

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, 2021.



The 135th NYK Group Interim Report Fiscal 2021

From April 1, 2021
to September 30, 2021

● Greetings from the President

I would like to express my sincere gratitude to all of our company's shareholders and investors 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 results for the second quarter of the fiscal year ending March 31, 2022.

Through the first half of the current fiscal year, the COVID-19 pandemic continued to cause havoc around the world, but in the Liner Trade, cargo demand continued to soar, and Ocean Network Express Pte. Ltd. recorded record high profits as a result of higher liftings, utilization and freight rates on the overall trades compared to the same period last year. In the Air Cargo Transportation segment, while international passenger flights continued to be suspended and cancelled, air freight volumes of mainly automotive, semiconductor and e-Commerce related goods were firm. In addition, some of the maritime cargo continued to be shifted to air freight due to port congestion and the shortage of space aboard containerships. These factors led to increased profit on higher revenue compared to the same period last year. In the Logistics segment, handling volumes in the ocean freight forwarding, air freight forwarding and logistics businesses increased year on year, leading to increased profit on higher revenue. In the Bulk Shipping segment, there were concerns that the global shortage of semiconductors and automotive components would impact finished-car handling volumes in the car transportation division, but through efforts to optimize vessel deployment, acquire new customers and secure alternative cargo, handling volumes increased compared to the same period last year. In the dry bulk division, a tighter supply and demand balance of vessels caused market levels to trend at high levels. In the energy division, there was no improvement in the supply and demand balance in the VLCC (Very Large Crude Carrier) and petrochemical tanker markets, and they remained at historical lows, negatively impacting the bottom line. On the other hand, the results in the LNG carriers and offshore business remained steady based on support from the long-term contracts that generate stable earnings. And the Bulk Shipping segment as a whole recorded increased profit on higher revenue compared to the same period last year. Also, extraordinary income was recorded following the partial transfer of shares of a subsidiary in the Real Estate segment.

As a result of these factors, the interim consolidated financial results for the current fiscal year were revenue of JPY1,051.3 billion, operating profit of JPY117.9 billion, recurring profit of JPY397.2 billion and interim profit attributable to owners of parent of JPY411.3 billion. These strong results greatly exceeded the same period last year.

It continues to be difficult to foresee the impact of COVID-19 pandemic, and when the pandemic itself will come to an end and the condition of the business environment at that time, but the full-year consolidated financial results for the current fiscal year are forecast to be revenue of JPY2,000 billion, operating profit of JPY220.0 billion, recurring profit of JPY710.0 billion and profit attributable to owners of parent of JPY710.0 billion. Concerning the dividend, an interim dividend of JPY200 per share will be issued, and we plan to issue a year-end dividend of JPY600 per share for a full-year dividend of JPY800 per share. However, the year-end dividend will be decided based on the future financial results, financial condition and direction of shareholder returns, and considering additional shareholder returns such as share buyback after May 2022. We plan to issue the year-end dividend at a payout ratio of about 25%, or a level equal to or exceeding a payout ratio of 25% in the event of share buyback, including the amount allocated to share buyback.

Under the basic philosophy of "Bringing value to life," we take pride in supporting daily life through "transportation", and while securing the safety of all employees working on land, sea and air throughout the group, we continually strive to achieve safe and ongoing operations. However, in August, the dedicated wood-chip carrier Crimson Polaris ran aground off the coast of Hachinohe in Aomori Prefecture and leaked oil. Although we were the charterer of the vessel, as a member

involved in transportation, we fully recognize the severity of the incident, and along with fulfilling our social responsibility, we will further enhance our awareness of safety.

In accordance with the medium-term management plan “Staying ahead 2022 with Digitalization and Green”, we are working to increase our profitability and strengthen our ability to withstand changing business environment by optimizing the business portfolio and securing stable-freight-rate business. In terms of creating new value and increasing efficiency through “Digitalization and Green”, we have decided to invest about JPY200 billion to build a total of 20 LNG-fueled PCTCs (Pure Car and Truck Carriers). In addition, we concluded an agreement in July to build a large bulk carrier that uses LNG as its main fuel. At the same time, we have commenced joint research aimed at commercializing ammonia-fueled tugboats and ammonia carriers under the Green Innovation Fund established by New Energy and Industrial Technology Development Organization (NEDO). We are steadily moving forward with projects aimed at establishing a new business model based on the themes of the LNG fuel, hydrogen and ammonia.

In September, we announced the long-term greenhouse gas emission reduction target of “Achieve net-zero emissions by 2050” in the oceangoing businesses. We will accelerate the initiatives for decarbonizing the oceangoing businesses and create new value as a “Sustainable Solution Provider” who is needed by society and industry. Along with steadily advancing the NYK Group ESG Story announced in February of this year and the initiatives set forth in the medium-term management plan, we will continue to focus on the impact of COVID-19 on society and lifestyles and nimbly respond to changes in the business environment.

Going forward, I ask all of the shareholders and investors for your continued understanding and support for the NYK Group.

November 2021

A handwritten signature in black ink, appearing to read 'H. Nagasawa', written in a cursive style.

Hitoshi Nagasawa
President

● **Segment results (April 1, 2021 to September 30, 2021)**

(1) Liner & Logistics

• **Liner Trade**

(In 100 million yen)

	Current interim term	The 134th Interim term	The 133rd Interim term
Revenues	940	813	1,036
Recurring profit (loss)	2,903	284	97

• **Air Cargo Transportation**

(In 100 million yen)

	Current interim term	The 134th Interim term	The 133rd Interim term
Revenues	897	544	363
Recurring profit (loss)	330	132	(91)

• **Logistics**

(In 100 million yen)

	Current interim term	The 134th Interim term	The 133rd Interim term
Revenues	3,773	2,350	2,382
Recurring profit (loss)	284	81	23

(2) Bulk Shipping

(In 100 million yen)

	Current interim term	The 134th Interim term	The 133rd Interim term
Revenues	4,569	3,179	4,003
Recurring profit (loss)	477	1	142

(3) Others

• **Real Estate**

(In 100 million yen)

	Current interim term	The 134th Interim term	The 133rd Interim term
Revenues	24	34	36
Recurring profit (loss)	12	13	13

• **Other**

(In 100 million yen)

	Current interim term	The 134th Interim term	The 133rd Interim term
Revenues	717	588	768
Recurring profit (loss)	(17)	(15)	10

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.
5. On April 1, 2021, "Global Logistics" has been renamed to "Liner & Logistics".

● Consolidated Results in Interim Period Ended on September 30, 2021

Consolidated Balance Sheets

Assets	(In million yen)
Current assets	539,398
Non-current assets	1,855,629
Vessels, property, plant and equipment	813,682
Intangible assets	23,225
Investments and other assets	1,018,720
Deferred assets	305
Total Assets	2,395,332

Liabilities	(In million yen)
Current liabilities	516,238
Non-current liabilities	804,919
Total Liabilities	1,321,157
Equity	
Shareholders' capital	1,017,353
Accumulated other comprehensive income (loss)	15,728
Non-controlling interests	41,093
Total Equity	1,074,175
Total Liabilities and Equity	2,395,332

Summary of Consolidated Statements of Income

	(In million yen)
Revenues	1,051,381
Operating profit	117,933
Recurring profit	397,246
Extraordinary income	38,802
Extraordinary losses	3,044
Profit attributable to owners of parent	411,319

Summary of Consolidated Statements of Cash Flows

	(In million yen)
Net cash provided by operating activities	109,996
Net cash provided by investing activities	5,656
Net cash provided by financing activities	(135,726)

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