Consolidated Financial Results for Six Months Ended September 30, 2016
(Japanese GAAP) (Unaudited)

October 31, 2016

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code:	9101
Listings:	The First Section of Tokyo and Nagoya Stock Exchanges
URL:	http://www.nyk.com/english/index.htm
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Submit scheduled date of Quarterly Financial Report	November 10, 2016
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 Six Months Ended September 30, 2016 (April 1, 2016 to September 30, 2016)

(1) Consolidated Operating Results

(Percentage figures show year on year changes)

	Revenues		Operating income		Recurring profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2016	928,582	-22.5	(22,472)	-	(23,616)	-	(231,812)	-
Six months ended September 30, 2015	1,198,297	1.6	38,623	38.5	42,711	16.3	54,768	173.8

(Note) Comprehensive income:
Six Months ended September 30, 2016: ¥-272,001million (－%), Six Months ended September 30, 2015: ¥42,710 million (22.3%)

	Profit per share	Profit per share-fully diluted
	yen	yen
Six months ended September 30, 2016	(136.91)	-
Six months ended September 30, 2015	32.29	32.28

(Note) Profit per share-fully diluted for the second quarter period in the fiscal year ending March 31,2017, are not shown in above in table, because profit per share was negative although there are residual shares.

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio	Equity per share
	million yen	million yen	%	Yen
As of September 30, 2016	1,991,303	563,472	25.1	296.03
As of March 31, 2016	2,244,772	844,269	34.5	456.21

(Reference) Shareholders' equity: As of September 30, 2016: ¥499,264 million, As of March 31, 2016: ¥773,678 million

2. Dividends

Date of record	Dividend per share				
	1st Quarter End	2ndQuarter End	3rd Quarter End	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2016	-	4.00	-	2.00	6.00
Year ending March 31, 2017	-	0.00			
Year ending March 31, 2017 (Forecast)			-	0.00	0.00

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

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Percentage figures show year on year changes)

	Revenues		Operating income		Recurring profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Year ending March 31,2017	1,865,000	-17.9	(25,500)	-	(26,000)	-	(245,000)	-	(144.96)

(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: None
4. Restatements: None
Note: Details are stated on page 9 "Information about Summary (Notes)"

(4) Total issued shares (Ordinary shares)

1. Total issued shares (including treasury stock)	As of September 30, 2016	1,700,550,988	As of March 31, 2016	1,700,550,988
2. Number of treasury stock	As of September 30, 2016	14,018,638	As of March 31, 2016	4,671,463
3. Average number of shares (cumulative quarterly period)	Six months ended September 30, 2016	1,693,203,198	Six months ended September 30, 2015	1,695,944,539

Note: From the second quarter in the fiscal year ending March 31, 2017, NYK Line established a Board Incentive Plan Trust for remunerating directors and corporate officers. The Company's shares held in this trust are recorded under treasury stock and are excluded from calculations of the number of treasury stock shares at the end of the fiscal period and the average number of shares during the period under review.

*Indication of quarterly review process implementation status
This quarterly fiscal statement is exempt from the 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) ¥100/US$, (full year) ¥103.66/US$
Bunker oil price: (for the third and fourth quarter) US$310/MT, (full year) US$262.83/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 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.

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 on the NYK website
(http://www.nyk.com/english/release/IR_explanation.html)

Index of the Attachments

1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

In the first half of the fiscal year ending March 31, 2017 (April 1, 2016, to September 30, 2016), consolidated revenues amounted to ¥928.5 billion, down from ¥1,198.2 billion in the same period of the previous fiscal year. NYK Line posted an operating loss of ¥22.4 billion compared with operating income of ¥38.6 billion, and a recurring loss of ¥23.6 billion compared with recurring profit of ¥42.7 billion in the first half of the previous fiscal year. Likewise, profit attributable to owners of the parent amounting to ¥54.7 billion turned into a net loss of ¥231.8 billion.

(Overview)

During the first half of the current fiscal year, conditions in the global economy were mixed. In the United States, business sentiment worsened amid signs of a decline in consumer spending and a plateau in the labor market, which had previously been improving. In Europe, the presumed negative impact on the economy resulting from the United Kingdom's decision to leave the European Union has yet to be determined, and consumer spending in the U.K. was better than expected. In China, key economic indicators improved, including investment in fixed assets, but, it is unclear as to whether these improvements will continue or represent only a temporary respite from the country's economic slowdown. Meanwhile, Japan's economy continued to stall due to the negative impact of unseasonable weather on consumer spending and the ongoing appreciation of the yen.

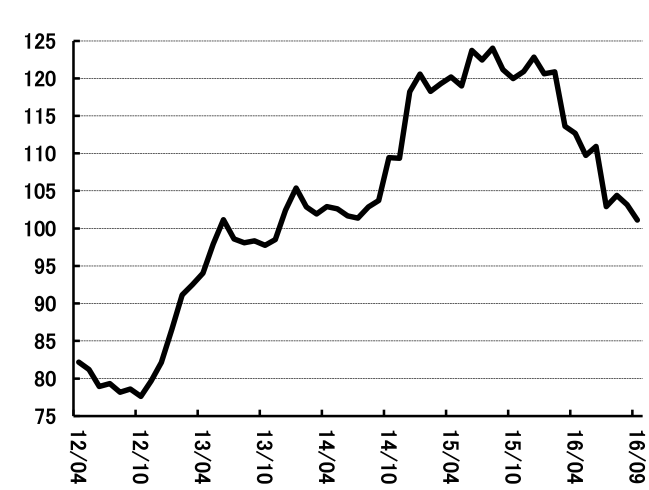
In the global shipping industry, a number of shipping companies have fallen into bankruptcy. Freight rates have remained low in the container shipping market for a long period due to an oversupply of tonnage resulting from the steady production of ultra-large container ships. The dry bulk shipping market also continued to be extremely challenging, as excess tonnage has not been cancelled out despite the ongoing scrapping of aging vessels, and spot charter rates remain very low. In the liquid transport market, some oil and gas projects have been delayed due to the very low price of crude oil, which has dragged on over the past few years. Meanwhile, in the NYK Group's non-shipping businesses, the Logistics segment performed well overall, but the performance of the Air Cargo Transportation segment slowed down due to worsening market conditions and the effect of the yen's appreciation.

Against this backdrop, in the first half of the fiscal year underway, consolidated revenues declined and every level of profit decreased substantially compared with the same period of the previous fiscal year, resulting in losses. Revenues decreased ¥269.7 billion, or 22.5%, reflecting the yen's appreciation and the slump in the container shipping and dry bulk shipping markets, as well as the result of the Group's reduction of its fleet of dry bulkers. Meanwhile, operating income and recurring profit decreased ¥61.0 billion and ¥66.3 billion, respectively, year on year. Profit attributable to owners of the parent dropped ¥286.5 billion compared with the first half of the previous fiscal year, largely due to an extraordinary loss of approximately ¥200.0 billion comprised of an impairment loss and provision for losses on contracts associated with container ships, dry bulkers, and cargo aircraft.

In addition, the average exchange rate and average bunker oil price changed in the second quarter of the current fiscal year, as follows.

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Average exchange rate	¥121.76/US$	¥107.31/US$	Yen up ¥14.45/US$
Average bunker oil price	US$353.70/MT	US$215.67/MT	Price down US$138.03/MT

Exchange Rate Fluctuations



Period：2012/4 ～ 2016/9

Movements in Bunker Oil Prices

Period：2012/4 ～ 2016/9

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

Overview by Business Segment

Business segment information for the six months ended September 30, 2016 is as follows.

（In billion yen）

		Revenues				Recurring profit		
		FY 2015 2Q	FY 2016 2Q	Change	Percentage Change	FY 2015 2Q	FY 2016 2Q	Change
Global Logistics	Liner Trade	378.2	280.5	-97.6	-25.8 %	7.8	(15.3)	-23.1
	Air Cargo Transportation	48.9	38.5	-10.4	-21.3 %	0.9	(3.4)	-4.4
	Logistics	249.5	225.8	-23.6	-9.5 %	6.0	4.6	-1.3
Bulk Shipping		483.1	349.8	-133.3	-27.6 %	27.2	(9.4)	-36.6
Others	Real Estate	4.8	4.8	0.0	0.6 %	1.7	1.8	0.1
	Other	76.5	66.6	-9.8	-12.9 %	0.0	(0.5)	-0.5

Liner Trade

In the container shipping market, transpacific routes appeared to recover on their own following a slump, and spot freight rates rebounded. Market conditions surrounding European shipping routes seemed to have bottomed out, but freight rates have been slow to recover due to the ongoing production of new ultra-large container ships. Freight rate levels for Central and South American shipping routes suddenly shifted upward as the balance of supply and demand improved for both east- and west-bound shipments. The levels did not stabilize, however, and market conditions continue to fluctuate widely. Meanwhile, freight rate levels remained low for shipping routes in Asia and Oceania as market conditions did not improve.

In response to these circumstances, the NYK Group worked to keep its services competitive. Without reorganizing the main routes it handles as a member of the G6 Alliance, the Group rationalized its service loops according to demand, and reduced voyages for some routes.

The NYK Group also worked to cut costs, but fuel expenses increased due to the rising price of bunker oil, which reflected an increase in the price of crude oil. Nevertheless, compared with the first half of the previous fiscal year, the Group reduced its fuel consumption by upgrading vessels to improve their fuel efficiency and switching over to new ultra-large vessels that have highly fuel efficient engines and hulls designed for higher cargo loading rates. Meanwhile, the Group strove to improve its ability to deal with sluggish market conditions by continuing to implement exhaustive measures to optimize the economic performance of its shipping fleet, such as chartering ships for short periods, deploying larger ships to raise shipping efficiency, allocating vessels according to their respective service characteristics, and more efficiently allocating vessels to eliminate unnecessary costs.

As part of its efforts to improve the bottom line of its operations, the NYK Group strove to raise profitability and increase total cargo volume by enhancing management methods designed to enable higher cargo volume according to goals set for each country where it operates, and by targeting certain types of cargo that can be shipped more efficiently.

In addition, overall handling volume increased year on year amid brisk business at container terminals operated in and outside Japan. Nevertheless, revenues in the Liner Trade segment decreased in the second half of the fiscal year compared with the same period of the previous fiscal year, and the segment posted a loss.

Air Cargo Transportation

In the Air Cargo Transportation segment, the NYK Group continued its cost-cutting initiatives while working to improve the quality of its transport services and respond quickly to customers' needs in order to maintain orders for cargo aircraft shipments. Despite aggressive efforts to ship cargo originating from Asia, segment results were negatively impacted by the yen's appreciation and declining freight rates. Consequently, revenues were down year on year, and the segment posted a loss.

Logistics

In the air freight forwarding business, cost prices remained at higher levels than expected, and sales continued to be challenging. In the ocean freight forwarding business, shipments were brisk, especially those originating from Asia. Meanwhile, the logistics business was negatively affected by the slowdown of economic growth in emerging countries. Shipments were steady in the coastal transportation business, despite the impact of several typhoons. As a result of the above factors, the Logistics segment as a whole posted a decrease in both revenues and income compared with the same period of the previous fiscal year.

Bulk Shipping

Car Transportation Division

In the automobile transport market, demand for shipments to resource-rich countries in particular slowed down amid low prices of crude oil and other resources. Cargo exported from Japan decreased largely as a result of the major earthquake disaster in the Kumamoto region, which resulted in fewer vehicles shipped compared with the first half of the previous fiscal year. Under such circumstances, the NYK Group continued to use slow steaming and implement other measures for reducing operating costs, and sold off one of its aging ships for demolition during the first half of the fiscal year. In addition, a company of the NYK Group commissioned the world's first LNG-fueled pure car and truck carrier, representing the Group's efforts to reduce its impact on the environment. In the automobile logistics business, existing operations performed solidly overall, including automobile logistics centers in China and India, and the Company planned to expand business in other growth markets.

Dry bulk Division

In the dry bulk transport market, shipments were up for main types of cargo. Nevertheless, while the scrapping of dry bulk carriers proceeded at around the same pace as the previous year, new vessels continue to be produced. Consequently, moderate improvements to the balance of supply and demand came to an end, making the market sluggish overall. Under those circumstances, the NYK Group strove to conclude shipping contracts that are less susceptible to short-term market fluctuations, and took steps to reduce costs, including exhaustive measures for improving the operational efficiency of its fleet. At the same time, the Group worked to improve the bottom line through a number of initiatives, such as reducing ballast voyages by combining cargoes and more efficiently assigning vessels.

Liquid Division

In the liquid transport market, many new ships were built, especially very large crude carriers (VLCC), without substantial progress in scrapping older vessels. In that context, petrochemical tanker shipments from the Middle East were down, and liquefied petroleum gas (LPG) tanker shipments decreased in terms of overall distance as the shipping points for cargo bound for East Asia were shifted from the United States to the Middle East. Consequently, market conditions deteriorated substantially. Nevertheless, the NYK Group was able to secure favorable conditions in long-term contracts, providing a stable source of earnings from its fleet of LNG tankers. In the offshore business, the construction of two new floating production storage and offloading (FPSO) vessels was completed, and the Group's fleet now totals four vessels. In addition, NYK Line acquired a stake in EMAS Chiyoda Subsea Limited, through which it is participating in a subsea engineering, procurement, construction, and installation (EPCI) project.

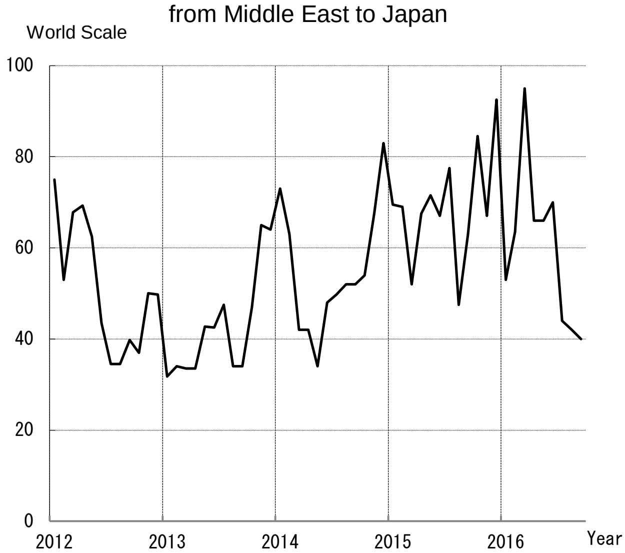
Despite the efforts described above, the Bulk Shipping segment as a whole saw a decline in revenues compared with the same period in the previous fiscal year, and posted a loss in the second half of the current fiscal year.

Fluctuation in Tramper Freight Market in BDI

Period：2012/1 ～ 2016/9

Tanker Freight Rates (high) for VLCCs

from Middle East to Japan



Period：2012/1 ～ 2016/9

Real Estate and Other Businesses Services

In the Real Estate segment, revenues were on par with the level in the same period of the previous fiscal year. Income, however, increased year on year owing to efforts to control costs that were temporarily incurred for the acquisition of new properties, which kept the costs below the level in the first half of the previous fiscal year.

In the Other Business Services segment, the cruise business increased its cruise ship occupancy rate, and benefitted from positive business conditions together with the manufacturing business. On the other hand, the impact of the appreciation of the yen and the low price of crude oil negatively affected the trading business's sales of bunker oil, one of its mainstay products. Consequently, revenues and decreased compared with the first half of the previous fiscal year, and the segment posted a loss.

(2) Explanation about Financial Position

① Assets, Liabilities, and Equity

As of September 30, 2016, the end of the second quarter of the fiscal year under review, consolidated assets amounted to ¥1,991.3 billion, a decrease of ¥253.4 billion compared with the end of the previous fiscal year on March 31, 2016, mainly due to impairment of the Group's ship fleet. Consolidated liabilities totaled ¥1,427.8 billion, an increase of ¥27.3 billion compared with the end of the previous fiscal year. Under consolidated equity, retained earnings decreased ¥236.2 billion compared with the end of the previous fiscal year, while shareholders' equity—the aggregate of shareholders' capital and total accumulated other comprehensive income—amounted to ¥499.2 billion. This amount combined with non-controlling interests of ¥64.2 billion brought total equity to ¥563.4 billion. Based on that result, the debt-to-equity ratio came to 1.90.

② Cash flow

Overview

In the first half of the fiscal year ending March 31, 2017, net cash provided by operating activities amounted to ¥ 7.8 billion. Main items included income before income taxes of ¥220.8 billion, non-cash depreciation and amortization of ¥48.8 billion, an impairment loss of ¥163.2 billion, and interest expenses paid of ¥7.4 billion. Net cash used in investing activities totaled ¥55.3 billion, reflecting both the purchase of and proceeds from sales of vessels, property, plant and equipment and intangible assets, which were mainly vessels in this case. Net cash provided by financing activities amounted to ¥24.6 billion, mainly due to an increase in short-term loans payable. As a result of these factors, the balance of cash and cash equivalents stood at ¥221.6 billion as of September 30, 2016, down ¥31.9 billion compared with the beginning of the fiscal year on April 1, 2016, after taking into account the effect of exchange rate fluctuations.

Trends in cash flow indicators

	March 31,2014	March 31,2015	March 31,2016	September 30,2015	September 30,2016
Shareholder's equity ratio (%)	28.2	31.5	34.5	33.7	25.1
Shareholder's equity ratio at market price (%)	19.9	22.8	16.4	18.7	15.9
Cash flows vs ratio of interest bearing debt (years)	9.1	8.0	6.6	–	–
Interest coverage ratio	7.1	7.6	8.3	8.3	1.1

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

4. Interest coverage ratio: cash flow /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. 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 of Consolidated Earnings Forecast and Future Outlook

① Consolidated Earnings Outlook

NYK Line's forecast of full-year consolidated financial results is as follows: revenues of ¥1,865.0 billion, an operating loss of ¥25.5 billion, a recurring loss of ¥26.0 billion, and a loss attributable to owners of the parent of ¥245.0 billion.

In the container shipping market, spot freight rates for east and west-bound shipping routes have risen because space in the market temporarily opened up following the bankruptcy of a South Korean shipping line at the end of August. After that, freight rates stopped declining as customers became more selective about shipping companies. NYK Line intents to boost cargo volume by taking in freight shipments previously handled by the bankrupt company, especially for transpacific routes, but since the overall level of freight rates is rebounding slowly, securing profitability will continue to be extremely difficult.

In the automobile transport market, demand for shipments to resource-rich countries in particular is expected to be sluggish, and the projected number of vehicles for shipment has been downwardly revised. Meanwhile, the dry bulk shipping market is proceeding to recover from one of the worst slumps in its history, but the pace of this recovery is projected to be slower than originally expected. The Company has also reassessed its outlook for the liquid transport market due to a weakening of the market for tanker shipments. On the other hand, the outlook for the logistics market is positive, with relatively favorable conditions especially for the NYK Group's ocean freight forwarding business and logistics business.

Although losses were posted in the first half of the current fiscal year, the Company's performance is expected to substantially improve in the second half. Unfortunately, however, given the lack of a full recovery of the maritime shipping market, management expects results to fall short of profitability.

In view of the above, the Company has revised its forecast of full-year consolidated financial results, as follows.

(In billion yen)

	Revenues	Operating Income	Recurring Profit	Profit attributable to owners of parent
Previous Forecast（July 29,2016）	1,992.0	0.0	5.0	(15.0)
Revised Forecast	1,865.0	(25.5)	(26.0)	(245.0)
Change	(127.0)	(25.5)	(31.0)	(230.0)
Percentage Change (%)	-6.4	-	-	-

Assumption for forecasts:
Exchange Rate (for the third and fourth quarter) ¥100/US$ (Full year) ¥103.66/US$
Bunker Oil Prices (for the third and fourth quarter) US$310/MT (Full year) US$262.83/MT

② Dividends for the Fiscal Year ending March 31, 2017

During the current fiscal year, the Company is expected to post a substantial loss mainly as a result of recording an impairment loss. Furthermore, management believes that more time will be needed for the maritime shipping market to make a full recovery. In view of these factors, management has decided not to pay an interim dividend, and has no plan for the payment of a fiscal year-end dividend. This decision was made after giving full consideration to the stable return of profits to shareholders, which is one of the principles of the Company's dividend policy, as well as the need to maintain a sufficient amount of internal reserves for dealing with changes in the market and the prolonged market slump.

Management is pushing ahead to restructure the entire Company in an effort to quickly secure profitability, with the goal of resuming the payment of dividends as quickly as possible.

2. Information about Summary (Notes)

(1) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements

（Notice of change in accounting policy）

(Application of Practical Solution on Accounting for Changes in Depreciation method related to the 2016 Tax Reform 2016)

Effective beginning the first quarter of the fiscal year ending March 31, 2017, NYK Line has applied "Practical Solution on Accounting for Changes in Depreciation Method related to the Tax Reform 2016 (PITF No.32 of June 17, 2016)" following the revision of the Corporation Tax Act. Accordingly, the depreciation method of facilities attached to buildings and structures acquired on and after April 1, 2016 was changed from declining-balance method to straight-line method.

There is a minimal impact to the consolidated financial statements of the second quarter of the fiscal year under review.

(2) Additional Information

(Procedures of the Board Incentive Plan Trust)

Based on a resolution of the ordinary general meeting of shareholders held on June 20, 2016, NYK Line established the Board Incentive Plan Trust (hereafter, “the Plan”) as a performance-based stock remuneration plan for the Company’s directors and corporate officers (excluding outside directors and Corporate Officers who are non-residents in Japan, foreign nationals or directors of listed subsidiaries companies, hereafter, “Directors and Officers”).

Accounting procedures related to the trust fall under the Accounting Standards Board of Japan’s Practical Issue Task Force No. 30, “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts,” issued on March 26, 2015.

NYK Line provides funds to be used by the Board Incentive Plan Trust as capital for acquiring the Company’s shares. The shares are to be delivered or the equivalent market value of the shares are to be paid to the Directors and Officers through the trust in proportion to the amount of points granted to each of the Directors and Officers on the basis of his or her position and level of progress in accomplishing performance-related goals every fiscal year.

The Company’s shares remaining in the trust are recorded under equity as treasury stock, calculated based on the total book value (excluding incidental expenses) of the shares in the Trust. As of September 30, 2016, the end of the first half of the current fiscal year, the Company’s treasury stock consisted of 9,319,000 shares with a total book value of ¥1,705 million.

The estimated amount of the remuneration to Directors, described above, for the first half of the fiscal year under review is calculated as part of provision for stock payment.

3. Consolidated Financial Statements
(1)Consolidated Balance Sheets

(In million yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	237,219	228,697
Notes and operating accounts receivable-trade	222,831	216,332
Short-term investment securities	24,000	—
Inventories	27,495	32,769
Deferred and prepaid expenses	57,554	57,387
Deferred tax assets	3,326	3,058
Other	82,596	82,608
Allowance for doubtful accounts	(2,284)	(2,126)
Total current assets	652,740	618,727
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	802,324	608,583
Buildings and structures, net	76,963	72,023
Aircraft, net	23,576	25,614
Machinery, equipment, and vehicles, net	34,967	31,760
Equipment, net	7,217	6,311
Land	72,511	71,981
Construction in progress	43,952	53,791
Other, net	6,430	5,362
Total vessels, property, plant and equipment	1,067,943	875,427
Intangible assets		
Leasehold right	4,102	3,646
Software	15,138	13,225
Goodwill	21,205	19,055
Other	2,123	1,729
Total intangible assets	42,569	37,656
Investments and other assets		
Investment securities	358,090	336,849
Long-term loans receivable	29,678	31,279
Net defined benefit asset	39,403	38,835
Deferred tax assets	6,777	5,861
Other	50,032	50,328
Allowance for doubtful accounts	(2,812)	(3,974)
Total investments and other assets	481,168	459,179
Total non-current assets	1,591,681	1,372,263
Deferred assets	350	312
Total assets	2,244,772	1,991,303

(In million yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	178,065	177,331
Current portion of bonds	―	100
Short-term loans payable	92,374	150,278
Income taxes payable	8,963	5,849
Deferred tax liabilities	5,522	5,028
Advances received	40,653	39,532
Provision for bonuses	9,906	9,061
Provision for directors' bonuses	353	211
Provision for losses related to antitrust law	―	1,926
Provision for losses related to contracts	8,678	5,247
Other	76,826	67,783
Total current liabilities	421,343	462,350
Non-current liabilities		
Bonds payable	145,445	145,000
Long-term loans payable	690,005	641,858
Deferred tax liabilities	38,684	40,436
Net defined benefit liability	18,708	18,241
Provision for directors' retirement benefits	1,717	1,591
Provision for stock payment	―	79
Provision for periodic dry docking of vessels	21,295	21,075
Provision for losses related to contracts	―	36,858
Other	63,301	60,339
Total non-current liabilities	979,158	965,480
Total liabilities	1,400,502	1,427,831
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	155,691	155,679
Retained earnings	470,483	234,232
Treasury stock	(2,098)	(3,808)
Total shareholders' capital	768,396	530,423
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	34,147	31,931
Deferred gain (loss) on hedges	(35,411)	(39,888)
Foreign currency translation adjustment	7,527	(23,393)
Remeasurements of defined benefit plans	(981)	191
Total accumulated other comprehensive income (loss)	5,281	(31,158)
Non-controlling interests	70,591	64,207
Total equity	844,269	563,472
Total liabilities and equity	2,244,772	1,991,303

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

(In million yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Revenues	1,198,297	928,582
Cost and expenses	1,053,027	847,288
Gross profit	145,270	81,293
Selling, general and administrative expenses	106,647	103,765
Operating income (loss)	38,623	(22,472)
Non-operating income		
Interest income	1,767	1,586
Dividend income	2,967	4,119
Equity in earnings of unconsolidated subsidiaries and affiliates	7,248	7,313
Other	4,142	3,166
Total non-operating income	16,125	16,185
Non-operating expenses		
Interest expenses	8,493	7,260
Foreign exchange losses	1,361	8,330
Other	2,181	1,738
Total non-operating expenses	12,037	17,330
Recurring profit (loss)	42,711	(23,616)
Extraordinary income		
Gain on sales of non-current assets	7,901	7,039
Other	30,423	1,247
Total extraordinary income	38,325	8,287
Extraordinary losses		
Loss on sales of non-current assets	1,047	119
Impairment loss	10	163,232
Other	1,520	42,120
Total extraordinary losses	2,577	205,472
Profit (loss) before income taxes	78,459	(220,802)
Income taxes	19,127	9,028
Profit (loss)	59,331	(229,830)
Profit attributable to non-controlling interests	4,562	1,982
Profit (loss) attributable to owners of parent	54,768	(231,812)

(Consolidated Statements of Comprehensive Income)

(In million yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit (loss)	59,331	(229,830)
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(11,959)	(2,270)
Deferred gain (loss) on hedges	(1,708)	275
Foreign currency translation adjustments	(8,328)	(18,981)
Remeasurements of defined benefit plans	938	1,271
Share of other comprehensive income of associates accounted for using equity method	4,436	(22,465)
Total other comprehensive income	(16,620)	(42,170)
Comprehensive income	42,710	(272,001)
(Breakdown)		
Comprehensive income attributable to owners of parent	40,612	(268,468)
Comprehensive income attributable to non-controlling interests	2,098	(3,532)

(3) Consolidated Statements of Cash Flows

(In million yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	78,459	(220,802)
Depreciation and amortization	51,875	48,871
Impairment loss	10	163,232
Loss (gain) on sales and retirement of vessels, property, plant and equipment, and intangible assets	(6,807)	(6,703)
Loss (gain) on sales of short-term and long-term investment securities	(28,800)	(479)
Loss (gain) on valuation of short-term and long-term investment securities	37	88
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(7,248)	(7,313)
Interest and dividend income	(4,734)	(5,705)
Interest expenses	8,493	7,260
Foreign exchange losses (gains)	(3,010)	4,688
Decrease (increase) in notes and accounts receivable-trade	19,659	(4,622)
Decrease (increase) in inventories	8,342	(5,553)
Increase (decrease) in notes and accounts payable-trade	(7,067)	7,516
Other, net	(5,965)	32,642
Subtotal	103,243	13,120
Interest and dividend income received	9,646	9,644
Interest expenses paid	(8,543)	(7,456)
Paid expenses related to antitrust law	(1,535)	(862)
Income taxes (paid) refund	(31,967)	(6,595)
Net cash provided by (used in) operating activities	70,843	7,851
Net cash provided by (used in) investing activities		
Purchase of vessels, property, plant and equipment, and intangible assets	(56,247)	(76,328)
Proceeds from sales of vessels, property, plant and equipment, and intangible assets	38,149	16,315
Purchase of investment securities	(26,382)	(19,591)
Proceeds from sales and redemption of investment securities	4,919	7,025
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	9,763	—
Payments of loans receivable	(14,830)	(11,127)
Collection of loans receivable	21,569	3,175
Other, net	(885)	25,136
Net cash provided by (used in) investing activities	(23,944)	(55,394)

(In million yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,072)	60,796
Proceeds from long-term loans payable	19,525	24,246
Repayments of long-term loans payable	(47,868)	(50,434)
Redemption of bonds	—	(345)
Proceeds from share issuance to non-controlling shareholders	85	127
Purchase of treasury stock	(17)	(1,711)
Proceeds from sales of treasury stock	0	0
Cash dividends paid to shareholders	(8,480)	(3,391)
Cash dividends paid to non-controlling interests	(776)	(2,926)
Other, net	(1,919)	(1,745)
Net cash provided by (used in) financing activities	(41,522)	24,616
Effect of exchange rate change on cash and cash equivalents	(3,649)	(9,485)
Net increase (decrease) in cash and cash equivalents	1,726	(32,412)
Cash and cash equivalents at beginning of period	327,243	253,618
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	199	478
Increase(decrease) in beginning balance of cash and cash equivalents resulting from changes in fiscal period of consolidated subsidiaries	32	(17)
Cash and cash equivalents at end of period	329,201	221,666

(4) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The second quarter of this fiscal year (April 1, 2016 – September 30, 2016)
Not applicable

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

The second quarter of this fiscal year (April 1, 2016 – September 30, 2016)
Not applicable

(Segment Information and Others)

[Segment Information]

Ⅰ. Six months ended September 30, 2015 (April 1, 2015 – September 30, 2015)
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		Real Estate	Other			
Revenues									
(1) Revenues from customer	371,099	45,502	247,798	482,753	4,229	46,913	1,198,297	－	1,198,297
(2) Inter-segment revenues	7,184	3,429	1,729	431	593	29,593	42,962	(42,962)	－
Total	378,283	48,932	249,527	483,185	4,823	76,507	1,241,260	(42,962)	1,198,297
Segment income (loss)	7,850	988	6,040	27,228	1,735	49	43,892	(1,180)	42,711

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments -95 million yen and other cooperate expenses -1,085 million yen. The general and administrative expenses which do not belong to any single segment are treated as other corporate expenses.
2. Segment income (loss) is adjusted on recurring loss on the quarterly consolidated statements of income.

Ⅱ. Six months ended September 30, 2016 (April 1, 2016 – September 30, 2016)
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		Real Estate	Other			
Revenues									
(1) Revenues from customer	273,935	35,386	224,283	349,378	4,327	41,271	928,582	－	928,582
(2) Inter-segment revenues	6,656	3,113	1,545	423	524	25,369	37,633	(37,633)	－
Total	280,591	38,500	225,829	349,802	4,852	66,640	966,215	(37,633)	928,582
Segment income (loss)	(15,303)	(3,469)	4,648	(9,441)	1,896	(524)	(22,194)	(1,422)	(23,616)

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments -59 million yen and other cooperate expenses -1,363 million yen. The general and administrative expenses which do not belong to any single segment are treated as other corporate expenses.
2. Segment income (loss) is adjusted on recurring loss on the quarterly consolidated statements of income.

2. Information Regarding Goodwill and Impairment Loss on Fixed Assets in Reported Segments
Significant Impairment Loss on Fixed Assets

In the Liner Trade segment, an impairment loss of ¥73,468 million was recorded under extraordinary losses.
In the Air Cargo Transportation segment, an impairment loss of ¥5,075 million was recorded under extraordinary losses. In the Bulk Shipping segment, an impairment loss of ¥84,630 million was recorded under extraordinary losses. This figure resulted from reducing the book value of a number of vessels to their respected recoverable amounts.

4. Other Information

(1) Quarterly Operating Results

Year ending March 31, 2017

(In million yen)

	Apr 1, 2016 – Jun 30, 2016 1Q	Jul 1, 2016 – Sep 30, 2016 2Q	Oct 1, 2016 – Dec 31, 2016 3Q	Jan 1, 2017 – Mar 31, 2017 4Q
Revenues	470,759	457,822		
Operating income(loss)	(10,963)	(11,509)		
Recurring profit(loss)	(9,924)	(13,692)		
Profit(loss) attributable to owners of parent for the quarter	(12,788)	(219,024)		
Profit(loss) per share	(¥7.54)	(¥129.51)		
Profit per share -fully diluted	—	—		
Total assets	2,119,716	1,991,303		
Equity	792,277	563,472		
Equity per share	¥428.94	¥296.03		

Year ended March 31, 2016

(In million yen)

	Apr 1, 2015 – Jun 30, 2015 1Q	Jul 1, 2015 – Sep 30, 2015 2Q	Oct 1, 2015 – Dec 31, 2015 3Q	Jan 1, 2016 – Mar 31, 2016 4Q
Revenues	588,703	609,594	568,397	505,619
Operating income	17,461	21,161	8,543	1,797
Recurring profit	21,500	21,211	13,307	4,039
Profit(loss) attributable to owners of parent for the quarter	43,067	11,701	(31,946)	(4,583)
Profit(loss) per share	¥25.39	¥6.90	(¥18.84)	(¥2.70)
Profit per share -fully diluted	¥25.39	¥6.90	—	—
Total assets	2,569,153	2,497,933	2,431,080	2,244,772
Equity	932,372	912,967	876,051	844,269
Equity per share	¥506.95	¥495.94	¥473.84	¥456.21

Notes:1 The above operating results (revenue, operating income, recurring profit and profit 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 Profit per share -fully diluted for the third and fourth quarter period in the fiscal year ended March 31,2016, and the first and second quarter period in the fiscal year ending March 31,2017, are not shown in above in table, because profit per share was negative although there are residual shares.

3 From the second quarter in the fiscal year ending March 31, 2017, in the calculation of equity per share, the Company's shares held by the Board Incentive Plan Trust under treasury stock are excluded from the total number of issued shares as of the end of the period under review. Likewise, in the calculation of profit per share, shares held by the trust are excluded from the number of treasury stock shares used to calculate the average number of ordinary shares in the period under review. Based on this adjustment, the average number of treasury stock used to calculate profit per share was 2,662,571 shares in the second half of the current fiscal year. The number of adjusted treasury stock shares used to calculate equity per share was 9,319,000 shares as of September 30, 2016, the end of the second half of the current fiscal year.

(2) Foreign Exchange Rate Information

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Year ended March 31, 2016
Average exchange rate during the period	¥121.76/US$	¥107.31/US$	Yen up ¥14.45/US$	¥120.78/US$
Exchange rate at the end of the period	¥119.96/US$	¥101.12/US$	Yen up ¥18.84/US$	¥112.68/US$

(3) Bunker Oil Prices Information

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Year ended March 31, 2016
Average bunker oil prices	US$353.70/MT	US$215.67/MT	Price down US$138.03/MT	US$298.66/MT

(4) Balance of Interest-Bearing Debt

(In million yen)

	As of March 31, 2016	As of September 30, 2016	Change	As of September 30, 2015
Loans	782,379	792,136	9,757	855,366
Corporate bonds	145,445	145,100	(345)	195,445
Leases liabilities	12,752	11,791	(960)	13,634
Total	940,576	949,028	8,452	1,064,445