-current liabilities		
Bonds payable	97,000	87,000
Long-term loans payable	447,069	446,822
Leases liabilities	79,493	77,815
Deferred tax liabilities	57,446	68,925
Net defined benefit liability	15,907	16,497
Provision for directors' retirement benefits	819	822
Provision for stock payment	-	52
Provision for periodic dry docking of vessels	16,347	18,587
Provision for losses related to contracts	18,074	14,815
Provision for related to business restructuring	407	257
Other	15,102	48,743
Total non-current liabilities	747,667	780,339
Total liabilities	1,320,949	1,312,852
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	44,314	44,228
Retained earnings	1,396,300	1,927,183
Treasury stock	(3,428)	(3,787)
Total shareholders' capital	1,581,506	2,111,944
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	32,136	36,354
Deferred gain (loss) on hedges	(15,452)	12,868
Foreign currency translation adjustments	85,785	209,832
Remeasurements of defined benefit plans	29,737	25,921
Total accumulated other comprehensive income (loss)	132,207	284,976
Non-controlling interests	45,359	44,865
Total equity	1,759,073	2,441,785
Total liabilities and equity	3,080,023	3,754,637

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Revenues	1,675,958	2,050,198
Cost and expenses	1,345,293	1,644,425
Gross profit	330,665	405,772
Selling, general and administrative expenses	132,672	156,368
Operating profit	197,992	249,404
Non-operating income		
Interest income	1,511	2,976
Dividend income	5,590	10,679
Equity in earnings of unconsolidated subsidiaries and affiliates	513,893	745,189
Foreign exchange gains	4,999	2,335
Other	3,274	8,780
Total non-operating income	529,269	769,961
Non-operating expenses		
Interest expenses	9,456	11,476
Other	19,477	1,923
Total non-operating expenses	28,933	13,400
Recurring profit	698,327	1,005,965
Extraordinary income		
Gain on sales of non-current assets	13,274	4,214
Other	31,291	6,006
Total extraordinary income	44,565	10,221
Extraordinary losses		
Loss on sales of non-current assets	44	25
Impairment losses	792	21,477
Loss on cancellation of leased aircrafts	8,048	-
Other	5,819	9,056
Total extraordinary losses	14,704	30,559
Profit before income taxes	728,188	985,627
Total income taxes	29,947	53,611
Profit	698,240	932,016
Profit attributable to non-controlling interests	6,024	11,644
Profit attributable to owners of parent	692,216	920,372

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	698,240	932,016
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	2,970	4,257
Deferred gain (loss) on hedges	3,862	2,469
Foreign currency translation adjustments	910	16,719
Remeasurements of defined benefit plans	(2,106)	(3,902)
Share of other comprehensive income of associates accounted for using equity method	40,573	133,830
Total other comprehensive income	46,210	153,374
Comprehensive income	744,451	1,085,390
(Breakdown)		
Comprehensive income attributable to owners of parent	738,445	1,073,140
Comprehensive income attributable to non-controlling interests	6,005	12,249

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The Second quarter of this fiscal year (April 1, 2022 - December 31, 2022)

Not applicable

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

The second quarter of this fiscal year (April 1, 2022 - December 31, 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 Third 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. Nine months ended December 31, 2021 (April 1, 2021 - December 31, 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	137,632	134,113	611,782	724,391	3,229	64,808	1,675,958	-	1,675,958
(2) Inter-segment revenues	3,433	7,509	1,536	218	111	53,484	66,293	(66,293)	-
Total	141,065	141,623	613,319	724,609	3,340	118,293	1,742,252	(66,293)	1,675,958
Segment income (loss)	504,447	56,411	45,692	93,956	1,684	(1,135)	701,056	(2,728)	698,327

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 45 million yen and other corporate expenses -2,773 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. Nine months ended December 31, 2022 (April 1, 2022 - December 31, 2022)

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	149,421	169,202	687,000	956,284	2,550	85,739	2,050,198	-	2,050,198
(2) Inter-segment revenues	4,116	9,146	2,905	396	-	98,632	115,197	(115,197)	-
Total	153,537	178,348	689,906	956,681	2,550	184,372	2,165,396	(115,197)	2,050,198
Segment income (loss)	728,821	56,479	50,203	174,493	1,258	622	1,011,878	(5,913)	1,005,965

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 17 million yen and other corporate expenses -5,930 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	692,827	684,320	
Operating profit (loss)	89,174	74,162	86,067	
Recurring profit (loss)	377,726	387,603	240,635	
Profit (loss) attributable to owners of parent for the quarter	343,377	362,681	214,313	
Total assets	3,504,816	3,938,103	3,754,637	
Equity	2,028,845	2,487,650	2,441,785	

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

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Year ended March 31, 2022
Average exchange rate during the period	¥110.97/US\$	¥135.70/US\$	Yen down ¥24.73/US\$	¥112.06/US\$
Exchange rate at the end of the period	¥115.02/US\$	¥132.70/US\$	Yen down ¥17.68/US\$	¥122.39/US\$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2022	Nine months ended December 31, 2022	Change
Loans	577,988	529,071	(48,916)
Corporate bonds	127,000	97,000	(30,000)
Leases liabilities	103,311	102,699	(611)
Total	808,299	728,771	(79,528)