Consolidated Financial Results for Three Months Ended June 30, 2018
(Japanese GAAP) (Unaudited)

July 31, 2018

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code:	9101
Listings:	The First Section of Tokyo and Nagoya Stock Exchanges
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Submit scheduled date of Quarterly Financial Report	August 8, 2018
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 Three Months Ended June 30, 2018 (April 1, 2018 to June 30, 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	%
Three months ended June 30, 2018	464,895	-10.9	(8,119)	-	(6,606)	-	(4,594)	-
Three months ended June 30, 2017	521,721	10.8	3,572	-	10,279	-	5,398	-

(Note) Comprehensive income:
Three Months ended June 30, 2018: ¥-12,698 million (-%), Three Months ended June 30, 2017: ¥ -2,045 million (-%)

	Profit per share	Profit per share–fully diluted
	yen	yen
Three months ended June 30, 2018	(27.24)	-
Three months ended June 30, 2017	32.01	-

(Note) On October 1, 2017, NYK Line conducted a reverse stock split at a ratio of 10 ordinary shares to one ordinary share. Profit attributable to owners of parent per share has been calculated based on the scenario that the reverse stock split had been effective from the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of June 30, 2018	2,122,246	568,362	25.1
As of March 31, 2018	2,071,636	588,255	26.6

(Reference) Shareholders' equity: As of June 30, 2018: ¥ 533,073 million, As of March 31, 2018: ¥ 551,887 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, 2018	-	0.00	-	30.00	-
Year ending March 31, 2019	-				
Year ending March 31, 2019 (Forecast)		10.00	-	10.00	20.00

(Note) Revision of forecast for dividends in this quarter: Yes
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
Cumulative second quarter ending September 30, 2018	896,000	-15.8	(7,500)	-	(5,000)	-	3,000	-52.3	17.79
Year ending March 31,2019	1,765,000	-19.2	2,000	-92.8	10,000	-64.3	12,000	-40.5	71.14

(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: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Total issued shares (Ordinary shares)

1. Total issued shares (including treasury stock)	As of June 30, 2018	170,055,098	As of March 31, 2018	170,055,098
2. Number of treasury stock	As of June 30, 2018	1,370,873	As of March 31, 2018	1,396,372
3. Average number of shares (cumulative quarterly period)	Three months ended June 30, 2018	168,664,839	Three months ended June 30, 2017	168,651,493

(Note) On October 1, 2017, NYK Line conducted a reverse stock split at a ratio of 10 ordinary shares to one ordinary share. The total number of issued shares as of March 31, the number of treasury stock as of March 31, and the average number of shares as of June 30 have been calculated based on the scenario that the reverse stock split had been effective from the beginning of the previous fiscal year.

*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 second, third and fourth quarter) ¥105/US$, (full year) ¥105.78/US$
Bunker oil price: (for the second, third and fourth quarter) US$460/MT, (full year) US$443.99/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).

Index of the Attachments

1. Qualitative Information on Quarterly Results	……………	2
(1) Review of Operating Results	……………	2
(2) Explanation about Financial Position	……………	5
(3) Explanation of Consolidated Earnings Forecast and Future Outlook	……………	6
2. Consolidated Financial Statements	……………	8
(1) Consolidated Balance Sheets	……………	8
(2) Consolidated Statements of Income and Statements of Comprehensive Income	……………	10
(3) Notes Regarding Consolidated Financial Statements	……………	12
(Notes Regarding Going Concern Assumption)	……………	12
(Notes in the Event of Significant Changes in Shareholders' Capital)	……………	12
(Changes in Accounting Policies Due to Revisions of Accounting Standards)	……………	12
(Additional Information)	……………	12
(Segment Information)	……………	12
3. Other Information	……………	14
(1) Quarterly Operating Results	…………….	14
(2) Foreign Exchange Rate Information	…………….	14
(3) Balance of Interest-Bearing Debt	…………….	14

1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

In the first quarter of the fiscal year ending March 31, 2019 (April 1, 2018, to June 30, 2018), consolidated revenues amounted to ¥464.8 billion, down from ¥521.7 billion in the same period of the previous fiscal year. NYK Line posted operating loss of ¥8.1 billion compared with an operating profit of ¥3.5 billion in the first quarter of the previous fiscal year, and recurring loss of ¥6.6 billion, compared with a recurring profit of ¥10.2 billion. Likewise, profit attributable to owners of parent of ¥5.3 billion in the previous fiscal year turned into a net loss of ¥4.5 billion.

Overview

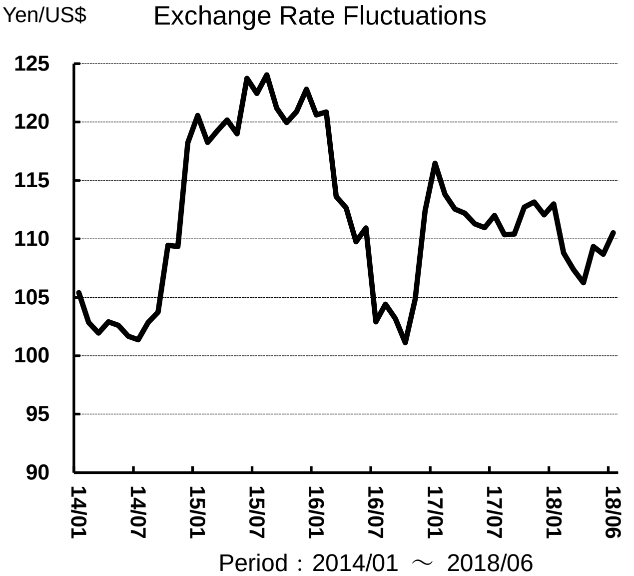
Regarding the maritime shipping situation, while demand in the container shipping market remains firm, capacity has increased following the completion of large new ships, resulting in some standstill in the spot freight rate recovery. In the dry bulk shipping market, at the same time as the pace of new supply coming into the market is definitely slowing down, the shipping volumes of coal, grain and other cargo increased, and the market continued to gradually recover. In the Group's non-shipping businesses, logistics was strong. In the Air Cargo Transportation segment, the shipping traffic continued to be firm, and the market remained strong.

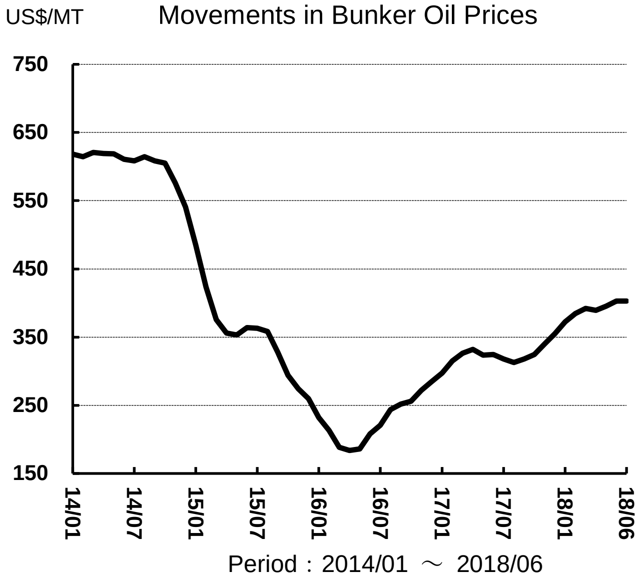
The newly established shipping line OCEAN NETWORK EXPRESS PTE. LTD. ("ONE"), which formed through a merger of the container shipping businesses at NYK Line, Kawasaki Kisen Kaisha, Ltd., and Mitsui O.S.K. Lines, Ltd. started offering service from April 1, 2018. Because the company is accounted for by the equity method, the revenues from the container shipping business will be excluded from the consolidated results from the current fiscal year. On the other hand, NYK Line incurred significant one-time costs following the termination of the container shipping business. Also, in the Air Cargo Transportation segment, the consolidated subsidiary Nippon Cargo Airlines Co., Ltd. grounded all 11 of its aircraft in the middle of June in order to confirm the airworthiness of the aircraft.

Against this backdrop, during the three-month period of the fiscal year underway, consolidated revenues decreased ¥56.8 billion, or 10.9%, year on year. Operating profit declined ¥11.6 billion, turning into a loss, while recurring profit dropped ¥16.8 billion, and profit attributable to owners of parent fell ¥9.9 billion, compared with the same period of the previous fiscal year.

Changes in the average exchange rate between the U.S. dollar and yen as well as the average bunker oil price during the first quarter of the current and previous fiscal years are shown in the following tables.

	Three months ended June 30, 2017	Three months ended June 30, 2018	Change
Average exchange rate	¥111.48/US$	¥108.10/US$	Yen up ¥3.38/US$
Average bunker oil prices	US$326.72/MT	US$395.94/MT	Price up US$69.22/MT





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

Overview by Business Segment

Business segment information for the three months ended June 30, 2018 (April 1, 2018–June 30, 2018) is as follows.

(in billion yen)

		Revenues				Recurring profit		
		FY2017 1Q	FY2018 1Q	Change	Percentage Change	FY2017 1Q	FY2018 1Q	Change
Global Logistics	Liner Trade	171.5	80.1	-91.3	-53.3 %	5.7	(16.6)	-22.3
	Air Cargo Transportation	23.3	21.7	-1.6	-7.2 %	0.7	(1.6)	-2.4
	Logistics	118.9	130.4	11.4	9.6 %	(0.0)	1.3	1.3
Bulk Shipping		188.9	206.5	17.5	9.3 %	2.7	10.4	7.6
Others	Real Estate	1.9	1.8	-0.0	-4.5 %	0.6	0.7	0.1
	Other	39.0	43.5	4.4	11.4 %	1.1	0.9	-0.1

Liner Trade

In the container shipping division, the newly established shipping line ONE started offering service from April 1, 2018. During the period immediately following the commencement of service, administrative problems occurred due to insufficient employee familiarization with the systems and insufficient preparation of the administrative processes, but since then, various improvement measures have been implemented and operations are returning to normal. However, partially due to these problems, the loading volumes were below the forecast on the North America, Europe and Intra-Asia shipping routes. While the freight rate on the North America shipping routes were mostly as forecasted, the Europe shipping routes fell below the forecast at the beginning of the quarter, they recovered thereafter. Continued efforts are being made to enhance the cost reduction activities and achieve rapid improvement through the accumulation of synergies.

The one-time costs required to terminate the container shipping business at NYK Line exceeded expectations. Also, the total handling volumes at the container terminals in Japan and overseas declined year on year.
As a result of the above factors, the Liner Trade segment as a whole recorded a loss. Also, revenues greatly declined year on year due in part to the fact that 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., the Ministry of Land, Infrastructure, Transport and Tourism launched an inspection in May of this year, and on July 20, the company received a "Business improvement order regarding the securing of air transportation safety" from the Minister of Land, Infrastructure, Transport and Tourism. In order to confirm the airworthiness of the aircraft, all 11 aircraft operated by the company were grounded from the middle of June, resulting in lower revenue year on year, and a loss was recorded. As of today, two aircraft have returned to service, and it is planned to successively return the remaining grounded aircraft to service once the airworthiness has been confirmed.

Logistics

Handling volumes increased both in the air freight forwarding business and the ocean freight forwarding business, and gross profit improved. The Logistics segment was strong as a result of improved earnings from the warehouse business in the US and other factors. In the coastal transportation business, demand increased and shipping traffic was strong.
As a result of the above, revenue increased year on year in the overall Logistics segment, and a profit was recorded.

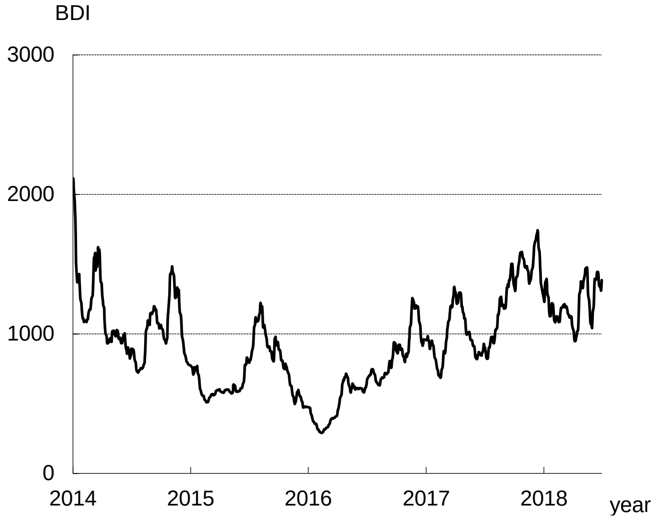
Bulk Shipping

In the automobile transport market, definite responses were made through efficient ship deployment to the demand for transportation to the robust regions of North America, Europe and Asia. However, the recovery in cargo volumes to resource rich countries has been delayed by the low crude oil and other natural resource prices, and the total finished car shipping volume decreased slightly year on year. In the auto logistics segment, while continuing the existing businesses mainly in Europe, India and Southeast Asia, consideration was given to expanding the business in growing markets, including announcing the construction of a finished car terminal in Turkey.
In the dry bulk shipping market, although capacity increased as more new ships were commissioned than the number of ships scrapped, cargo volumes of coal, grain and other cargo increased, and the market continued to recover. Under these circumstances, the NYK Group worked to secure long-term contracts, as well as reduce costs, including by thoroughly conducting efficient operations. In addition, efforts were made in increase earnings through initiatives such as reducing ballast voyages by finding innovative cargo combinations and effectively deploying the ships.
In the liquid transport market, although shipping traffic was firm in VLCC (very large crude carriers) and petrochemical tankers, there was strong supply pressure resulting from the completion of new ships. In addition, the supply pressure remained strong in LPG carriers due to the small number of ships scrapped, and as a result, both markets deteriorated. Regarding LNG carriers, two new ships were commissioned during the first quarter, and the business was firm with support from the long-term contracts that generate

stable earnings. In the offshore business, FPSO (floating production storage and offloading) vessels, drill ships and shuttle tankers were strong.

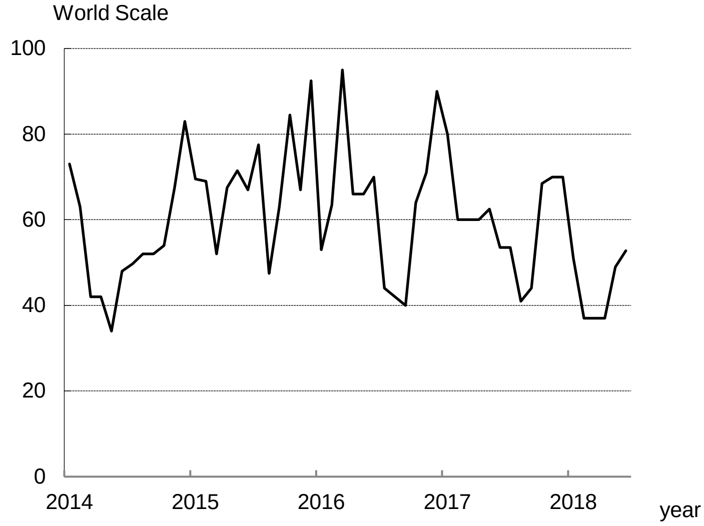
As a result of the above, in the overall Bulk Shipping segment, profits increased on higher revenue year on year.

Fluctuation in Tramper Freight Rate in B.D.I



Period：2014/01 ～ 2018/06

Tanker Freight Rates (high) for VLCCs from Middle East to Japan



Period：2014/01 ～ 2018/06

Real Estate and Other Businesses

In the Real Estate segment, although revenue decreased year on year as the result of property sales and the expiration of the management services for some of the buildings, the one-time costs for the acquisition of property that were recorded last year did not occur this year, and profit increased.

In the Other Business Services segment, while the passenger occupancy rate in the current world cruise being conducted in the passenger ship business increased, the gross profit in the bunkering business declined, resulting in lower profit on increased revenue year on year.

(2) Explanation about Financial Position

Assets, Liabilities, and Equity

As of June 30, 2018, the end of the first quarter of the fiscal year under review, consolidated assets amounted to ¥2,122.2 billion, an increase of ¥50.6 billion compared with the end of the previous fiscal year on March 31, 2018. Consolidated liabilities totaled ¥1,553.8 billion, up ¥70.5 billion compared with the end of the previous fiscal year. Under consolidated equity, retained earnings decreased ¥9.5 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 ¥533.0 billion. This amount combined with non-controlling interests of ¥35.2 billion brought total equity to ¥568.3 billion. Based on this result, the debt-to-equity ratio came to 2.11.

With the change in accounting policy, the consolidated financial statements for the first quarter of the previous fiscal year and for the full 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

Concerning the future outlook, in the container shipping division, the service being offered by ONE is already being carried out stably, and efforts will be made to achieve improvements through the continued accumulation of synergies resulting from the integration and the further reduction of costs. Also, the recording of one-time costs in relation to the termination of the container shipping business at NYK Line is expected to drop significantly. In the Air Cargo Transportation segment, the difficult situation resulting from the decreased scale of operations is expected to continue. Logistics is expected to remain strong. In the dry bulk division, the market is expected to continue the gradual recovery, and in the tanker division as well, the market will enter the busy season in the second half and is expected to rise. LNG carriers and the offshore business are also expected to continue securing stable earnings. In the car transportation division, although shipping volumes are expected to decline slightly due to the delay in the recovery of shipping traffic to resource rich countries, the Company will work to optimize operational efficiency and increase the profitability.

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

The main reasons for the revision are the increase in one-time costs required to terminate the container shipping business at NYK Line exceeded expectations for the operating expenses in the first half (full-year recurring profit is expected to decline by about ￥10 billion compared to the previous forecast), and the change to the premise of the full-year business plan for Air Cargo Transportation given the temporary grounding of the aircraft from the middle of June and successive return to service thereafter (full-year recurring profit is expected to decline by about ￥17.5 billion compared to the previous forecast).

(In billion yen)

		Previous Forecast on April 27, 2018	Revisions	Change	Percentage Change
Cumulative second quarter ending September 30, 2018	Revenues	905.0	896.0	-9.0	-1.0 %
	Operating Profit	13.5	-7.5	-21.0	-
	Recurring Profit	14.5	-5.0	-19.5	-
	Profit attributable to owners of parent	8.0	3.0	-5.0	-62.5 %

Fiscal Year ending March 31, 2019	Revenues	1,805.0	1,765.0	-40.0	-2.2 %
	Operating Profit	37.0	2.0	-35.0	-94.6 %
	Recurring Profit	40.0	10.0	-30.0	-75.0 %
	Profit attributable to owners of parent	29.0	12.0	-17.0	-58.6 %

Assumption for forecasts:
Exchange Rate (for the second, third and fourth quarter) ¥105/US$, (Full year) ¥105.78/US$
Bunker Oil Prices (for the second, third and fourth quarter) US$460/MT, (Full year) US$443.99/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 earnings outlook, while aiming to maintain a dividend payout ratio of 25%. Following the revision to the full year consolidated earnings outlook stated in ① above, both the interim dividend and year-end dividend have been lowered by ￥10 from the most recent outlook to ￥10 per share, for a 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 June 30, 2018
Assets		
Current assets		
Cash and deposits	104,899	89,484
Notes and operating accounts receivable-trade	259,367	219,985
Short-term investment securities	155	154
Inventories	46,598	42,827
Deferred and prepaid expenses	68,758	68,544
Other	87,013	86,668
Allowance for doubtful accounts	(2,194)	(2,040)
Total current assets	564,597	505,624
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	631,840	659,191
Buildings and structures, net	79,083	83,447
Aircraft, net	47,813	52,275
Machinery, equipment, and vehicles, net	27,691	28,265
Equipment, net	5,919	5,728
Land	71,516	69,544
Construction in progress	49,920	46,700
Other, net	4,985	5,366
Total vessels, property, plant and equipment	918,770	950,519
Intangible assets		
Leasehold right	5,144	5,221
Software	6,807	6,375
Goodwill	22,032	22,214
Other	2,948	2,981
Total intangible assets	36,932	36,793
Investments and other assets		
Investment securities	423,246	502,430
Long-term loans receivable	20,819	22,056
Net defined benefit asset	52,971	52,655
Deferred tax assets	8,461	8,389
Other	52,779	49,845
Allowance for doubtful accounts	(7,263)	(6,423)
Total investments and other assets	551,015	628,953
Total non-current assets	1,506,718	1,616,266
Deferred assets	319	355
Total assets	2,071,636	2,122,246

(In million yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	206,205	168,511
Current portion of bonds	30,000	20,000
Short-term loans payable	113,198	207,915
Commercial papers	—	21,000
Income taxes payable	6,803	4,430
Advances received	48,543	43,311
Provision for bonuses	9,271	9,129
Provision for directors' bonuses	368	240
Provision for stock payment	59	101
Provision for losses related to antitrust law	499	—
Provision for losses related to contracts	3,129	—
Provision for related to business restructuring	2,241	1,829
Other	96,638	80,704
Total current liabilities	516,959	557,175
Non-current liabilities		
Bonds payable	145,000	155,000
Long-term loans payable	683,184	708,609
Deferred tax liabilities	52,215	51,300
Net defined benefit liability	18,301	18,194
Provision for directors' retirement benefits	1,958	1,293
Provision for stock payment	479	530
Provision for periodic dry docking of vessels	21,335	20,221
Other	43,945	41,557
Total non-current liabilities	966,420	996,708
Total liabilities	1,483,380	1,553,883
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	35,112	34,932
Retained earnings	345,404	335,838
Treasury stock	(3,801)	△3,754
Total shareholders' capital	521,035	511,335
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	41,637	38,850
Deferred gain (loss) on hedges	(18,929)	(16,089)
Foreign currency translation adjustments	(3,101)	(12,173)
Remeasurements of defined benefit plans	11,245	11,150
Total accumulated other comprehensive income (loss)	30,851	21,738
Non-controlling interests	36,368	35,289
Total equity	588,255	568,362
Total liabilities and equity	2,071,636	2,122,246

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

(Consolidated Statements of Income)

(In million yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Revenues	521,721	464,895
Cost and expenses	467,368	425,701
Gross profit	54,353	39,193
Selling, general and administrative expenses	50,781	47,312
Operating profit (loss)	3,572	(8,119)
Non-operating income		
Interest income	860	784
Dividend income	3,118	3,135
Equity in earnings of unconsolidated subsidiaries and affiliates	5,787	2,130
Foreign exchange gains	273	1,033
Other	1,262	1,177
Total non-operating income	11,301	8,262
Non-operating expenses		
Interest expenses	4,174	5,421
Other	418	1,327
Total non-operating expenses	4,593	6,749
Recurring profit (loss)	10,279	(6,606)
Extraordinary income		
Gain on sales of non-current assets	410	3,794
Gain on sales of investment securities	259	5,011
Other	951	713
Total extraordinary income	1,621	9,519
Extraordinary losses		
Loss on sales of non-current assets	17	16
Loss on cancellation of chartered vessels	151	2,127
Losses related to antitrust law	2,162	—
Other	379	1,190
Total extraordinary losses	2,711	3,333
Profit (loss) before income taxes	9,189	(421)
Total income taxes	2,744	3,279
Profit (loss)	6,444	(3,701)
Profit attributable to non-controlling interests	1,046	893
Profit(loss) attributable to owners of parent	5,398	(4,594)

(Consolidated Statements of Comprehensive Income)

(In million yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit (loss)	6,444	(3,701)
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(4,524)	(2,763)
Deferred gain (loss) on hedges	(2,403)	(1,997)
Foreign currency translation adjustments	1,963	(3,219)
Remeasurements of defined benefit plans	(587)	(115)
Share of other comprehensive income of associates accounted for using equity method	(2,938)	(900)
Total other comprehensive income	(8,489)	(8,997)
Comprehensive income	(2,045)	(12,698)
(Breakdown)		
Comprehensive income attributable to owners of parent	(3,528)	(13,700)
Comprehensive income attributable to non-controlling interests	1,483	1,001

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The first quarter of this fiscal year (April 1, 2018 – June 30, 2018)

Not applicable

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

The first quarter of this fiscal year (April 1, 2018 – June 30, 2018)

Not applicable

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

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.

(Additional Information)

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. Three months ended June 30, 2017 (April 1, 2017 – June 30, 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	167,966	22,077	117,962	188,881	1,801	23,033	521,721	-	521,721
(2)Inter-segment revenues	3,587	1,302	1,007	103	184	16,056	22,243	(22,243)	-
Total	171,554	23,380	118,969	188,985	1,985	39,090	543,965	(22,243)	521,721
Segment income (loss)	5,702	770	(79)	2,765	612	1,146	10,917	(637)	10,279

(Notes)
1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 4 million yen and other corporate expenses -642 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 profit on the quarterly consolidated statements of income.

Ⅱ. Three months ended June 30, 2018 (April 1, 2018 – June 30, 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	77,893	20,463	129,521	205,554	1,703	29,759	464,895	-	464,895
(2)Inter-segment revenues	2,302	1,244	886	981	192	13,806	19,414	(19,414)	-
Total	80,195	21,707	130,408	206,535	1,896	43,566	484,309	(19,414)	464,895
Segment income (loss)	(16,609)	(1,689)	1,302	10,406	718	964	(4,906)	(1,700)	(6,606)

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 16 million yen and other corporate expenses -1,716 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.

2. Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statements of income

3. Other Information

(1) Quarterly Operating Results

Year ended 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			
Operating profit(loss)	(8,119)			
Recurring profit(loss)	(6,606)			
Profit(loss) attributable to owners of parent for the quarter	(4,594)			
Total assets	2,122,246			
Equity	568,362			

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	2,071,972
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

	Three months ended June 30, 2017	Three months ended June 30, 2018	Change	Year ended March 31, 2018
Average exchange rate during the period	¥111.48/US$	¥108.10/US$	Yen up ¥3.38/US$	¥111.19/US$
Exchange rate at the end of the period	¥112.00/US$	¥110.54/US$	Yen up ¥1.46/US$	¥106.24/US$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2017	Year ended June 30, 2018	Change
Loans	796,383	916,525	120,142
Corporate bonds	175,000	175,000	-
Commercial papers	-	21,000	21,000
Leases liabilities	12,049	11,877	(172)
Total	983,432	1,124,403	140,970