

INFORMATION

The documents following this cover sheet exist solely to provide English translations of selected information contained in the original Japanese text of the documents provided to shareholders as of September 30, 2020.



The 134th NYK Group Interim Report Fiscal 2020

From April 1, 2020
to September 30, 2020

● Greetings from the President

I would like to express my sincerest gratitude to all our company's shareholders for your understanding and support of the NYK Group's activities. I am pleased to have this opportunity to report as follows on NYK Line's second quarter results in the fiscal year ending March 31, 2021.

The interim consolidated results were revenue of ¥722.0 billion, operating profit of ¥16.6 billion, recurring profit of ¥47.4 billion, and profit attributable to owners of parent of ¥22.1 billion, a significant improvement from the ¥11.1 billion net profit recorded in the same period last year.

In the Liner Trade segment, although liftings at Ocean Network Express Pte. Ltd. declined compared to the same period last year, a tighter supply and demand balance caused freight rates and utilization to remain firm, and the bottom line greatly improved. In the Air Cargo Transportation segment, the large reduction in international passenger flights due to the COVID-19 pandemic resulted in decreased supply to exceed the decreased demand. Utilization of the aircraft operated by Nippon Cargo Airlines Co., Ltd., and unit freight rates remained at high levels, resulting in significantly increased profits and record a profit. In the Logistics segment, sales prices in the air freight forwarding business rose, and increased E-commerce related shipping volumes resulting from stay-at-home demand in the logistics business, led profits to greatly increase despite a minor decline in revenue compared to the same period last year.

In the bulk shipping segment, the stable-freight-rate businesses such as LNG carriers and the offshore business had a limited impact by the COVID-19 pandemic and operated stably. In the dry bulk division, although the markets improved from June, the levels trended below the same period last year. Also, a provision for losses related to contracts of ¥17.6 billion was recorded in the second quarter as structural reform expenses. In the car transportation division, although the impact of the COVID-19 pandemic led to a drop in transportation volumes compared to the same period last year, efforts were made to improve transportation efficiency. Overall, both revenue and profit in the entire bulk shipping segment declined compared to the same period last year.

The impact of the COVID-19 pandemic going forward continues to be uncertain, but the current forecast for the full-year consolidated results are revenues of ¥1,460.0 billion, operating profit of ¥30.0 billion, recurring profit of ¥70.0 billion and profit attributable to owners of parent of ¥35.0 billion.

Under this environment, based on our basic philosophy of "Bringing value to life.", we have reaffirmed our awareness of the NYK Group's social mission to support global trade and lifelines. With a strong will to maintain the flow of goods, we have kept our business stably while ensuring the safety of all group employees spanning land, sea and air. Even though our usual way to change crews have been affected, we will work to ensure business continuity, including the measures for safety navigation and maintaining operations. At the same time, we will continue to preserve the solid foundation for the NYK Group's business operations through the procurement of long-term funds and securement of enough commitment lines.

In line with the Medium-Term Management Plan "Staying ahead 2022 with Digitalization and Green", we are working to increase our profitability and strengthen the ability to withstand volatile market conditions by optimizing the portfolio and accumulating stable-freight-rate businesses. Under "Digitalization and Green", efforts have been made to establish and expand the telework environment as a measure to prevent COVID-19 infections. In addition, steady progress has been made in the projects aimed at establishing a new business model, including ship to ship LNG bunker fuel supply using the LNG bunkering vessel Kaguya, which was conducted for the first time ever in Japan, and the start of joint research and development on commercializing ammonia fueled tugboats. Also, ESG has been positioned and promoted as a central management pillar, and to better enable

the use of ESG by NYK Group employees as a standard for gauging their actions, an NYK Group ESG story is currently being prepared. Along with steadily advancing the initiatives set forth in the Medium-Term Management Plan, we will focus on the pandemic's impact on society and individual lifestyles and nimbly respond to the changes in the business environment.

I ask all the shareholders for your continued understanding and support for the NYK Group.

December 2020

A handwritten signature in black ink, appearing to read 'H. Nagasawa', with a long horizontal flourish extending to the right.

Hitoshi Nagasawa
President

● **Segment results (April 1, 2020 to September 30, 2020)**

(1) Global Logistics

• **Liner Trade**

(In 100 million yen)

	Current interim term	The 133rd Interim term	The 132nd Interim term
Revenues	813	1,036	1,502
Recurring profit (loss)	284	97	(188)

• **Air Cargo Transportation**

(In 100 million yen)

	Current interim term	The 133rd Interim term	The 132nd Interim term
Revenues	544	363	291
Recurring profit (loss)	132	(91)	(79)

• **Logistics**

(In 100 million yen)

	Current interim term	The 133rd Interim term	The 132nd Interim term
Revenues	2,350	2,382	2,657
Recurring profit (loss)	81	23	32

(2) Bulk Shipping

(In 100 million yen)

	Current interim term	The 133rd Interim term	The 132nd Interim term
Revenues	3,179	4,003	4,146
Recurring profit (loss)	1	142	158

(3) Others

• **Real Estate**

(In 100 million yen)

	Current interim term	The 133rd Interim term	The 132nd Interim term
Revenues	34	36	38
Recurring profit (loss)	13	13	14

• **Other**

(In 100 million yen)

	Current interim term	The 133rd Interim term	The 132nd Interim term
Revenues	588	768	901
Recurring profit (loss)	(15)	10	5

Notes:

1. Business segment results show figures before elimination of internal transactions between segments.
2. General and administrative expenses and non-operating expenses not attributable to specific segments are recorded as corporate expenses and not included in the above figures.
3. Fractions of amounts and the numbers of shares in this report are rounded down.
4. () indicates minus.

● Consolidated Results in Interim Period Ended on September 30, 2020

Consolidated Balance Sheets

Assets	(In million yen)
Current assets	423,592
Non-current assets	1,477,827
Vessels, property, plant and equipment	890,083
Intangible assets	23,995
Investments and other assets	563,748
Deferred assets	285
Total Assets	1,901,705

Liabilities	(In million yen)
Current liabilities	475,781
Non-current liabilities	915,311
Total Liabilities	1,391,092
Equity	
Shareholders' capital	517,144
Accumulated other comprehensive income (loss)	(45,002)
Non-controlling interests	38,470
Total Equity	510,612
Total Liabilities and Equity	1,901,705

Summary of Consolidated Statements of Income

	(In million yen)
Revenues	722,031
Operating profit	16,690
Recurring profit	47,428
Extraordinary income	10,485
Extraordinary losses	27,998
Profit attributable to owners of parent	22,180

Summary of Consolidated Statements of Cash Flows

	(In million yen)
Net cash provided by operating activities	67,469
Net cash provided by investing activities	(22,602)
Net cash provided by financing activities	(40,885)

For detailed financial information, please see the Investor Relations page on the Company's website: <https://www.nyk.com/english/ir/>