

**Consolidated Financial Results for Six Months Ended September 30, 2014**  
**(Japanese GAAP) (Unaudited)**

October 31, 2014

**Nippon Yusen Kabushiki Kaisha (NYK Line)**

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 Listings: The First Section of Tokyo and Nagoya Stock Exchanges  
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Submit scheduled date of Quarterly Financial Report: November 12, 2014  
 Start scheduled date of paying Dividends: November 25, 2014  
 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 Six Months Ended September 30, 2014 (April 1, 2014 to September 30, 2014)**

**(1) Consolidated Operating Results**

(Percentage figures show year on year changes)

	Revenues		Operating income		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2014	1,179,098	8.3	27,896	39.7	36,738	43.3	20,002	-2.5
Six months ended September 30, 2013	1,089,127	15.4	19,972	11.7	25,631	95.9	20,506	-

(Note) Comprehensive income:

Six Months ended September 30, 2014: ¥ 34,914 million (-44.3 %), Six Months ended September 30, 2013: ¥ 62,715 million (- %)

	Net income per share	Net income per share-fully diluted
	yen	yen
Six months ended September 30, 2014	11.79	11.79
Six months ended September 30, 2013	12.09	12.09

**(2) Consolidated Financial Position**

	Total assets	Equity	Shareholders' equity ratio	Equity per share
	million yen	million yen	%	yen
As of September 30, 2014	2,531,546	802,216	29.5	440.13
As of March 31, 2014	2,551,236	773,899	28.2	424.67

(Reference) Shareholders' equity: As of September 30, 2014: ¥746,472 million, As of March 31, 2014: ¥720,270 million

**2. Dividends**

Date of record	Dividend per share				
	1 <sup>st</sup> Quarter End	2 <sup>nd</sup> Quarter End	3 <sup>rd</sup> Quarter End	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2014	-	2.00	-	3.00	5.00
Year ending March 31, 2015	-	2.00	-	-	-
Year ending March 31, 2015 (Forecast)	-	-	-	3.00	5.00

(Note) Revision of forecast for dividends in this quarter: None

**3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)**

(Percentage figures show year on year changes)

	Revenues		Operating income		Recurring profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2015	2,330,000	4.1	58,800	30.7	65,700	12.5	35,000	5.9	20.64

(Note) Revision of forecast in this quarter: Yes

**(Reference)**

(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:  | Yes  |
| 4. Restatements:   | None |

Note: Details are stated on page 7 "Information about Summary (Notes)"

(4) Total issued shares (Ordinary shares)

1. Total issued shares (including treasury stock)	As of September 30, 2014	1,700,550,988	As of March 31, 2014	1,700,550,988
2. Number of treasury stock	As of September 30, 2014	4,520,834	As of March 31, 2014	4,462,742
3. Average number of shares (cumulative quarterly period)	Six months ended September 30, 2014	1,696,064,996	Six months ended September 30, 2013	1,696,194,590

\*Indication of quarterly review process implementation status

This quarterly fiscal statement is exempt from quarterly review process based upon the Financial Instruments and Exchange Act. As of the press release date, the quarterly review process is ongoing.

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

Foreign exchange rate: (for the third and fourth quarter) ¥105/US\$, (full year) ¥103.76/US\$

Bunker oil price: (for the third and fourth quarter) US\$550/MT, (full year) US\$581.75/MT

The above forecast is based on currently available information and assumptions that NYK Line deems to be reasonable. NYK Line offers no assurance that forecast will be realized. Actual results may differ from the forecast as a result of various factors. Refer to page 2-6 of the attachment for assumptions and other matters related to the forecast.

NYK Line is to hold a financial result presentation meeting for analysts and institutional investors. The on-demand audio presentation and presentation materials are available at NYK website ([http://www.nyk.com/english/release/IR\\_explanation.html](http://www.nyk.com/english/release/IR_explanation.html))

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation about Operating Results

In the six months of the fiscal year ending March 31, 2015 (April 1, 2014 - September 30, 2014), consolidated revenues totaled ¥1,179.0 billion (compared with ¥1,089.1 billion in the same period of the previous year), operating income totaled ¥27.8 billion (compared with ¥19.9 billion), recurring profit totaled ¥36.7 billion (compared with ¥25.6 billion), and net income totaled ¥20.0 billion (compared with ¥20.5 billion).

#### Overview

In the first six months of the fiscal year, the U.S. economy was robust. The housing market, employment conditions and other economic indicators remained strong, driving U.S. stock prices to a temporary record high during the period. The European economic environment remained clouded. While further monetary easing was implemented in response to the heightened risk of protracted deflation, the worsening situation in the Ukraine and other geopolitical risks undermined the region's economy. Newly emerging economies and Asian economies generally showed a slowdown in growth, and while China demonstrated signs of a rebound, the economic outlook remained uncertain. In Japan, economic sentiment was generally firm. Although the economy contracted temporarily following the consumption tax hike, activity rebounded in tandem with the robust U.S. economy. The yen continued to depreciate during the period, reaching 110 to the dollar at one point in September. Bunker oil prices, meanwhile, continued to decline as a result of the easing of the supply-demand balance.

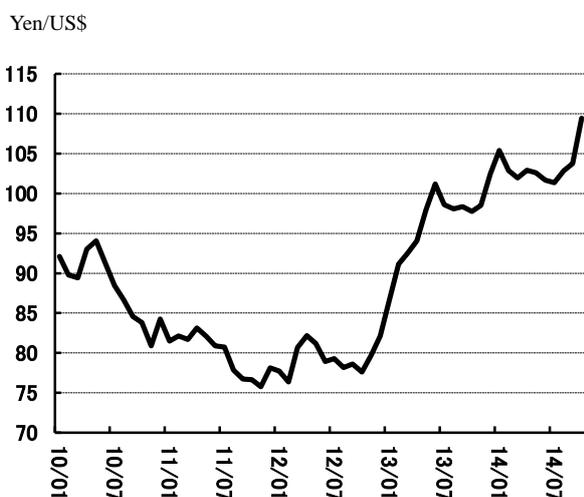
The environment surrounding the shipping industry was generally characterized by soft freight rates caused by an excess supply of vessels. In response, the NYK Group strove to further reduce fleet and operational expenses by rationalizing assignments and further enhancing the fleet. In the non-shipping businesses, airfreight volumes increased in the air cargo transportation and logistics businesses. The cruises business was robust during the period.

As a result of the above, consolidated revenues for the period increased by ¥89.9 billion (an increase of 8.3%) compared with the same period of the previous fiscal year. Operating income increased by ¥7.9 billion year on year (an increase of 39.7%) while recurring profit increased ¥11.1 billion year on year (an increase of 43.3%). Net income declined by ¥0.5 billion year on year (a decrease of 2.5%), mainly as a result of provision for losses related to antitrust law.

Changes in foreign exchange rates and bunker oil prices are summarized in the following table.

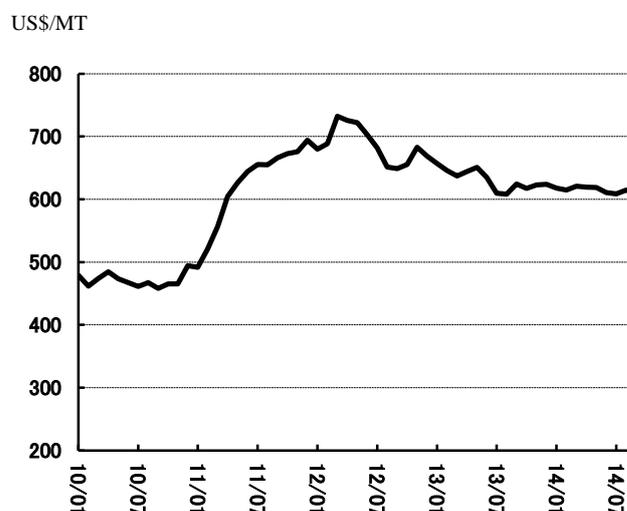
	Six months ended September 30, 2013	Six months ended September 30, 2014	Change
Average exchange rate	¥98.03/US\$	¥102.52/US\$	Yen Down ¥4.49/US\$
Average bunker oil price	US\$628.66/MT	US\$613.50/MT	Price Down US\$15.16/MT

Exchange Rate Fluctuations



Period : 2010/1 ~ 2014/9

Movements in Bunker Oil Prices



Period : 2010/1 ~ 2014/9

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

## Segment Information

The segmentwise information for six months ended September 30, 2014 (April 1, 2014 – September 30, 2014) is as follows.

(In billion yen)

		Revenues				Recurring profit		
		FY2013 1H	FY2014 1H	Change	Percentage Change	FY2013 1H	FY2014 1H	Change
Global Logistics	Liner Trade	304.3	344.0	39.7	13.0 %	(0.8)	4.9	5.8
	Air Cargo Transportation	42.0	46.3	4.2	10.2 %	(4.8)	(3.3)	1.4
	Logistics	211.7	226.5	14.7	7.0 %	3.0	4.2	1.2
Bulk Shipping		477.1	497.9	20.7	4.4 %	24.9	27.4	2.5
Others	Cruises	24.0	26.1	2.0	8.5 %	1.1	2.5	1.4
	Real Estate	4.9	4.8	-0.1	-3.3 %	1.9	1.8	-0.1
	Other	93.4	89.4	-4.0	-4.3 %	0.2	(0.1)	-0.4

Remark: From the first quarter of the current fiscal year, the above figures do not include general and administrative expenses which do not belong to any single segment and are treated as other corporate expenses. Details are stated on page 13.

### Liner Trade

In the container shipping division, although cargo volumes rose overall, freight rates declined due to the delivery and deployment of ultra-large container ships, mainly on European routes, which prompted a shift of older large vessels to other routes and caused a continued oversupply of vessels. In regard to services, the G6 Alliance expanded its collaboration to Transpacific West Coast routes and Transatlantic routes to further rationalize and enhance the services network. Asian routes were realigned to improve the competitiveness of services. In regard to the cost structure, NYK Group strove to reduce fleet and operational costs through such measures as returning unprofitable vessels, refitting vessels to improve fuel efficiency, and deploying highly fuel efficient vessels. Thorough measures were taken to efficiently assign vessels and optimally operate the fleet to prevent unnecessary costs. These measures included the deployment of larger vessels to raise shipping efficiency, assigning vessels to match the attributes of each type of service, and effectively utilizing surplus vessels and charter ships to reduce schedule delays. Additionally, efforts were made to further reduce costs and raise gross profit by expanding EAGLE (yield management program to reduce costs and maximize profit through efficient container operations) from North America to European and Latin American routes. In the terminal business, total handling volumes in and outside Japan increased year on year.

As a result of the above, the liner trade segment increased revenues compared with the same period of the previous fiscal year and posted a recurring profit.

### Air Cargo Transportation

Nippon Cargo Airlines Co., Ltd. (NCA) strove to continually reduce costs while building a business structure resistant to market volatility by offering new services, such as airline charters begun in the previous fiscal year. As a result of growth in Japan-originated cargo shipments and a decline in fuel costs, Air Cargo Transportation segment posted an increase in revenues and reduced its recurring loss compared with the same period of the previous fiscal year.

### Logistics

In the airfreight forwarding business, cargo handling volumes increased year on year due mainly to robust Japan-originated shipments. In the ocean freight forwarding business, measures were taken to improve profitability. The logistics business expanded revenues, mostly in South Asia. The domestic coastal transport business and domestic warehousing business were robust.

As a result of the above, the logistics segment posted increases in revenues and profit compared with the same period of the previous fiscal year.

## Bulk Shipping

### Car Transportation Division

During the six-month period, finished automobile exports from Japan declined year-on-year during the period, the NYK Group posted a slight year-on-year increase in finished automobile shipments due to robust shipping demand in North America, Asia, and other destinations. A new car carrier featuring the latest energy-efficiency technologies was launched in May to further raise the environmental consciousness of the car carrier business. Additionally, slow-steaming was thoroughly implemented to reduce operational costs. In the auto logistics business, NYK Line actively expanded operations to meet rising demand, including making an investment in an automobile logistics company in Mexico.

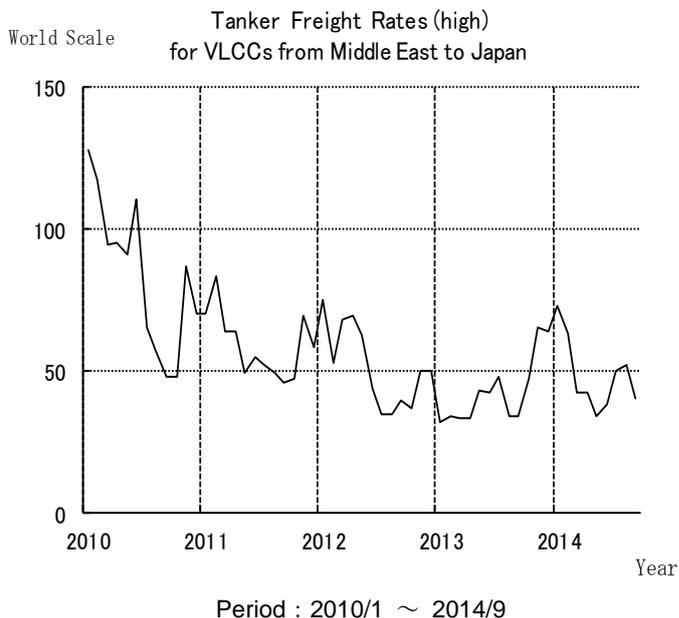
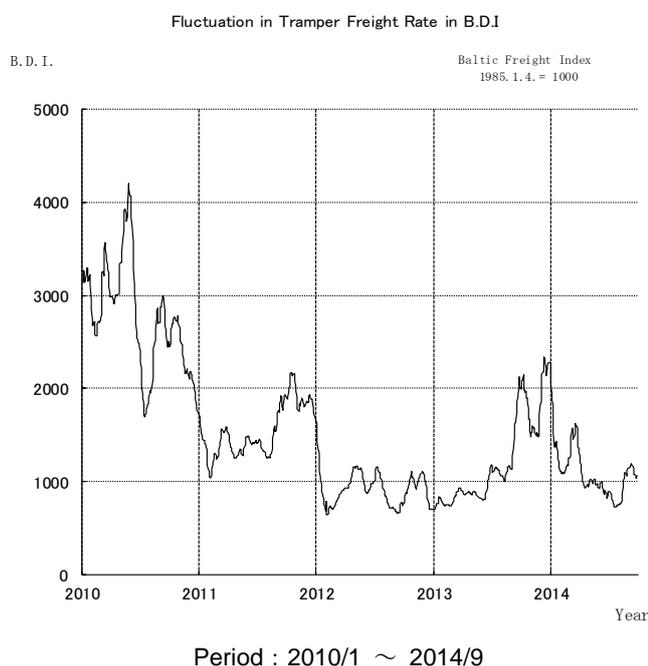
### Dry Bulk Division

Although iron ore cargo volumes to China increased year on year, Indonesian coal exports plunged due to restrictions on exports of unprocessed ore, while coal shipments to China and on transatlantic routes also declined. Deliveries of new carriers declined year on year and the supply-demand imbalance began to improve. Capesize rates, however, were flat compared with the same period of the previous year, but the rates for medium- and small-sized bulk carriers declined overall, particularly Panamax rates for Transatlantic routes. In response, the NYK Group strove to increase long-term contracts unaffected by short-term market fluctuations while reducing costs by thoroughly implementing slow-steaming throughout the fleet. Other profit-improvement measures included the reduction of ballast voyages by combining cargoes and efficiently assigning carriers.

### Liquid Division

Seaborne cargo volumes were flat overall compared with the previous year despite declining crude oil prices. While oil demand in China and emerging countries increased, demand weakened in developed countries. VLCC rates increased year on year due to rising transportation distance driven by China's diversification of supply sources. The LNG business continued to perform well, underpinned by stable long-term contracts. In the offshore business, the shuttle tanker, floating production, storage and offloading (FPSO), and drill ship businesses all continued to perform well.

As a result of the above, the bulk shipping segment posted higher revenues and profit compared with the same period of the previous fiscal year.



## Cruises

The load factors and sales per customer improved year on year for both Crystal Cruises in North America and Asuka Cruises in Japan. As a result, sales increased and the segment logged higher revenues and profit compared with the same period of the previous year.

## Real Estate and Other Business Services

Real estate revenues and profits declined slightly year on year due to higher office vacancy rates and lower office building rents. In other business services, sales declined year on year due to lower sales volume of mainstay vessel bunker oil. In the manufacturing and processing business, orders declined. As a result, the other business segment as a whole reported lower profit on lower revenues compared with the same period of the previous year.

## (2) Explanation about Financial Position

### ① Assets, Liabilities, and Equity

Consolidated assets totaled ¥2,531.5 billion at the end of the second quarter (September 30, 2014), a decline of ¥19.6 billion compared with the end of the previous fiscal year (March 31, 2014) due mainly to a decline in investment securities. Consolidated liabilities totaled ¥1,729.3 billion, a decline of ¥48.0 billion from the end of the previous fiscal year as a result of progress in reducing interest-bearing debt. In consolidated equity, retained earnings increased ¥14.6 billion from the end of the previous fiscal year. Shareholders' equity—the aggregate of shareholders' capital of ¥740.7 billion and accumulated other comprehensive income—amounted to ¥746.4 billion, and adding minority interests of ¥55.7 billion, the consolidated equity amounted to ¥802.2 billion. As a result, the debt-equity ratio was 1.60.

### ② Cash Flows

Net cash provided by operating activities in the six months ended September 30, 2014 was ¥46.4 billion, reflecting income before income taxes and minority interests of ¥30.4 billion and non-cash depreciation and amortization of ¥49.3 billion, which was partially offset by ¥8.9 billion in interest expenses paid and other factors. Investing activities used net cash of ¥34.4 billion, primarily reflecting purchase and sales of noncurrent assets, mainly vessels. Net cash used in financing activities was ¥72.6 billion, mainly due to outflows for the repayment of long term loans payable. As a result, the balance of cash and cash equivalents stood at ¥291.8 billion at September 30, 2014, a decrease of ¥57.8 billion compared with the beginning of the fiscal year (April 1, 2014), after taking into account the effect of exchange rate fluctuations.

Trends in cash flow indicators

	March 31,2012	March 31,2013	March 31,2014	September 30,2013	September 30,2014
Shareholder's equity ratio (%)	27.3	26.8	28.2	27.8	29.5
Shareholder's equity ratio at market price (%)	20.8	17.0	19.9	20.7	19.4
Cash flows vs ratio of interest-bearing debt (years)	35.8	13.8	9.1	-	-
Interest coverage ratio	1.8	5.4	7.1	5.6	5.2

1. Shareholders' equity ratio: shareholders' equity/total assets
2. Shareholders' equity ratio at market price: total market capitalization/total assets
3. Cash flows vs ratio of interest-bearing debt (years): interest-bearing debt/cash flow from operating activities
4. Interest coverage ratio: cash flow from operating activities/interest payments

Notes:

1. All indices are calculated using consolidated figures.
2. Gross equity market capitalization is calculated by multiplying the closing price of our shares at the end of the period by the number of ordinary shares issued and outstanding at the end of the period.
3. Operating cash flow uses net cash provided by operating activities as stated in the consolidated statements of cash flows. Interest-bearing debt reflects loans, corporate bonds, and lease liabilities as stated in the consolidated balance sheets. Interest paid is the interest expenses paid in the consolidated cash flow statements.

### (3) Explanation about Consolidated Earnings Outlook and Other Forecasts

#### ① Consolidated Earnings Outlook

The forecast for the full fiscal year is revenues of ¥2,330.0 billion, operating income of ¥58.8 billion, recurring profit of ¥65.7 billion, and net income of ¥35.0 billion.

In the container shipping business, although cargo shipping demand is currently robust, demand is expected to decline during the slow winter season. Measures are being taken to restore freight rates by reducing assignments on east-west routes, while slow-steaming and other initiatives are being thoroughly implemented to reduce costs. In the bulk shipping business, while freight rates are expected to rise by a certain degree in the dry bulk division, since the outlook remains uncertain, the rate assumptions will be revised. The car carrier businesses and the LNG and offshore businesses continue to perform well. The air cargo transportation business is expected to continue facing severe profit pressure, while the logistics business is expected to be stable.

(In billion yen)

		Previous forecast on July 31, 2014	Revisions	Change	Percentage change
Fiscal Year ending March 31, 2015	Revenues	2,326.0	2,330.0	4.0	0.2%
	Operating Income	64.0	58.8	-5.2	-8.1%
	Recurring Profit	65.0	65.7	0.7	1.1%
	Net Income	35.0	35.0	0.0	0.0%

Assumption for forecasts:

Exchange Rate (for the third and fourth quarter) ¥105/US\$ (Full year) ¥103.76/US\$

Bunker Oil Prices (for the third and fourth quarter) US\$550/MT (Full year) US\$581.75/MT

#### ② Dividends for the Fiscal Year ending March 31, 2015

NYK Line regards returning profits to shareholders to be one of its top management priorities and determines with consolidated payout ratio target of 25%.

For the fiscal year ending March 31, 2015, in light of its earnings forecasts and various other considerations, NYK Line plans to pay ¥2 per share interim payment according to the schedule, ¥3 per share year-end payment, totaling ¥5 per share for the full year.

## **2. Information about Summary (Notes)**

### **Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements**

(Changes in accounting policy in accordance with changes in accounting standard)

Effective from the first quarter of the current fiscal year, with regard to Accounting Standards Board of Japan (ASBJ) Statement No. 26 Accounting Standard for Retirement Benefits (May 17, 2012) and ASBJ Guidance No. 25 Guidance on Accounting Standard for Retirement Benefits (May 17, 2012, hereinafter “Guidance on Retirement Benefits”), the Company applied the main clause of Article 35 of the Accounting Standard for Retirement Benefits and the main clause of Article 67 of the Guidance on Retirement Benefits. In accord with this, the method for calculating the retirement benefit obligation and service costs has changed, and the period attribution method for the estimated retirement benefit obligation amount has changed from the straight-line attribution method to the benefit formula method.

Regarding the application of retirement benefits accounting standards, in accordance with transitional treatments stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the impact of the changes to the retirement benefit obligation and service costs was reflect in retained earnings at the start of the first quarter. The impact of the change on second quarter results is minimal.

(Changes in accounting estimates)

The useful life of dry-bulk carriers included in vessels, property, plant and equipment has been estimated at 15 years. Based on the accumulated data on actual useful life of dry-bulk carriers, the Company has determined that main types of dry-bulk carriers can be utilized for a longer period of time. Consequently, from the first quarter of the current fiscal year, the useful life of dry-bulk carriers has been changed to 20 years.

As a result of this change, the consolidated operating income, recurring profit, and income before income taxes and minority interests for the second quarter are increased by ¥2,986 million each.

The impact of this change on segment results is explained in the segment information.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(In million yen)

	As of	As of
	March 31, 2014	September 30, 2014
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	218,358	219,889
Notes and operating accounts receivable-trade	268,612	290,550
Short-term investment securities	136,046	78,448
Inventories	72,147	69,138
Deferred and prepaid expenses	72,621	73,063
Deferred tax assets	4,622	7,138
Other	101,802	89,041
Allowance for doubtful accounts	(2,429)	(2,241)
Total current assets	871,782	825,029
Noncurrent assets		
Vessels, property, plant and equipment		
Vessels, net	923,623	918,256
Buildings and structures, net	77,254	77,040
Aircraft, net	18,505	23,146
Machinery, equipment and vehicles, net	35,231	34,964
Equipment, net	5,669	5,527
Land	64,906	65,856
Construction in progress	97,054	98,362
Other, net	6,320	6,392
Net vessels, property, plant and equipment	1,228,565	1,229,547
Intangible assets		
Leasehold right	5,102	5,060
Software	7,621	9,041
Goodwill	24,179	23,273
Other	5,029	3,616
Total intangible assets	41,933	40,991
Investments and other assets		
Investment securities	291,212	314,680
Long-term loans receivable	24,177	26,368
Net defined benefit asset	36,913	38,100
Deferred tax assets	7,445	7,039
Other	52,240	53,036
Allowance for doubtful accounts	(3,698)	(3,845)
Total investments and other assets	408,291	435,380
Total noncurrent assets	1,678,790	1,705,919
Deferred assets	664	596
Total assets	2,551,236	2,531,546

(In million yen)

	As of	As of
	March 31, 2014	September 30, 2014
	Amount	Amount
<b>Liabilities</b>		
Current liabilities		
Notes and operating accounts payable-trade	229,738	232,536
Short-term loans payable	115,090	96,139
Income taxes payable	6,190	6,345
Deferred tax liabilities	4,156	1,350
Advances received	70,156	71,233
Provision for bonuses	7,991	8,379
Provision for directors' bonuses	345	197
Provision for losses related to antitrust law	13,307	5,616
Provision for losses related to purchase contract	3,892	-
Provision for losses related to cancellation of charter contract	906	-
Other	74,787	79,273
Total current liabilities	526,564	501,071
Noncurrent liabilities		
Bonds payable	235,445	235,445
Long-term loans payable	875,956	846,761
Deferred tax liabilities	33,928	40,298
Net defined benefit liabilities	17,433	18,530
Provision for directors' retirement benefits	1,867	1,663
Provision for periodic dry docking of vessels	19,726	20,882
Other	66,414	64,675
Total noncurrent liabilities	1,250,773	1,228,257
Total liabilities	1,777,337	1,729,329
<b>Equity</b>		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	155,617	155,616
Retained earnings	428,173	442,830
Treasury stock	(2,034)	(2,051)
Total shareholders' capital	726,076	740,716
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	29,169	37,528
Deferred gain (loss) on hedges	(22,638)	(25,906)
Foreign currency translation adjustments	(8,289)	(2,210)
Remeasurements of defined benefit plans	(4,046)	(3,655)
Total accumulated other comprehensive income (loss)	(5,805)	5,756
Minority interests	53,628	55,744
Total equity	773,899	802,216
Total liabilities and equity	2,551,236	2,531,546

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

(In million yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
	Amount	Amount
Revenues	1,089,127	1,179,098
Cost and expenses	970,014	1,050,023
Gross profit	119,112	129,075
Selling, general and administrative expenses	99,140	101,178
Operating income	19,972	27,896
Non-operating income		
Interest income	1,204	1,613
Dividend income	2,169	2,597
Equity in earning of unconsolidated subsidiaries and affiliates	7,382	9,215
Foreign exchange gains	1,742	2,900
Other	4,316	4,371
Total non-operating income	16,814	20,699
Non-operating expenses		
Interest expenses	9,469	8,867
Other	1,685	2,989
Total non-operating expenses	11,155	11,857
Recurring profit	25,631	36,738
Extraordinary income		
Gain on sales of noncurrent assets	4,675	6,130
Other	4,748	1,330
Total extraordinary income	9,423	7,461
Extraordinary loss		
Loss on sales of noncurrent assets	746	142
Provision for losses related to antitrust law	-	5,478
Other	2,291	8,126
Total extraordinary loss	3,038	13,747
Income before income taxes and minority interests	32,016	30,451
Income taxes	9,534	8,658
Income before minority interests	22,482	21,793
Minority interests in net income	1,976	1,790
Net income	20,506	20,002

**(Consolidated Statements of Comprehensive Income)**

(In million yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
	Amount	Amount
Income before minority interests	22,482	21,793
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	11,671	8,435
Deferred gain (loss) on hedges	6,832	(2,103)
Foreign currency translation adjustments	9,916	10,342
Remeasurements of defined benefit plans	(68)	365
Share of other comprehensive income of associates accounted for using equity method	11,881	(3,919)
Total other comprehensive income	40,233	13,120
Comprehensive income	62,715	34,914
(Breakdown)		
Comprehensive income attributable to owners of the parent	59,971	31,519
Comprehensive income attributable to minority interests	2,744	3,394

### (3) Consolidated Statements of Cash Flows

(In million yen)

	Six months ended	Six months ended
	September 30, 2013	September 30, 2014
	Amount	Amount
<b>Net cash provided by (used in) operating activities:</b>		
Income before income taxes and minority interests	32,016	30,451
Depreciation and amortization	52,599	49,313
Impairment loss	1,665	226
Provision for losses related to antitrust law	-	5,478
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(3,781)	(5,826)
Loss (gain) on sales of short-term and long-term investment securities	(3,773)	514
Loss (gain) on valuation of short-term and long-term investment securities	-	10
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(7,382)	(9,215)
Interest and dividends income	(3,373)	(4,210)
Interest expenses	9,469	8,867
Foreign exchange losses (gains)	(702)	(2,107)
Decrease (increase) in notes and accounts receivable-trade	(6,520)	(20,510)
Increase (decrease) in inventories	(1,867)	2,157
Increase (decrease) in notes and accounts payable-trade	9,135	2,979
Other, net	(12,829)	11,024
Subtotal	64,656	69,152
Interest and dividends income received	6,927	8,617
Interest expenses paid	(9,323)	(8,929)
Related to antitrust law paid	(2,252)	(13,875)
Income taxes (paid) refund	(7,738)	(8,561)
Net cash provided by (used in) operating activities	52,270	46,403
<b>Net cash provided by (used in) investing activities:</b>		
Purchase of short-term investment securities	(93)	-
Proceeds from sales of short-term investment securities	90	-
Purchase of vessels, property, plant and equipment and intangible assets	(99,969)	(80,366)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	93,157	50,684
Purchase of investment securities	(14,534)	(17,801)
Proceeds from sales of investment securities	9,882	5,228
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(66)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(1,072)
Payments of loans receivable	(4,972)	(9,077)
Collection of loans receivable	6,573	17,364
Other, net	1,767	695
Net cash provided by (used in) investing activities	(8,099)	(34,411)
<b>Net cash provided by (used in) financing activities:</b>		
Net decrease (increase) in short-term loans payable	(3,994)	(2,816)
Proceeds from long-term loans payable	24,649	9,695
Repayment of long-term loans payable	(57,864)	(71,126)
Proceeds from issuance of bonds	39,812	-
Purchase of treasury stock	(15)	(17)
Proceeds from sales of treasury stock	2	0
Cash dividends paid to shareholders	(3,392)	(5,088)
Cash dividends paid to minority shareholders	(667)	(1,373)
Other, net	(861)	(1,896)
Net cash provided by (used in) financing activities	(2,332)	(72,623)
<b>Effect of exchange rate change on cash and cash equivalents</b>	2,106	2,348
<b>Net decrease (increase) in cash and cash equivalents</b>	43,946	(58,282)
<b>Cash and cash equivalents at beginning of period</b>	298,429	349,723
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	314	334
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	71
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	(312)	-
<b>Cash and cash equivalents at end of period</b>	342,377	291,847

#### (4) Notes Regarding Consolidated Financial Statements

##### (Notes Regarding Going Concern Assumption)

The second quarter of this fiscal year (April 1, 2014 – September 30, 2014)

Not applicable

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

The second quarter of this fiscal year (April 1, 2014 – September 30, 2014)

Not applicable

##### (Segment Information and Others)

###### [Segment Information]

I. Six months ended September 30, 2013 (April 1, 2013 – September 30, 2013)

Revenues and income or loss by reportable segment

(In million yen)

	Global Logistics			Bulk Shipping	Others			Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics		Cruises	Real Estate	Other			
Revenues										
(1) Revenues from customer	296,364	38,971	210,083	476,756	24,051	4,316	38,582	1,089,127	-	1,089,127
(2) Inter-segment revenues	7,987	3,042	1,704	398	-	670	54,886	68,690	(68,690)	-
Total	304,351	42,013	211,788	477,155	24,051	4,987	93,469	1,157,817	(68,690)	1,089,127
Segment income (loss)	(877)	(4,814)	3,039	24,912	1,156	1,929	279	25,626	5	25,631

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments.
- Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statements of income.

II. Six months ended September 30, 2014 (April 1, 2014 – September 30, 2014)

1. Revenues and income or loss by reportable segment

(In million yen)

	Global Logistics			Bulk Shipping	Others			Total	Adjustment (*1)	Consolidated Total(*2)
	Liner Trade	Air Cargo Transportation	Logistics		Cruises	Real Estate	Other			
Revenues										
(1) Revenues from customer	338,410	43,386	224,853	497,685	26,085	4,193	44,482	1,179,098	-	1,179,098
(2) Inter-segment revenues	5,652	2,926	1,694	241	21	630	44,975	56,143	(56,143)	-
Total	344,063	46,313	226,548	497,927	26,106	4,823	89,458	1,235,242	(56,143)	1,179,098
Segment income (loss)	4,941	(3,343)	4,264	27,476	2,566	1,817	(121)	37,600	(861)	36,738

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments -1 million yen and other cooperate expenses -860 million yen. The general and administrative expenses which do not belong to any single segment are treated as other corporate expenses. From the first quarter of the current fiscal year, we changed the profit management scheme. Any one of the cost relates to headquarters, a part of the general and administrative expenses which were assessed to each segment were managed as other cooperate segment. The effect of this change to segment profit is minimal and there is no effect to revenues of each segments, consolidated revenues and consolidated recurring profit.
- Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statements of income.

##### 2. Changes in Reportable segments

The useful life of dry-bulk carriers included in vessels, property, plant and equipment has been estimated at 15 years. Based on the accumulated data on actual useful life of dry-bulk carriers, the Company has determined that main types of dry-bulk carriers can be utilized for a longer period of time. Consequently, from the first quarter of the current fiscal year, the useful life of dry-bulk carriers has been changed to 20 years.

As a result of this change of method, segment income of "Bulk Shipping" segment increased by 2,986 million yen compared from previous method.

#### 4. Other Information

##### (1) Quarterly Operating Results

Year ending March 31, 2015

(In million yen)

	Apr 1, 2014 – Jun 30, 2014	Jul 1, 2014 – Sep 30, 2014	Oct 1, 2014 – Dec 31, 2014	Jan 1, 2015 – Mar 31, 2015
	1Q	2Q	3Q	4Q
Revenues	582,377	596,721		
Operating income	11,572	16,323		
Recurring profit	12,002	24,736		
Net income for the quarter	10,222	9,780		
Net income per share for the quarter	¥ 6.03	¥ 5.77		
Net income per share for the quarter-fully diluted	¥ 6.03	¥ 5.76		
Total assets	2,494,600	2,531,546		
Equity	776,489	802,216		
Equity per share	¥ 426.52	¥ 440.13		

Year ended March 31, 2014

(In million yen)

	Apr 1, 2013 – Jun 30, 2013	Jul 1, 2013 – Sep 30, 2013	Oct 1, 2013 – Dec 31, 2013	Jan 1, 2014 – Mar 31, 2014
	1Q	2Q	3Q	4Q
Revenues	528,470	560,657	565,227	582,884
Operating income	6,751	13,220	15,787	9,236
Recurring profit	11,465	14,166	24,727	8,065
Net income for the quarter	8,567	11,939	7,879	4,663
Net income per share for the quarter	¥ 5.05	¥ 7.04	¥ 4.65	¥ 2.75
Net income per share for the quarter-fully diluted	-	¥ 7.04	¥ 4.64	¥ 2.75
Total assets	2,484,904	2,546,166	2,642,818	2,551,236
Equity	730,864	758,242	784,993	773,899
Equity per share	¥ 401.47	¥ 416.92	¥ 431.06	¥ 424.67

Notes: 1. Above operating results are based on the results for the first quarter and the cumulative results for the six, nine and twelve months, and are computed by taking the difference between the two adjacent periods.

2. Net income per share-fully diluted for the first quarter period ended June 30, 2013 is not shown in above table, because there are no residual shares having possibilities of diluting stock value.

##### (2) Foreign Exchange Rate Information

	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Year ended March 31, 2014
Average exchange rate during the period	¥ 98.03/US\$	¥ 102.52/US\$	Yen down ¥ 4.49/US\$	¥ 99.75/US\$
Exchange rate at the end of the period	¥ 97.75/US\$	¥ 109.45/US\$	Yen down ¥ 11.70/US\$	¥ 102.92/US\$

**(3) Bunker Oil Prices Information**

	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Year ended March 31, 2014
Average bunker oil prices	US\$628.66/MT	US\$613.50/MT	Price down US\$15.16/MT	US\$624.11/MT

**(4) Balance of Interest-Bearing Debt**

(In million yen)

	As of March 31, 2014	As of September 30, 2014	Change	As of September 30, 2013
Loans	991,047	942,901	-48,146	1,014,299
Corporate bonds	235,445	235,445	-	285,445
Leases	15,470	14,990	-479	15,989
Total	1,241,963	1,193,336	-48,626	1,315,733