

**Consolidated Financial Results for Nine Months Ended December 31, 2018
(Japanese GAAP) (Unaudited)**

January 31, 2019

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 February 12, 2019
 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 Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)
(1) Consolidated Operating Results

(Percentage figures show year on year changes)

	Revenues		Operating profit		Recurring profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2018	1,384,620	-15.1	4,564	-81.6	(3,389)	-	(8,715)	-
Nine months ended December 31, 2017	1,630,609	15.3	24,822	-	35,602	-	16,804	-

(Note) Comprehensive income:

Nine Months ended December 31, 2018: ¥-23,446 million (-%), Nine Months ended December 31, 2017: ¥ 31,097 million (-%)

	Profit per share		Profit per share—fully diluted	
	yen		yen	
Nine months ended December 31, 2018	(51.67)		-	
Nine months ended December 31, 2017	99.64		-	

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of December 31, 2018	2,029,609	564,868	25.9
As of March 31, 2018	2,071,636	588,255	26.6

(Reference) Shareholders' equity: As of December 31, 2018: ¥ 526,281 million, As of March 31, 2018: ¥ 551,887 million

2. Dividends

Date of record	Dividend per share				
	1 st Quarter End	2 nd Quarter End	3 rd Quarter End	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2018	-	0.00	-	30.00	-
Year ending March 31, 2019	-	10.00	-	-	-
Year ending March 31, 2019 (Forecast)	-	-	-	10.00	20.00

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

On October 1, 2017, NYK Line conducted a reverse stock split at a ratio of 10 ordinary shares to one ordinary share. In consideration of the effect of this reverse stock split, the amount of the year-end dividend per share for the fiscal year ending March 31, 2018, is shown in the table above, while the total dividend per share amount for the full fiscal year is not shown.

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentage figures show year on year changes)

	Revenues		Operating profit		Recurring profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2019	1,830,000	-16.2	8,000	-71.2	(5,000)	-	(1,000)	-	(5.93)

(Note) Revision of forecast in this quarter: Yes

4. Notes

(1) Changes of important subsidiaries in the period: None

(Changes in specified subsidiaries involving change in consolidation scope)

New: None Exclusion: None

(2) Particular accounting methods used for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and restatements

1.Changes in accounting policy in accordance with changes in accounting standard: Yes

2.Changes other than No.1: Yes

3.Changes in accounting estimates: None

4.Restatements: None

(4) Total issued shares (Ordinary shares)

1.Total issued shares (including treasury stock)	As of December 31, 2018	170,055,098	As of March 31, 2018	170,055,098
2.Number of treasury stock	As of December 31, 2018	1,348,430	As of March 31, 2018	1,396,372
3.Average number of shares (cumulative quarterly period)	Nine months ended December 31, 2018	168,690,926	Nine months ended December 31, 2017	168,658,743

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

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

Foreign exchange rate: (for the fourth quarter) ¥110/US\$, (full year) ¥110.60/US\$

Bunker oil price: (for the fourth quarter) US\$450/MT, (full year) US\$442.05/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 2-7 of the attachment for assumptions and other matters related to the forecast.

(Methods for obtaining supplementary materials and content of financial results disclosure)

NYK Line is to hold a financial result presentation meeting for analysts and institutional investors. The on-demand audio presentation and presentation materials are available on the NYK website

(https://www.nyk.com/english/release/IR_explanation.html).

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1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

In the nine-month period of the fiscal year ending March 31, 2019 (April 1, 2018, to December 31, 2018), consolidated revenues amounted to ¥1,384.6 billion, down from ¥1,630.6 billion in the same period of the previous fiscal year. Operating profit decreased to ¥4.5 billion from ¥24.8 billion. NYK Line posted a recurring loss of ¥3.3 billion compared with recurring profit of ¥35.6 billion. Profit attributable to owners of parent amounting ¥16.8 billion in the same period of the previous fiscal year turned into a loss of ¥8.7 billion.

Overview

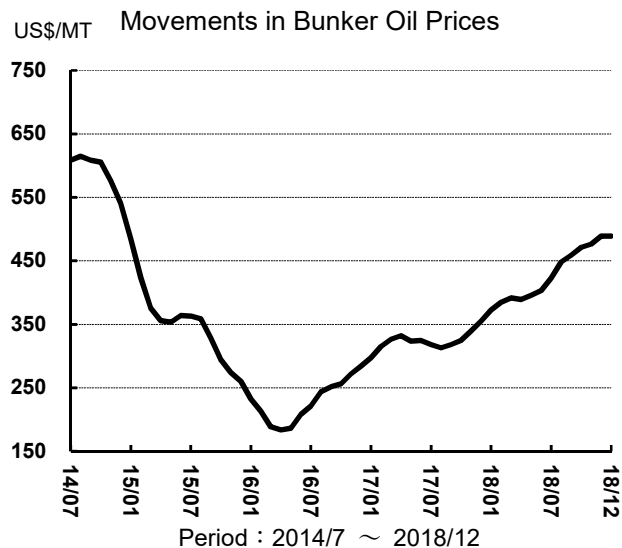
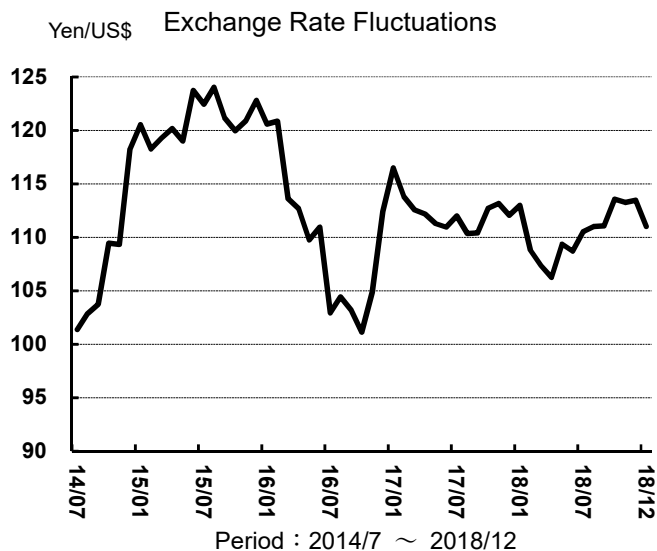
In the container shipping market, the high level of new supply has remained ongoing from last year, but due in part to the last-minute demand from concerns over higher tariffs in the US on exports from China, spot rates were favorable on the back of strong shipping volumes. In the dry bulk shipping market, the pace of new capacity completion is steadily slowing down, and although shipment volumes to China were sluggish, the gradual market recovery continued. In the logistics business, shipment volumes were vigorous, and the business remained strong. On the other hand, although crude oil prices fell at the end of last year, they were still much higher compared to the same period the previous year, and bunker prices also increased.

Within this shipping industry environment, the new shipping line OCEAN NETWORK EXPRESS PTE. LTD. (“ONE”), which was established with the aim of integrating the container shipping business with those of Kawasaki Kisen Kaisha, Ltd. and Mitsui O.S.K. Lines, Ltd., started offering service from April 1, 2018. However, immediately after the start of the business, a service disruption occurred, causing a drop in liftings and slot utilization. Although the situation improved through the third quarter, a loss was recorded. In addition, NYK Line incurred significant one-time costs following the termination of the container shipping business mainly in the first quarter. In the Air Cargo Transportation segment, the company’s consolidated subsidiary Nippon Cargo Airlines Co., Ltd. grounded all 11 of its aircraft from the middle of June in order to confirm the soundness of the aircraft. As of the end of December, six aircraft have been returned to service. Also, in accordance with the policy of reducing strategic shareholdings, some of the securities held by the company were sold, and the gain on the sales of the investment securities was recorded as extraordinary income.

Through the third quarter of the current fiscal year, consolidated revenues decreased by ¥245.9 billion, or 15.1% year on year. Operating profit declined by ¥20.2 billion, or 81.6% year on year, recurring profit fell by ¥38.9 billion year on year, and profit attributable to owners of parent decreased by ¥25.5 billion year on year.

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

	Nine months ended December 31, 2017	Nine months ended December 31, 2018	Change
Average exchange rate	¥111.68/US\$	¥110.80/US\$	Yen up ¥0.88/US\$
Average bunker oil prices	US\$327.60/MT	US\$439.40/MT	Price up US\$111.80/MT



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

Overview by Business Segment

Business segment information for the nine months ended December 31, 2018 (April 1, 2018 – December 31, 2018) is as follows.

(In billion yen)

		Revenues				Recurring profit		
		FY 2017 3Q	FY 2018 3Q	Change	Percentage Change	FY 2017 3Q	FY 2018 3Q	Change
Global Logistics	Liner Trade	527.3	218.1	-309.2	-58.6 %	17.2	(24.7)	-42.0
	Air Cargo Transportation	72.9	42.2	-30.7	-42.1 %	0.7	(12.2)	-13.0
	Logistics	382.3	403.0	20.7	5.4 %	2.2	7.1	4.8
Bulk Shipping		586.7	633.1	46.3	7.9 %	11.5	26.5	14.9
Others	Real Estate	5.8	5.7	-0.1	-2.9 %	2.1	2.0	-0.0
	Other	125.7	140.3	14.5	11.6 %	3.1	2.5	-0.5

Liner Trade

In the container shipping division, the newly established shipping line ONE started offering service from April 1, 2018. However, teething problems occurred immediately after the commencement of services in April, resulting in a drop in liftings and slot utilization. The service disruption was resolved in the first quarter, and liftings and slot utilization greatly improved from July through December. Although liftings on the return voyage (North America to Asia and Europe to Asia) are still recovering, liftings on the outbound voyage to North America were strong due in part to last-minute demand from concerns over higher tariffs in the US on exports from China. Freight rate levels were favorable, particularly in the North America trade, but higher bunker prices squeezed the bottom line. Synergistic effects of the business integration have emerged steadily, and the company is continuing to work towards achieving a rapid improvement.

At NYK Line, higher than expected one-time costs required to terminate the container shipping business occurred mainly in the first quarter, but these costs largely declined from July. The total handling volume at terminals in Japan and overseas increased year on year.

As a result of the above, the Liner Trade segment as a whole recorded a loss. Also, revenues greatly declined year on year due to the fact that the revenues of ONE, which is accounted for by the equity method, are no longer included.

Air Cargo Transportation

In the Air Cargo Transportation segment, as a result of the improper handling of maintenance work conducted in the past by the consolidated subsidiary Nippon Cargo Airlines Co., Ltd., a “Business improvement order regarding the securing of air transportation safety” was received on July 20, 2018 from the Minister of Land, Infrastructure, Transport and Tourism. In response to this order, the company submitted improvement measures on August 17. All 11 of the aircraft operated by the company were grounded from the middle of June in order to confirm the soundness of the aircraft, and the aircraft are successively being returned to service once the soundness has been confirmed. At the end of December, the sixth aircraft was returned to service as planned. A rise in freight rates was observed during the third quarter, which is the peak season, and the cargo loading ratio was favorable. However, revenues were lower year on year, and a loss was recorded.

Logistics

In the air freight forwarding business, the bottom line significantly improved due in part to the urgent transportation demand for stranded cargo resulting from typhoons in Japan and other factors. In the ocean freight forwarding business, the handling volume increased as a result of last-minute demand against the backdrop of trade friction between the US and China and other factors. However, the improvement in the bottom line was weak due to the impact of higher costs. In the logistics business, the results were firm due to strong shipping volumes resulting from robust demand in the US and increased profits resulting from the corporate takeover in Europe. In the coastal transportation business, the bottom line remained strong on the back of the firm shipping traffic.

As a result of the above, the overall Logistics segment achieved higher profit on higher revenue year on year.

Bulk Shipping

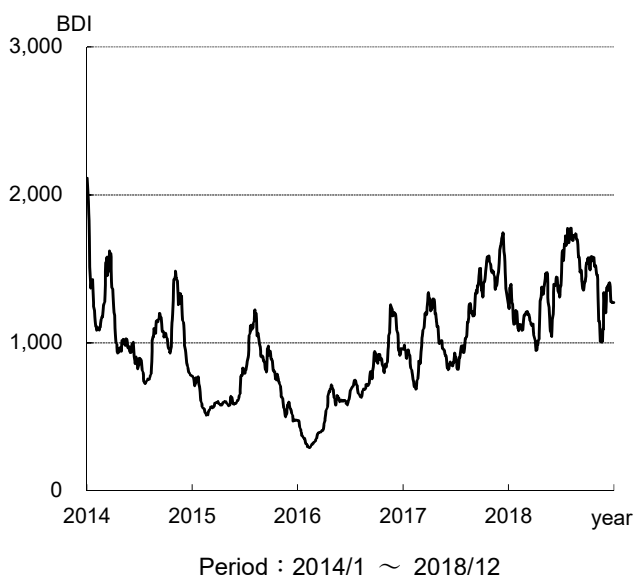
In the automobile transport market, shipping traffic was strong to North America and Europe. However, the recovery in shipping volumes to resource rich countries was delayed, and total finished car shipping volumes declined year on year. In the auto logistics segment, the number of vehicles handled declined due to the impact of slow vehicle sales in several regions, but moves were made to strengthen the business foundation and consideration is being given to expanding the business in markets that will continue to grow in the future.

In the dry bulk shipping market, although capacity increased as more new ships were commissioned than the number of ships scrapped, cargo volumes of iron ore, coal and grain were firm, and the market improved. Under these circumstances, the NYK Group worked to secure long-term contracts, as well as to improve the bottom line by reducing costs, such as thoroughly conducting efficient operations, and reducing ballast voyages by finding innovative cargo combinations and ship deployments. In addition, the group moved forward with returning the high cost chartered ships early.

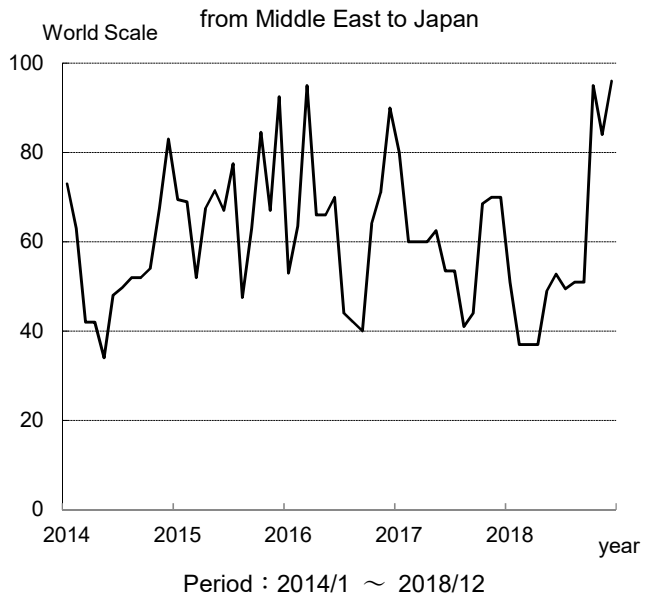
In the liquid transport market, as the supply and demand balance improved for VLCC (very large crude carriers) due to progress in scrapping old ships, the winter shipping volumes were vigorous and the market improved. In petrochemical tankers, shipping volumes became more active in the second half of the year, and in LPG carriers, the ton-miles increased due to increased shipments from the US to Asia. As a result, both markets have started to recover. LNG carriers were supported by long-term contracts that generate stable earnings, and the bottom line was firm. In the offshore business, FPSO (floating production, storage and offloading) vessels, drill ships and shuttle tankers were steady.

As a result of the above, the overall Bulk Shipping segment achieved higher profit on higher revenue year on year.

Fluctuation in Tramp Freight Rate in BDI



Tanker Freight Rates (high) for VLCCs



Real Estate and Other Businesses Services

The Real Estate segment was steady, and both revenue and recurring profit were generally unchanged year on year.

In the Other Business Services segment, a world cruise was conducted in the cruise business, and the passenger occupancy rate increased. In the bunkering business, although bunker prices increased, gross

profit declined. These factors resulted in lower profit on increased revenue year on year.

(2) Explanation about Financial Position

Assets, Liabilities, and Equity

As of December 31, 2018, the end of the third quarter of the fiscal year under review, consolidated assets amounted to ¥2,029.6 billion, a decrease of ¥42.0 billion compared with the end of the previous fiscal year on March 31, 2018. Consolidated liabilities totaled ¥1,464.7 billion, down ¥18.6 billion compared with the end of the previous fiscal year. Under consolidated equity, retained earnings decreased ¥15.9 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 ¥526.2 billion. This amount combined with non-controlling interests of ¥38.5 billion brought total equity to ¥564.8 billion. Based on this result, the debt-to-equity ratio came to 2.03.

With the change in accounting policy from this fiscal year, the consolidated financial statements for the fiscal year ended March 31, 2018 shown herein reflect the retroactive application of the indicated change.

(3) Explanation of Consolidated Earnings Forecast and Future Outlook

① Forecast of Consolidated Financial Results

NYK Line's forecast of full-year consolidated financial results is as follows: revenues of ¥1,830.0 billion, an operating profit of ¥8.0 billion, a recurring loss of ¥5.0 billion, and a loss attributable to owners of parent of ¥1.0 billion.

In the container shipping division, there are a large number of uncertainties, including the trade friction between the US and China and the economy in Europe following the United Kingdom's withdrawal from the EU, and the external factors have conservatively been incorporated into the forecasts for both freight rates and liftings. In the Air Cargo Transportation segment, all eight of the Boeing 747-8F aircraft will reenter service during January 2019, and efforts will be made to normalize the utilization rate. In the Logistics segment, there is expected to be a limited rebound from the last-minute demand that occurred in the third quarter. In the dry bulk shipping division, in addition to the seasonal factors, due to poorer market sentiment resulting from concerns over the Chinese economy and other factors, the assumed market conditions in the fourth quarter have been revised down from the previous outlook. In the liquid transport division, the tanker market will generally remain firm, and both LNG carriers and the offshore business are expected to maintain high utilization and make stable contributions to earnings. In the automobile transport segment, shipping volumes in the fourth quarter are expected to remain on par with the previous forecast, and efforts will be made to further optimize operational efficiency and increase profitability.

Also, a certain level of extraordinary income is expected following various measures such as the liquidation of assets and the conversion of the cruise business into a joint venture.

In addition to the above, following the results in the third quarter, the forecast of the full-year consolidated financial results was revised upward.

(In billion yen)

	Revenues	Operating Profit	Recurring Profit	Profit attributable to owners of parent
Previous Forecast (October 31, 2018)	1,810.0	5.5	-13.0	-6.0
Revised Forecast	1,830.0	8.0	-5.0	-1.0
Change	20.0	2.5	8.0	5.0
Percentage Change (%)	1.1%	45.5%	-	-

Assumption for forecasts:

Exchange rate (for the fourth quarter) ¥110/US\$ (Full year) ¥110.60/US\$

Bunker oil prices (for the fourth quarter) US\$450/MT (Full year) US\$442.05/MT

② Dividends for the Fiscal Year ending March 31, 2019

NYK Line has designated the stable return of profits to shareholders as one of the most important management priorities, and the distribution of profits is decided after taking into consideration a wide range of factors, including the outlook. The company will issue a year-end dividend of ¥10 per share, and combined with the interim dividend of ¥10 per share, there is no change to the expected full-year dividend of ¥20 per share.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	104,899	78,557
Notes and operating accounts receivable-trade	259,367	226,258
Short-term investment securities	155	236
Inventories	46,598	42,394
Deferred and prepaid expenses	68,758	74,564
Other	87,013	76,516
Allowance for doubtful accounts	(2,194)	(3,125)
Total current assets	564,597	495,402
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	631,840	613,444
Buildings and structures, net	79,083	84,956
Aircraft, net	47,813	40,441
Machinery, equipment and vehicles, net	27,691	27,757
Equipment, net	5,919	5,920
Land	71,516	68,929
Construction in progress	49,920	43,211
Other, net	4,985	5,239
Total vessels, property, plant and equipment	918,770	889,901
Intangible assets		
Leasehold right	5,144	4,564
Software	6,807	5,989
Goodwill	21,008	20,415
Other	3,972	4,880
Total intangible assets	36,932	35,850
Investments and other assets		
Investment securities	423,246	487,474
Long-term loans receivable	20,819	21,735
Net defined benefit asset	52,971	52,130
Deferred tax assets	8,461	7,583
Other	52,779	45,583
Allowance for doubtful accounts	(7,263)	(6,359)
Total investments and other assets	551,015	608,146
Total non-current assets	1,506,718	1,533,898
Deferred assets	319	307
Total assets	2,071,636	2,029,609

(In million yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	206,205	157,547
Current portion of bonds	30,000	30,000
Short-term loans payable	113,198	216,497
Commercial papers	—	18,000
Income taxes payable	6,803	6,379
Advances received	48,543	42,852
Provision for bonuses	9,271	6,971
Provision for directors' bonuses	368	323
Provision for stock payment	59	658
Provision for losses related to antitrust law	499	—
Provision for losses related to contracts	3,129	—
Provision for related to business restructuring	2,241	860
Other	96,638	71,641
Total current liabilities	516,959	551,731
Non-current liabilities		
Bonds payable	145,000	125,000
Long-term loans payable	683,184	659,558
Deferred tax liabilities	52,215	44,493
Net defined benefit liability	18,301	17,972
Provision for directors' retirement benefits	1,958	1,436
Provision for stock payment	479	—
Provision for periodic dry docking of vessels	21,335	19,639
Other	43,945	44,908
Total non-current liabilities	966,420	913,008
Total liabilities	1,483,380	1,464,740
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	35,112	42,844
Retained earnings	345,404	329,490
Treasury stock	(3,801)	(3,713)
Total shareholders' capital	521,035	512,941
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	41,637	23,657
Deferred gain (loss) on hedges	(18,929)	(16,236)
Foreign currency translation adjustments	(3,101)	(4,713)
Remeasurements of defined benefit plans	11,245	10,633
Total accumulated other comprehensive income (loss)	30,851	13,339
Non-controlling interests	36,368	38,587
Total equity	588,255	564,868
Total liabilities and equity	2,071,636	2,029,609

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

(In million yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Revenues	1,630,609	1,384,620
Cost and expenses	1,454,247	1,240,300
Gross profit	176,361	144,319
Selling, general and administrative expenses	151,539	139,754
Operating profit	24,822	4,564
Non-operating income		
Interest income	2,605	2,517
Dividend income	6,126	7,443
Equity in earnings of unconsolidated subsidiaries and affiliates	13,696	—
Foreign exchange gains	936	1,723
Other	2,800	4,654
Total non-operating income	26,165	16,339
Non-operating expenses		
Interest expenses	13,156	17,984
Equity in losses of unconsolidated subsidiaries and affiliates	—	1,896
Other	2,228	4,412
Total non-operating expenses	15,385	24,293
Recurring profit (loss)	35,602	(3,389)
Extraordinary income		
Gain on sales of non-current assets	3,029	8,096
Gain on sales of investment securities	5,635	18,063
Other	2,765	3,421
Total extraordinary income	11,430	29,581
Extraordinary losses		
Loss on sales of non-current assets	69	613
Impairment loss	442	11,935
Losses related to antitrust law	3,026	—
Other	7,129	8,366
Total extraordinary losses	10,667	20,916
Profit before income taxes	36,365	5,276
Total income taxes	14,950	11,003
Profit (loss)	21,414	(5,727)
Profit attributable to non-controlling interests	4,609	2,987
Profit (loss) attributable to owners of parent	16,804	(8,715)

(Consolidated Statements of Comprehensive Income)

(In million yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit (loss)	21,414	(5,727)
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	2,909	(17,876)
Deferred gain (loss) on hedges	1,621	(3,529)
Foreign currency translation adjustments	8,551	(4,766)
Remeasurements of defined benefit plans	(1,796)	(649)
Share of other comprehensive income of associates accounted for using equity method	(1,602)	9,103
Total other comprehensive income	9,683	(17,718)
Comprehensive income	31,097	(23,446)
(Breakdown)		
Comprehensive income attributable to owners of parent	24,601	(26,225)
Comprehensive income attributable to non-controlling interests	6,496	2,779

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The third quarter of this fiscal year (April 1, 2018 – December 31, 2018)

Not applicable

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

The third quarter of this fiscal year (April 1, 2018 – December 31, 2018)

Not applicable

(Changes in Accounting Policies Due to Revisions of Accounting Standards)

(Application of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers)

At affiliated companies creating the financial statements in accordance with the International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers came into effect for fiscal years commencing on or after January 1, 2018, and the relevant accounting standards have been applied from the start of the first quarter consolidated accounting term.

The application of these accounting standards will have minimal impact on the consolidated financial statement.

(Application of the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements and Related Practical Solution)

PITF No. 18 (September 14, 2018) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements, and PITF No. 24 (September 14, 2018) Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method have been applied early from the second quarter of the consolidated accounting period. The early application of these Practical Issues Task Forces will have minimal impact on the quarterly consolidated financial statement.

(Additional Information)

(Application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting", etc.)

The Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28 issued on February 16, 2018) has been applied from the start of the first quarter consolidated accounting term. The deferred tax assets are indicated in the investments and other assets category, and the deferred tax liabilities are indicated in the non-current liabilities category.

(Segment Information)I . Nine months ended December 31, 2017 (April 1, 2017 – December 31, 2017)
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	516,476	68,736	379,366	586,267	5,092	74,669	1,630,609	-	1,630,609
(2) Inter-segment revenues	10,903	4,247	3,012	496	775	51,112	70,547	(70,547)	-
Total	527,379	72,983	382,379	586,763	5,868	125,781	1,701,156	(70,547)	1,630,609
Segment income (loss)	17,268	791	2,297	11,588	2,138	3,129	37,213	(1,611)	35,602

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 18 million yen and other corporate expenses -1,629 million yen. The general and administrative expenses which do not belong to any single segment are treated as other corporate expenses.
- Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statements of income.

II . Nine months ended December 31, 2018 (April 1, 2018 – December 31, 2018)
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	211,465	39,526	401,300	631,812	4,893	95,621	1,384,620	-	1,384,620
(2) Inter-segment revenues	6,668	2,703	1,779	1,326	807	44,729	58,014	(58,014)	-
Total	218,134	42,229	403,080	633,138	5,700	140,351	1,442,634	(58,014)	1,384,620
Segment income (loss)	(24,791)	(12,244)	7,100	26,518	2,098	2,545	1,225	(4,615)	(3,389)

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 41 million yen and other corporate expenses -4,656 million yen. The general and administrative expenses and non-operating expenses which do not belong to any single segment are treated as other corporate expenses.
Also, as a result of revising the business management method for the reportable segments from the start of the first quarter consolidated accounting term, there was a change to the interest burden of each segment. This revision has a minimal impact on segment profit, and it has no impact on the revenues of each segment, consolidated revenue and consolidated recurring loss.
- Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statements of income.

3. Other Information

(1) Quarterly Operating Results

Year ending March 31, 2019

(In million yen)

	Apr 1, 2018 – Jun 30, 2018 1Q	Jul 1, 2018 – Sep 30, 2018 2Q	Oct 1, 2018 – Dec 31, 2018 3Q	Jan 1, 2019 – Mar 31, 2019 4Q
Revenues	464,895	450,775	468,949	
Operating profit (loss)	(8,119)	3,925	8,758	
Recurring profit (loss)	(6,606)	(2,423)	5,640	
Profit(loss) attributable to owners of parent for the quarter	(4,594)	(5,200)	1,079	
Total assets	2,122,246	2,096,483	2,029,609	
Equity	568,362	564,828	564,868	

Year ended March 31, 2018

(In million yen)

	Apr 1, 2017 – Jun 30, 2017 1Q	Jul 1, 2017 – Sep 30, 2017 2Q	Oct 1, 2017 – Dec 31, 2017 3Q	Jan 1, 2018 – Mar 31, 2018 4Q
Revenues	521,721	542,557	566,330	552,591
Operating profit (loss)	3,572	9,168	12,081	3,002
Recurring profit (loss)	10,279	11,732	13,590	(7,585)
Profit (loss) attributable to owners of parent for the quarter	5,398	892	10,513	3,362
Total assets	2,072,290	2,076,510	2,116,871	2,071,636
Equity	586,507	587,209	588,447	588,255

(Note) The above operating results (revenues, operating profit (loss), recurring profit (loss) and profit (loss) attributable to owners of parent) are based on the results for the first quarter and the cumulative results for the first six, nine and twelve months, and are computed by taking the difference between the two adjacent periods.

(2) Foreign Exchange Rate Information

	Nine months ended December 31, 2017	Nine months ended December 31, 2018	Change	Year ended March 31, 2018
Average exchange rate during the period	¥111.68/US\$	¥110.80/US\$	Yen up ¥0.88/US\$	¥111.19/US\$
Exchange rate at the end of the period	¥113.00/US\$	¥111.00/US\$	Yen up ¥2.00/US\$	¥106.24/US\$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2018	Nine months ended December 31, 2018	Change
Loans	796,383	876,055	79,672
Corporate bonds	175,000	155,000	(20,000)
Commercial papers	-	18,000	18,000
Leases liabilities	12,049	17,680	5,631
Total	983,432	1,066,736	83,303