

**Consolidated Financial Results for Three Months Ended June 30, 2020  
(Japanese GAAP) (Unaudited)**

August 5, 2020

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

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Submit scheduled date of Quarterly Financial Report August 7, 2020  
 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, 2020 (April 1, 2020 to June 30, 2020)**

**(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, 2020 | 361,170     | -11.1 | 8,947            | 63.6 | 16,591           | 158.6 | 11,684                                  | 27.8 |
| Three months ended June 30, 2019 | 406,402     | -12.6 | 5,470            | -    | 6,415            | -     | 9,141                                   | -    |

(Note) Comprehensive income:

Three Months ended June 30, 2020: ¥6,937 million (-%), Three Months ended June 30, 2019: ¥-1,900 million (-%)

|                                  | Profit per share |  | Profit per share—fully diluted |  |
|----------------------------------|------------------|--|--------------------------------|--|
|                                  | yen              |  | yen                            |  |
| Three months ended June 30, 2020 | 69.21            |  | -                              |  |
| Three months ended June 30, 2019 | 54.17            |  | -                              |  |

**(2) Consolidated Financial Position**

|                      | Total assets | Equity      | Shareholders' equity ratio |
|----------------------|--------------|-------------|----------------------------|
|                      | million yen  | million yen | %                          |
| As of June 30, 2020  | 1,882,678    | 502,347     | 24.7                       |
| As of March 31, 2020 | 1,933,264    | 498,839     | 23.9                       |

(Reference) Shareholders' equity: As of June 30, 2020: ¥ 465,537 million, As of March 31, 2020: ¥ 462,664 million

**2. Dividends**

| Date of record                        | Dividend per share          |                             |                             |          |       |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|----------|-------|
|                                       | 1 <sup>st</sup> Quarter End | 2 <sup>nd</sup> Quarter End | 3 <sup>rd</sup> Quarter End | Year-end | Total |
|                                       | yen                         | yen                         | yen                         | yen      | yen   |
| Year ended March 31, 2020             | -                           | 20.00                       | -                           | 20.00    | 40.00 |
| Year ending March 31, 2021            | -                           | -                           | -                           | -        | -     |
| Year ending March 31, 2021 (Forecast) | -                           | -                           | -                           | 20.00    | 20.00 |

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

### 3. Consolidated Financial Results Forecast for the Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2020 | 706,000     | -14.4 | 0                | -     | 12,000           | -25.1 | 9,500                                   | -14.6 | 56.27            |
| Year ending March 31, 2021                          | 1,450,000   | -13.1 | 13,000           | -66.4 | 20,000           | -55.0 | 13,500                                  | -56.6 | 79.96            |

(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: None

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, 2020              | 170,055,098 | As of March 31, 2020             | 170,055,098 |
| 2. Number of treasury stock                               | As of June 30, 2020              | 1,207,680   | As of March 31, 2020             | 1,224,721   |
| 3. Average number of shares (cumulative quarterly period) | Three months ended June 30, 2020 | 168,834,589 | Three months ended June 30, 2019 | 168,757,257 |

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

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

Foreign exchange rate:

(for the second, third and fourth quarter) ¥105.00/US\$

(for full year) ¥105.69/US\$

Bunker oil price:

(for the second quarter) US\$330.00/MT

(for the third quarter) US\$398.00/MT

(for fourth quarter) US\$447.00/MT

(for full year) US\$406.96/MT

\*Bunker oil price is on average basis for all the major fuel grades including VLSFO.

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 material are available on the NYK website

<https://www.nyk.com/english/ir/library/result/2020/>

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## 1. Qualitative Information on Quarterly Results

### (1) Review of Operating Results

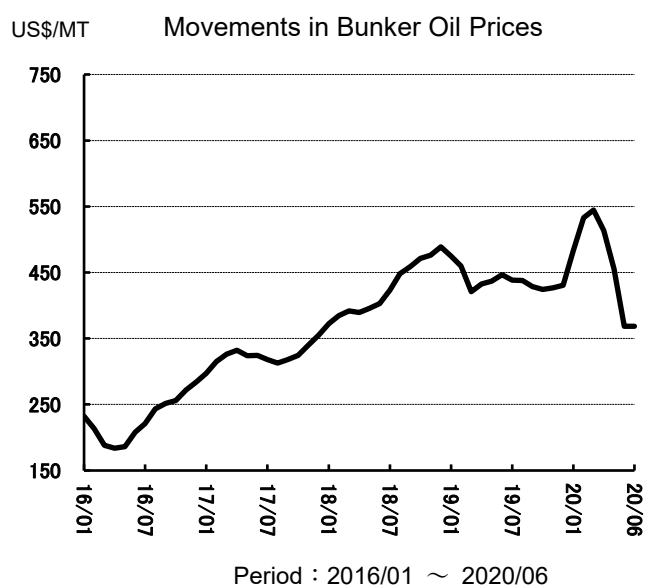
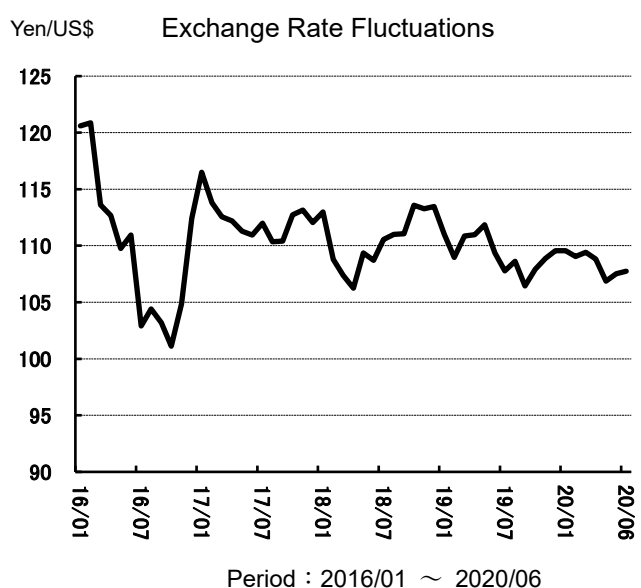
(In billion yen)

|   | Three months ended June 30, 2019 | Three months ended June 30, 2020 | Change | Percentage Change |
|---|----------------------------------|----------------------------------|--------|-------------------|
| Revenues                                | 406.4                            | 361.1                            | -45.2  | -11.1%            |
| Operating Profit                        | 5.4                              | 8.9                              | 3.4    | 63.6%             |
| Recurring Profit                        | 6.4                              | 16.5                             | 10.1   | 158.6%            |
| Profit attributable to owners of parent | 9.1                              | 11.6                             | 2.5    | 27.8%             |

In the first quarter of the fiscal year ending March 31, 2021 (April 1, 2020 to June 30, 2020), consolidated revenues amounted to ¥361.1 billion (decreased ¥45.2 billion in the first quarter of the previous fiscal year), operating profit amounted to ¥8.9 billion (increased ¥3.4 billion in the first quarter of the previous fiscal year), recurring profit amounted to ¥16.5 billion (increased ¥10.1 billion in the first quarter of the previous fiscal year), profit attributable to owners of parent amounted to ¥11.6 billion (increased ¥2.5 billion in the first quarter of the previous fiscal year), and the result improved significantly.

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, 2019 | Three months ended June 30, 2020 | Change                |
|---------------------------|----------------------------------|----------------------------------|-----------------------|
| Average exchange rate     | ¥110.73/US\$                     | ¥107.74/US\$                     | Yen up ¥2.99/US\$     |
| Average bunker oil prices | US\$438.21/MT                    | US\$452.83/MT                    | Price up US\$14.62/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, 2020 (April 1, 2020 to June 30, 2020) is as follows.

|                  |                          |              |              |        |                      | (in billion yen) |              |        |
|------------------|--------------------------|--------------|--------------|--------|----------------------|------------------|--------------|--------|
|                  |                          | Revenues     |              |        |                      | Recurring profit |              |        |
|                  |                          | FY2019<br>1Q | FY2020<br>1Q | Change | Percentage<br>Change | FY2019<br>1Q     | FY2020<br>1Q | Change |
| Global Logistics | Liner Trade              | 51.9         | 39.1         | -12.7  | -24.6 %              | 1.9              | 6.7          | 4.7    |
|                  | Air Cargo Transportation | 17.7         | 28.8         | 11.1   | 62.8 %               | (4.4)            | 9.3          | 13.8   |
|                  | Logistics                | 117.7        | 112.9        | -4.8   | -4.1 %               | (0.0)            | 2.7          | 2.7    |
| Bulk Shipping    |                          | 195.1        | 164.8        | -30.2  | -15.5 %              | 9.2              | (1.1)        | -10.3  |
| Others           | Real Estate              | 1.8          | 1.7          | -0.0   | -4.8 %               | 0.7              | 0.7          | -0.0   |
|                  | Other                    | 39.7         | 27.3         | -12.3  | -31.0 %              | 0.7              | (0.4)        | -1.2   |

### Liner Trade

In the container shipping division, Ocean Network Express Pte. Ltd. (ONE) was affected by the drop in cargo volumes worldwide caused by the impact of the COVID-19 pandemic. However, as a result of nimbly voiding sailings both utilization and freight rates were steady despite a decrease in liftings of more than 10% overall compared to the same period last year. On the main North America and Europe trades, liftings were lower year on year, but utilization and freight rates trended at levels exceeding the same period last year, resulting in a major improvement to the bottom line. In terms of expenses, the lower bunker fuel expenses combined with the return of the chartered vessels and efforts to reduce variable expenses made a positive contribution to the bottom line. Handling volumes declined at the company's terminals both in Japan and overseas, resulting in lower profit compared to the same period last year.

As a result of the above, although revenue declined year on year in the Liner Trade as a whole, the business performance greatly improved, and profit was increased.

### Air Cargo Transportation

In the Air Cargo Transportation segment, although cargo volumes in the air cargo market fell due to the impact of the COVID-19 pandemic, freight rates rose significantly higher following the successive suspension and cancellation of international passenger flights. In terms of expenses, the low jet fuel prices led to a major reduction in variable expenses. As a result of capturing the demand for the urgent transportation of personal protective equipment (general term for all items used to prevent infection with a communicable disease), revenue was greatly increased, and a profit was recorded compared to the same period last year.

## **Logistics**

In the air freight forwarding business, although handling volumes declined due to the impact of the COVID-19 pandemic, market conditions improved following the tighter supply and demand balance resulting from the major reduction in international passenger flights.

The ocean freight forwarding business also suffered greatly lower handling volumes due to the pandemic. In the logistics business, although cargo volumes slowed, some regions are starting to recover.

In the coastal transportation business, the handling volumes on the new services declined, pressuring the bottom line. As a result of the above, the overall Logistics segment recorded a profit on lower revenue year on year.

## **Bulk Shipping**

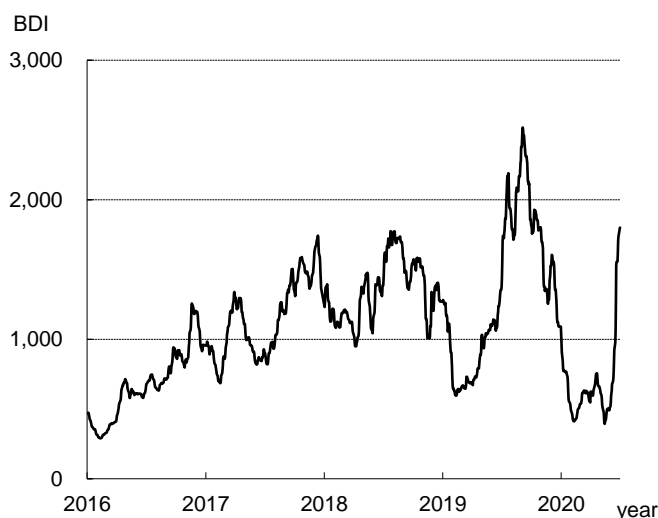
In the car transportation division, following the significant drop in cargo volumes caused by the impact of the COVID-19 pandemic, efforts were made to downsize the scale of operations through the scrapping of old vessels, rationalize the trades and reduce operational expenses. The auto logistics segment also suffered decreased handling volumes, and along with cutting costs and rationalizing several of the businesses in countries including China, Russia and India, advances were made in establishing new terminal businesses in Turkey and Egypt directed at reorganizing the business portfolio.

In the dry bulk division, cargo volumes of iron ore, coal and soybeans were strong to China, one of the first countries to restart economic activities. Despite this, the market remained at low levels due to the prolonged impact of the wet season on iron ore shipments from Brazil, which has a major influence on the market. When iron ore shipments finally recovered in June, Capesize rates rapidly recovered, and there was also a positive impact on the Panamax segment. However, due in part to low levels prior to the recovery, the market remained below the levels seen during the same period last year. Under this environment, efforts were made to stabilize the bottom line by continuing to work to secure long-term contracts and reducing costs through efficient navigation.

In the energy division, following the lower energy demand caused by the COVID-19 pandemic, the major oil producing countries agreed to reduce production at the beginning of April, and this resulted in extreme market volatility. In April, vessel demand for floating storage increased, leading to greatly higher market levels for VLCC (Very Large Crude Carriers) and petrochemical tankers. However, following the production cuts and weaker demand, the market settled down again. In LPG carriers, the slow cargo volumes from the US to Asia led to slack in the vessel supply and demand balance, resulting in weakness within the market. In LNG carriers, the results were steady based on support from the long-term contracts that generate stable earnings. Also, in the offshore business, FPSO (floating production, storage, and offloading) and drill ships were steady.

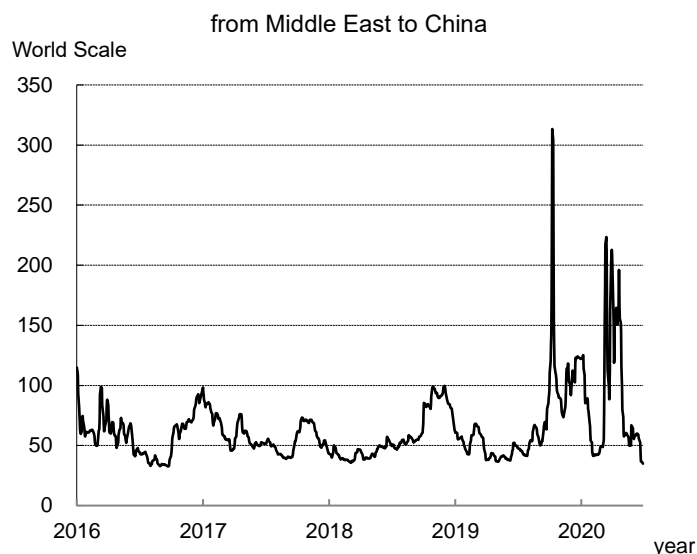
As a result of the above, the overall Bulk Shipping segment recorded a loss on lower revenue year on year.

Fluctuation in Tramp Freight Rate in B.D.I



Period : 2016/01 ~ 2020/06

Tanker Freight Rates for VLCCs



Period : 2016/01 ~ 2020/06

## Real Estate and Other Businesses

The Real Estate segment was steady with both revenue and recurring profit generally unchanged year on year. In the Other Business Services segment, although sales of bunker fuel were strong, weakness in the technology service business due to project delays and lower sales of marine equipment resulted in a loss on lower revenue year on year. In the cruise business, a loss year on year was recorded due to the fact that no cruises were operated in the first quarter as a measure to prevent the spread of COVID-19 infections.

## (2) Explanation of the Financial Position

### Status of Assets, Liabilities and Equity

As of the end of the first quarter of the current consolidated accounting period, assets amounted to ¥1,882.6 billion, a decrease of ¥50.5 billion compared with the end of the previous consolidated fiscal year due to a decline in notes and operating accounts receivable-trade.

Consolidated liabilities amounted to ¥1,380.3 billion, down ¥54.0 billion compared with the end of the previous consolidated fiscal year due to a decline in notes and operating accounts payable-trade.

Interest-bearing debt amounted to ¥1,036.7 billion, down ¥13.0 billion as well.

Under consolidated equity, retained earnings increased by ¥8.3 billion and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥465.5 billion. This amount combined with the non-controlling interests of ¥36.8 billion brought total equity to ¥502.3 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 2.23.

### **(3) Explanation of the Consolidated Earnings Forecast and Future Outlook**

#### **① Forecast of the Consolidated Financial Results**

Both the impact of the COVID-19 pandemic and when it will come to an end are still unclear, but based on the performance of each business segment during the first quarter, a forecast was formulated that takes into account the trends involving economic stimulus and measures to prevent the spread of the virus in each country, as well as the other elements that can be incorporated into the forecast at this time given the characteristics of each business. Economic activity is expected to gradually recover going forward, but this is based on the assumption of co-existence with the virus.

In the Liner Trade, ONE will continue to flexibly and nimbly adjust capacity in accordance with the changes in cargo volumes and work to control costs and reduce fixed expenses by adjusting capacity by means of voiding sailings through the alliance. The handling volumes at the terminals in Japan and overseas are expected to gradually recover. In the Air Cargo Transportation segment, although the status of resuming international passenger flights will have an impact on the business, cargo aircraft demand is expected to remain firm. In the Logistics segment, demand remains uncertain in both the air freight forwarding and ocean freight forwarding business. In the car transportation division, handling volumes are forecast to gradually recover, but the level of recovery is expected to vary by trade. Efforts will be made to maximize transportation efficiency through flexible vessel deployment and operations. In the dry bulk division, despite the fact that the market recovered in the latter half of the first quarter, the market situation for the full-year is expected to be on par with the initial forecast, although there will be some fluctuations depending on the vessel size. In the energy division, the VLCC market is expected to improve and LPG carrier is almost in line with our initial forecast for the full year. The company's vessels are primarily operating under long-term, stable contracts, so the results are expected to be in line with the initial forecast. In the real estate business, the COVID-19 pandemic will have a limited impact. In the other businesses, the cruise business has currently cancelled all sailings through those scheduled to depart in late September, and careful consideration will continue to be given to recommencing cruises thereafter.

Many countries have introduced restrictions on foreigners travelling internationally in order to prevent the spread of COVID-19 infections, and this has hindered crew changes aboard the vessels. NYK Line places top priority on the safety and health of the seafarers, and with the aim of secure smooth logistics routes and implementing thorough measures against the virus, the additional expenses required for crew changes have been estimated and incorporated into the forecast.

Based on the above, the forecast of the second quarter and full-year consolidated financial results have been revised as follows.



(In billion yen)

|   |  | Previous<br>Forecast<br>on May 25, 2020 | Revisions | Change | Percentage<br>Change |
|---|--|---|-----------|--------|----------------------|
| Cumulative<br>second quarter<br>ending<br>September 30,<br>2020 | Revenues                                   | -                                       | 706.0     | -      | -                    |
|   | Operating Profit                           | -                                       | 0.0       | -      | -                    |
|   | Recurring Profit                           | -                                       | 12.0      | -      | -                    |
|   | Profit attributable to<br>owners of parent | -                                       | 9.5       | -      | -                    |

|   |  |                     |         |      |         |
|---|--|---------------------|---------|------|---------|
| Fiscal Year<br>ending<br>March 31, 2021 | Revenues                                   | 1,430.0             | 1,450.0 | 20.0 | 1.4 %   |
|   | Operating Profit                           | 5.0                 | 13.0    | 8.0  | 160.0 % |
|   | Recurring Profit                           | 0.0                 | 20.0    | 20.0 | -       |
|   | Profit attributable to<br>owners of parent | To be<br>determined | 13.5    | -    | -       |

Assumptions for the forecast of consolidated financial results:

Foreign Exchange Rate

(for the second, third and fourth quarters) ¥105.00/US\$

(for the full year) ¥105.69/US\$

Bunker Oil Price

(for the second quarter) US\$330.00/MT

(for the third quarter) US\$398.00/MT

(for the fourth quarter) US\$447.00/MT

(for the full year) US\$406.96/MT

\*Bunker oil price is on average basis for all the major fuel grades including VLSFO.

## ② Dividends for the Fiscal Year ending March 31, 2021

NYK Line has designated the stable return of profits to shareholders as one of the most important management priorities, and generally targeting a consolidated dividend payout ratio of 25%, the distribution of profits is decided after comprehensively taking into account the business forecast and other factors. At the same time, based on an ongoing minimum dividend that is not affected by the business results, an annual dividend of ¥20 per share has been set as the minimum dividend. In accordance with this policy, it is forecasted at this time to issue an annual dividend of ¥20 per share for the current fiscal year (year ending March 31, 2021)

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(In million yen)

|   | As of March 31, 2020 | As of June 30, 2020 |
|---|----------------------|---------------------|
| <b>Assets</b>                                 |                      |                     |
| Current assets                                |                      |                     |
| Cash and deposits                             | 81,861               | 83,612              |
| Notes and operating accounts receivable-trade | 191,813              | 172,830             |
| Short-term investment securities              | 134                  | 134                 |
| Inventories                                   | 32,532               | 27,146              |
| Deferred and prepaid expenses                 | 61,162               | 48,347              |
| Other   | 77,091               | 81,535              |
| Allowance for doubtful accounts               | (2,173)              | (1,930)             |
| Total current assets                          | 442,421              | 411,677             |
| Non-current assets                            |                      |                     |
| Vessels, property, plant and equipment        |                      |                     |
| Vessels, net                                  | 603,317              | 587,947             |
| Buildings and structures, net                 | 107,643              | 106,625             |
| Aircraft, net                                 | 38,023               | 37,550              |
| Machinery, equipment, and vehicles, net       | 28,856               | 28,118              |
| Equipment, net                                | 5,145                | 5,279               |
| Land  | 83,504               | 83,300              |
| Construction in progress                      | 44,903               | 42,784              |
| Other, net                                    | 4,935                | 4,510               |
| Total vessels, property, plant and equipment  | 916,329              | 896,116             |
| Intangible assets                             |                      |                     |
| Leasehold right                               | 4,926                | 4,865               |
| Software                                      | 5,915                | 5,683               |
| Goodwill                                      | 11,055               | 10,634              |
| Other   | 3,670                | 3,660               |
| Total intangible assets                       | 25,568               | 24,843              |
| Investments and other assets                  |                      |                     |
| Investment securities                         | 449,267              | 449,102             |
| Long-term loans receivable                    | 11,876               | 12,338              |
| Net defined benefit asset                     | 41,430               | 41,597              |
| Deferred tax assets                           | 4,910                | 4,983               |
| Other   | 46,694               | 47,444              |
| Allowance for doubtful accounts               | (5,567)              | (5,733)             |
| Total investments and other assets            | 548,611              | 549,731             |
| Total non-current assets                      | 1,490,509            | 1,470,692           |
| Deferred assets                               | 333                  | 309                 |
| Total assets                                  | 1,933,264            | 1,882,678           |

(In million yen)

|  | As of March 31, 2020 | As of June 30, 2020 |
|--|----------------------|---------------------|
| <b>Liabilities</b>   |                      |                     |
| Current liabilities  |                      |                     |
| Notes and operating accounts payable - trade               | 137,911              | 117,105             |
| Current portion of bonds                                   | 20,000               | 20,000              |
| Short-term loans payable                                   | 162,675              | 116,237             |
| Commercial papers  | 19,000               | 3,000               |
| Leases liabilities   | 18,740               | 18,181              |
| Income taxes payable                                       | 5,340                | 3,601               |
| Advances received  | 39,349               | 26,417              |
| Provision for bonuses                                      | 9,360                | 9,182               |
| Provision for directors' bonuses                           | 310                  | 215                 |
| Provision for stock payment                                | —                    | 56                  |
| Provision for related to business restructuring            | 20                   | 20                  |
| Other  | 60,906               | 60,130              |
| <b>Total current liabilities</b>                           | <b>473,615</b>       | <b>374,148</b>      |
| Non-current liabilities                                    |                      |                     |
| Bonds payable  | 132,000              | 132,000             |
| Long-term loans payable                                    | 616,234              | 668,688             |
| Leases liabilities   | 81,203               | 78,651              |
| Deferred tax liabilities                                   | 44,632               | 46,025              |
| Net defined benefit liability                              | 15,920               | 16,884              |
| Provision for directors' retirement benefits               | 1,067                | 851                 |
| Provision for stock payment                                | 285                  | 345                 |
| Provision for periodic dry docking of vessels              | 18,536               | 18,800              |
| Provision for losses related to contracts                  | 23,078               | 21,135              |
| Provision for related to business restructuring            | 1,001                | 954                 |
| Provision for loss on guarantees                           | 224                  | —                   |
| Other  | 26,624               | 21,843              |
| <b>Total non-current liabilities</b>                       | <b>960,809</b>       | <b>1,006,182</b>    |
| <b>Total liabilities</b>                                   | <b>1,434,424</b>     | <b>1,380,331</b>    |
| <b>Equity</b>  |                      |                     |
| Shareholders' capital                                      |                      |                     |
| Common stock   | 144,319              | 144,319             |
| Capital surplus  | 45,737               | 45,737              |
| Retained earnings  | 311,892              | 320,232             |
| Treasury stock   | (3,429)              | (3,398)             |
| <b>Total shareholders' capital</b>                         | <b>498,520</b>       | <b>506,890</b>      |
| Accumulated other comprehensive income (loss)              |                      |                     |
| Unrealized gain (loss) on available-for-sale securities    | 9,474                | 10,856              |
| Deferred gain (loss) on hedges                             | (27,752)             | (31,624)            |
| Foreign currency translation adjustments                   | (18,966)             | (21,324)            |
| Remeasurements of defined benefit plans                    | 1,388                | 739                 |
| <b>Total accumulated other comprehensive income (loss)</b> | <b>(35,856)</b>      | <b>(41,353)</b>     |
| Non-controlling interests                                  | 36,175               | 36,809              |
| <b>Total equity</b>  | <b>498,839</b>       | <b>502,347</b>      |
| <b>Total liabilities and equity</b>                        | <b>1,933,264</b>     | <b>1,882,678</b>    |

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

(In million yen)

|  | Three months ended<br>June 30, 2019 | Three months ended<br>June 30, 2020 |
|--|-------------------------------------|-------------------------------------|
| Revenues   | 406,402                             | 361,170                             |
| Cost and expenses  | 358,433                             | 313,371                             |
| Gross profit   | 47,968                              | 47,798                              |
| Selling, general and administrative expenses                     | 42,498                              | 38,850                              |
| Operating profit   | 5,470                               | 8,947                               |
| Non-operating income   |                                     |                                     |
| Interest income  | 885                                 | 605                                 |
| Dividend income  | 2,849                               | 2,508                               |
| Equity in earnings of unconsolidated subsidiaries and affiliates | 6,092                               | 9,492                               |
| Other  | 841                                 | 1,964                               |
| Total non-operating income                                       | 10,669                              | 14,570                              |
| Non-operating expenses   |                                     |                                     |
| Interest expenses  | 7,197                               | 4,948                               |
| Foreign exchange losses  | 1,124                               | 584                                 |
| Other  | 1,401                               | 1,394                               |
| Total non-operating expenses                                     | 9,723                               | 6,926                               |
| Recurring profit   | 6,415                               | 16,591                              |
| Extraordinary income   |                                     |                                     |
| Gain on sales of non-current assets                              | 7,387                               | 2,885                               |
| Other  | 185                                 | 2,528                               |
| Total extraordinary income                                       | 7,572                               | 5,414                               |
| Extraordinary losses   |                                     |                                     |
| Loss on sales of non-current assets                              | 31                                  | 2                                   |
| Impairment loss  | 879                                 | 5,700                               |
| Provision for losses related to contracts                        | 1,140                               | —                                   |
| Other  | 550                                 | 554                                 |
| Total extraordinary losses                                       | 2,602                               | 6,256                               |
| Profit before income taxes                                       | 11,385                              | 15,749                              |
| Total income taxes   | 1,788                               | 3,523                               |
| Profit   | 9,597                               | 12,225                              |
| Profit attributable to non-controlling interests                 | 455                                 | 541                                 |
| Profit attributable to owners of parent                          | 9,141                               | 11,684                              |

**(Consolidated Statement of Comprehensive Income)**

(In million yen)

|   | Three months ended<br>June 30, 2019 | Three months ended<br>June 30, 2020 |
|---|-------------------------------------|-------------------------------------|
| Profit  | 9,597                               | 12,225                              |
| Other comprehensive income  |                                     |                                     |
| Unrealized gain (loss) on available-for-sale securities                             | (3,892)                             | 1,362                               |
| Deferred gain (loss) on hedges  | (1,714)                             | 42                                  |
| Foreign currency translation adjustments  | (1,133)                             | 1,932                               |
| Remeasurements of defined benefit plans   | (534)                               | (557)                               |
| Share of other comprehensive income of associates accounted for using equity method | (4,222)                             | (8,068)                             |
| Total other comprehensive income  | (11,498)                            | (5,288)                             |
| Comprehensive income  | (1,900)                             | 6,937                               |
| (Breakdown)   |                                     |                                     |
| Comprehensive income attributable to owners of parent                               | (2,284)                             | 6,187                               |
| Comprehensive income attributable to non-controlling interests                      | 383                                 | 749                                 |

### **(3) Notes Regarding Consolidated Financial Statements**

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

The first quarter of this fiscal year (April 1, 2020 – June 30, 2020)

Not applicable

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

The first quarter of this fiscal year (April 1, 2020 – June 30, 2020)

Not applicable

**(Segment Information)**I . Three months ended June 30, 2019 (April 1, 2019 – June 30, 2019)  
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 | 50,519           | 16,384                   | 117,239   | 195,079       | 1,682       | 25,497 | 406,402 | -               | 406,402                 |
| (2) Inter-segment revenues | 1,417            | 1,354                    | 556       | 59            | 188         | 14,203 | 17,779  | (17,779)        | -                       |
| Total                      | 51,936           | 17,738                   | 117,795   | 195,139       | 1,870       | 39,701 | 424,181 | (17,779)        | 406,402                 |
| Segment income (loss)      | 1,916            | (4,463)                  | (13)      | 9,203         | 758         | 775    | 8,177   | (1,761)         | 6,415                   |

**(Notes)**

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 15 million yen and other corporate expenses -1,777 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.
- Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statement of income.

II . Three months ended June 30, 2020 (April 1, 2020 – June 30, 2020)  
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 | 38,341           | 26,936                   | 112,569   | 164,752       | 1,643       | 16,926 | 361,170 | -               | 361,170                 |
| (2) Inter-segment revenues | 840              | 1,933                    | 381       | 97            | 137         | 10,449 | 13,838  | (13,838)        | -                       |
| Total                      | 39,182           | 28,869                   | 112,950   | 164,849       | 1,781       | 27,375 | 375,009 | (13,838)        | 361,170                 |
| Segment income (loss)      | 6,712            | 9,377                    | 2,780     | (1,171)       | 705         | (444)  | 17,960  | (1,369)         | 16,591                  |

**(Notes)**

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 16 million yen and other corporate expenses -1,385 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.
- Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statement of income.

### 3. Other Information

#### (1) Quarterly Operating Results

Year ending March 31, 2021

(In million yen)

|  | Apr 1, 2020 –<br>Jun 30, 2020<br>1Q | Jul 1, 2020 –<br>Sep 30, 2020<br>2Q | Oct 1, 2020 –<br>Dec 31, 2020<br>3Q | Jan 1, 2021 –<br>Mar 31, 2021<br>4Q |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenues   | 361,170                             |                                     |                                     |                                     |
| Operating profit (loss)  | 8,947                               |                                     |                                     |                                     |
| Recurring profit (loss)  | 16,591                              |                                     |                                     |                                     |
| Profit (loss) attributable to owners of parent for the quarter | 11,684                              |                                     |                                     |                                     |
| Total assets   | 1,882,678                           |                                     |                                     |                                     |
| Equity   | 502,347                             |                                     |                                     |                                     |

Year ended March 31, 2020

(In million yen)

|  | Apr 1, 2019 –<br>Jun 30, 2019<br>1Q | Jul 1, 2019 –<br>Sep 30, 2019<br>2Q | Oct 1, 2019 –<br>Dec 31, 2019<br>3Q | Jan 1, 2020 –<br>Mar 31, 2020<br>4Q |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenues   | 406,402                             | 418,334                             | 428,522                             | 415,096                             |
| Operating profit (loss)  | 5,470                               | 10,366                              | 16,633                              | 6,226                               |
| Recurring profit (loss)  | 6,415                               | 9,604                               | 22,466                              | 6,000                               |
| Profit (loss) attributable to owners of parent for the quarter | 9,141                               | 1,982                               | 7,615                               | 12,390                              |
| Total assets   | 2,050,150                           | 2,036,653                           | 2,047,906                           | 1,933,264                           |
| Equity   | 515,910                             | 505,028                             | 515,266                             | 498,839                             |

(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<br>June 30, 2019 | Three months ended<br>June 30, 2020 | Change               | Year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|----------------------|------------------------------|
| Average exchange rate during the period | ¥110.73/US\$                        | ¥107.74/US\$                        | Yen up<br>¥2.99/US\$ | ¥109.13/US\$                 |
| Exchange rate at the end of the period  | ¥107.79/US\$                        | ¥107.74/US\$                        | Yen up<br>¥0.05/US\$ | ¥108.83/US\$                 |

#### (3) Balance of Interest-Bearing Debt

(In million yen)

|                    | Year ended<br>March 31, 2020 | Three months ended<br>June 30, 2020 | Change   |
|--------------------|------------------------------|-------------------------------------|----------|
| Loans              | 778,909                      | 784,926                             | 6,016    |
| Corporate bonds    | 152,000                      | 152,000                             | –        |
| Commercial papers  | 19,000                       | 3,000                               | (16,000) |
| Leases liabilities | 99,944                       | 96,833                              | (3,110)  |
| Total              | 1,049,853                    | 1,036,759                           | (13,094) |