

**Consolidated Financial Results for Three Months Ended June 30, 2021
(Japanese GAAP) (Unaudited)**

August 4, 2021

Nippon Yusen Kabushiki Kaisha (NYK Line)

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Submit scheduled date of Quarterly Financial Report August 6, 2021
 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, 2021 (April 1, 2021 to June 30, 2021)

(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, 2021	504,611	39.7	53,000	492.3	153,620	825.9	151,093	-
Three months ended June 30, 2020	361,170	-11.1	8,947	63.6	16,591	158.6	11,684	27.8

(Note) Comprehensive income:

Three Months ended June 30, 2021: ¥164,721 million (-%), Three Months ended June 30, 2020: ¥6,937 million (-%)

	Profit per share		Profit per share—fully diluted	
	yen		yen	
Three months ended June 30, 2021	894.72		-	
Three months ended June 30, 2020	69.21		-	

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of June 30, 2021	2,238,803	805,345	34.2
As of March 31, 2021	2,125,480	667,411	29.4

(Reference) Shareholders' equity: As of June 30, 2021: ¥ 765,786 million, As of March 31, 2021: ¥ 625,332 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 ending March 31, 2021	-	20.00	-	180.00	200.00
Year ending March 31, 2022	-	-	-	-	-
Year ending March 31, 2022 (Forecast)	-	200.00	-	500.00	700.00

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

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(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, 2021	970,000	34.3	100,000	499.1	340,000	616.9	350,000	-	2,072.38
Year ending March 31, 2022	1,850,000	15.0	150,000	109.7	500,000	132.2	500,000	259.1	2,960.37

(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, 2021	170,055,098	As of March 31, 2021	170,055,098
2. Number of treasury stock	As of June 30, 2021	1,145,437	As of March 31, 2021	1,195,544
3. Average number of shares (cumulative quarterly period)	Three months ended June 30, 2021	168,871,621	Three months ended June 30, 2020	168,834,589

*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) ¥106.20/US\$

Bunker oil price:

(for the second quarter) US\$499.00/MT

(for the third quarter) US\$489.00/MT

(for fourth quarter) US\$469.00/MT

(for full year) US\$474.73/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/2021/>)

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 Sheet	8
(2) Consolidated Statement of Income and Consolidated Statement 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
(Segment Information)	14
3. Other Information	15
(1) Quarterly Operating Results	15
(2) Foreign Exchange Rate Information	15
(3) Balance of Interest-Bearing Debt	15

1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

(In billion yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change	Percentage Change
Revenues	361.1	504.6	143.4	39.7%
Operating Profit	8.9	53.0	44.0	492.3%
Recurring Profit	16.5	153.6	137.0	825.9%
Profit attributable to owners of parent	11.6	151.0	139.4	1,193.1%

In the first quarter of the fiscal year ending March 31, 2022 (April 1, 2021 to June 30, 2021), consolidated revenues amounted to ¥504.6 billion (increased ¥143.4 billion in the first quarter of the previous fiscal year), operating profit amounted to ¥53.0 billion (increased ¥44.0 billion in the first quarter of the previous fiscal year), recurring profit amounted to ¥153.6 billion (increased ¥137.0 billion in the first quarter of the previous fiscal year), profit attributable to owners of parent amounted to ¥151.0 billion (increased ¥139.4 billion in the first quarter of the previous fiscal year).

Due to the strong performance of OCEAN NETWORK EXPRESS PTE. LTD. (ONE), our equity-method affiliate, equity in earnings of unconsolidated subsidiaries and affiliates of ¥113.3 billion in non-operating income was recorded. Within this amount, equity in earnings of affiliates from ONE was ¥106.7 billion.

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, 2020	Three months ended June 30, 2021	Change
Average exchange rate	¥107.74/US\$	¥109.80/US\$	Yen down ¥2.06/US\$
Average bunker oil prices	US\$452.83/MT	US\$441.92/MT	Price down US\$10.92/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, 2021 (April 1, 2021 to June 30, 2021) is as follows.

From the first quarter of the fiscal year ending March 31, 2022, "Global Logistics" has been renamed to "Liner & Logistics." Information for the first quarter of the previous fiscal year is also presented under the name after the change.

(in billion yen)

		Revenues				Recurring profit		
		FY2020 1Q	FY2021 1Q	Change	Percentage Change	FY2020 1Q	FY2021 1Q	Change
Liner & Logistics	Liner Trade	39.1	50.1	11.0	28.1 %	6.7	111.3	104.6
	Air Cargo Transportation	28.8	43.9	15.0	52.2 %	9.3	15.3	5.9
	Logistics	112.9	176.8	63.8	56.5 %	2.7	11.5	8.8
Bulk Shipping		164.8	217.6	52.8	32.1 %	-1.1	16.0	17.2
Others	Real Estate	1.7	1.5	-0.1	-10.5 %	0.7	0.7	0.0
	Other	27.3	33.9	6.5	23.8 %	-0.4	-0.6	-0.2

Liner Trade

In the container shipping division, continued soaring cargo demand combined with slower vessel and container turnaround times caused by port and inland congestion led to further tightening of the supply and demand balance at ONE. Also, freight rates rose to much higher levels year on year, and liftings increased. In particular, on major trades, liftings were almost unchanged on North America trades year on year due to the impact of sailing schedule delays but increased on Europe trades. On both trades, freight rates and utilization trended at levels exceeding the same period last year, resulting in a major improvement to the bottom line.

Within the current situation, ONE worked to procure containers, minimize the schedule delays by increasing vessel sailing speed and eliminate other issues in order to maximize the space available aboard the vessels.

At the company's terminals in Japan and overseas, handling volumes recovered from the impact of the COVID-19 pandemic in the same period last year.

As a result of the above, profit increased on higher revenue in the Liner Trade as a whole compared to the same period last year.

Air Cargo Transportation

In the Air Cargo Transportation segment, while international passenger flights continued to be suspended and cancelled due to the COVID-19 pandemic, cargo volumes mainly of automotive components, semiconductors, e-Commerce and telework related goods were firm. In addition, the trend of shifting some maritime cargo to air freight continued due to the shortage of space aboard containerships and port congestion. This caused cargo volumes and unit freight rates to trend at high levels.

As a result of the above, profit increased on higher revenue in the Air Cargo Transportation as a whole compared to the same period last year.

Logistics

In the air freight forwarding business, the supply and demand balance tightened due to the decreased supply of space resulting from the continuance of cancellation and suspension of international passenger flights and the shifting of some maritime cargo to air freight. Within this market environment, handling volumes increased year on year as a result of securing space by arranging charter flights.

In the ocean freight forwarding business, although procurement prices continued to soar, handling volumes remained firm in line with the restart of economic activities.

In the logistics business, handling volumes increased mainly for general consumer goods that are in strong demand.

In the coastal transportation business, handling volumes declined on several services.

As a result of the above, profit increased on higher revenue in the Logistics segment as a whole compared to the same period last year.

Bulk Shipping

In the car transportation division, although there were concerns automobile production would decline due to the shortage of semiconductor chips, finished-car volumes to mainly North America and Middle East recovered year on year to a greater extent than expected. While localized capacity shortages occurred, efforts were made to nimbly respond to customers' transportation related requests through innovations to vessel deployment. In the auto logistics segment, while the supply and demand balance recovery varied in each country and region, efforts were made to cut costs and rationalize the businesses in countries including China, Russia and India. At the same time, advances were made toward establishing new businesses, including preparations for the construction and opening of finished car terminals in Egypt and Turkey and the start of the wind power business at the finished-car terminal in Belgium.

In the dry bulk division, following the unusual rising market from March through early May on the back of strong iron ore shipments, the Capesize market entered a correction phase, but during the first quarter as a whole, market levels trended at higher than typical levels. In the Panamax segment, delayed soybean shipments from South America due to inclement weather resulted in a massive vessel backlog that caused the supply and demand balance to tighten. In addition, cargo volumes of coal picked up from June, causing markets levels to rise further. Within this market environment, along with using futures contracts to fix revenues and limit the impact of market volatility on the bottom line, efforts were made to stabilize revenue

through the acquisition of long-term contracts and cut costs through efficient operations.

In the energy division, the coordinated production cut by oil producing countries remained ongoing, thus prolonging the structural deterioration to the supply and demand balance. This caused the VLCC (Very Large Crude Carrier) and petrochemical tanker markets to remain at historically low levels. The VLG (Very large LPG Carrier) market started to rise from March, but it dropped again following the start of the weak demand season in June. Although the use of short-term contracts subject to market volatility is limited in the tanker business, the greatly lower market levels year on year had a negative impact on the bottom line. 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 profit on increased revenue year on year.

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, the project delays caused by the COVID-19 pandemic had a smaller impact on the technology service business compared to the same period last year.

The sales price of bunker fuel increased due to higher oil prices. However, both bunker fuel sales and chemical product manufacturing and sales did not achieve the same strong results recorded during the same period last year, resulting in lower sales.

In the cruise business, the operation of cruises recommenced at the end of March, but following a resurgence of COVID-19 infections, a number of cruises were cancelled.

As a result of the above, although revenue increased year on year in the Other Business Services segment as a whole, a loss was recorded.

(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 ¥2,238.8 billion, an increase of ¥113.3 billion compared to the end of the previous consolidated fiscal year due to an increase in notes and operating accounts receivable-trade and an increase in investment securities after recording the profit from the equity method affiliate ONE. Interest bearing debt decreased by ¥13.5 billion to ¥937.6 billion due to a decrease in long-term loans payable, and total liabilities amounted to ¥1,433.4 billion, a decrease of ¥24.6 billion compared to the end of the previous consolidated fiscal year. Under consolidated equity, retained earnings increased by ¥127.0 billion and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥765.7 billion. This amount combined with the non-controlling interests of ¥39.5 billion brought total equity to ¥805.3 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 1.22, and the equity ratio was 34.2%.

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

① Forecast of the Consolidated Financial Results

It is still difficult to foresee the impact of the COVID-19 pandemic on the global economy and when the pandemic will come to an end.

In the container shipping division, the recent robust demand remains ongoing at ONE, and the prolonged port and inland congestion has caused the supply and demand balance to tighten. It is still unclear when the situation will return to normal, but the market is expected to gradually normalize from the third quarter. At the terminals in Japan, handling volumes are expected to be firm, but at the overseas terminals, handling volumes are forecast to decline along with easing container demand.

In the Air Cargo Transportation segment, although the shifting of maritime cargo to air freight due to the shortage of space aboard containerships is expected to settle down and international passenger flights will gradually be restored, freight rates are forecast to remain firm.

In the Logistics segment, handling volumes are expected to remain strong until early in the second half in both the ocean and air freight forwarding businesses. Also, in the logistics business, continued efforts will be made to stabilize earnings by cutting costs and revising the service contracts, including price adjustments.

In the car transportation division, although there are concerns about vehicle transportation volumes due to insufficient semiconductor production, the transportation volume is expected to recover compared to the same period last year.

In the dry bulk division, market levels for all vessel segments are expected to settle down to a certain extent through the second half, but they are forecast to remain at high levels compared to the previous year.

In the energy division, it is expected to take more time for the VLCC market to recover, and the VLGC market is expected to trend at weaker levels compared to the previous year. However, the overall results are expected to remain steady based on support from stable medium and long-term contracts in the LNG carrier and offshore businesses.

Also, in the Real Estate segment, extraordinary income is expected to be recorded in the second quarter following the partial transfer of shares of a subsidiary.

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 Forecast on July 1, 2021	Revisions	Change	Percentage Change
Cumulative second quarter ending September 30, 2021	Revenues	940.0	970.0	30.0	3.2%
	Operating Profit	85.0	100.0	15.0	17.6%
	Recurring Profit	275.0	340.0	65.0	23.6%
	Profit attributable to owners of parent	275.0	350.0	75.0	27.3%

Fiscal Year ending March 31, 2022	Revenues	1,800.0	1,850.0	50.0	2.8%
	Operating Profit	130.0	150.0	20.0	15.4%
	Recurring Profit	370.0	500.0	130.0	35.1%
	Profit attributable to owners of parent	350.0	500.0	150.0	42.9%

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) ¥106.20/US\$

Bunker Oil Price

(for the second quarter) US\$499.00/MT

(for the third quarter) US\$489.00/MT

(for the fourth quarter) US\$469.00/MT

(for the full year) US\$474.73/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, 2022

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 for the time being. Based on this policy, it is currently planned to issue an interim dividend of ¥200 per share and a year-end dividend of ¥500 per share for a full-year dividend of ¥700 per share.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In million yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	107,369	106,497
Notes and operating accounts receivable-trade	234,909	264,455
Contract assets	—	13,066
Short-term investment securities	144	145
Inventories	37,619	43,240
Deferred and prepaid expenses	56,438	27,359
Other	104,108	97,141
Allowance for doubtful accounts	(2,101)	(2,481)
Total current assets	538,488	549,425
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	534,378	517,417
Buildings and structures, net	109,198	111,076
Aircraft, net	35,838	35,177
Machinery, equipment, and vehicles, net	26,040	25,060
Furniture and fixtures, net	5,303	5,313
Land	86,912	86,657
Construction in progress	44,704	58,692
Other, net	5,314	4,901
Total vessels, property, plant and equipment	847,689	844,297
Intangible assets		
Leasehold right	4,912	4,841
Software	5,768	5,934
Goodwill	10,190	9,776
Other	3,408	3,113
Total intangible assets	24,279	23,665
Investments and other assets		
Investment securities	578,892	683,831
Long-term loans receivable	21,393	21,802
Net defined benefit asset	60,339	60,178
Deferred tax assets	6,110	6,093
Other	53,393	54,656
Allowance for doubtful accounts	(5,350)	(5,369)
Total investments and other assets	714,779	821,192
Total non-current assets	1,586,748	1,689,155
Deferred assets	243	222
Total assets	2,125,480	2,238,803

(In million yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	168,690	171,450
Current portion of bonds payable	25,000	55,000
Short-term loans payable	161,045	180,770
Leases liabilities	19,477	19,793
Income taxes payable	14,390	6,488
Contract liabilities	—	29,622
Provision for bonuses	14,063	11,612
Provision for directors' bonuses	366	212
Provision for stock payment	170	182
Provision for losses related to contracts	14,364	11,775
Provision for related to business restructuring	3	3
Other	124,691	103,221
Total current liabilities	542,262	590,132
Non-current liabilities		
Bonds payable	107,000	77,000
Long-term loans payable	560,913	526,887
Leases liabilities	77,707	78,157
Deferred tax liabilities	64,718	64,972
Net defined benefit liability	16,697	16,893
Provision for directors' retirement benefits	979	751
Provision for stock payment	551	695
Provision for periodic dry docking of vessels	14,595	15,183
Provision for losses related to contracts	52,071	42,767
Provision for related to business restructuring	927	890
Other	19,645	19,124
Total non-current liabilities	915,805	843,324
Total liabilities	1,458,068	1,433,457
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	44,214	44,231
Retained earnings	444,801	571,816
Treasury stock	(3,381)	(3,299)
Total shareholders' capital	629,954	757,068
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	22,004	22,045
Deferred gain (loss) on hedges	(29,187)	(25,226)
Foreign currency translation adjustments	(11,365)	(1,355)
Remeasurements of defined benefit plans	13,927	13,254
Total accumulated other comprehensive income (loss)	(4,621)	8,717
Non-controlling interests	42,078	39,559
Total equity	667,411	805,345
Total liabilities and equity	2,125,480	2,238,803

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

(In million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Revenues	361,170	504,611
Cost and expenses	313,371	408,434
Gross profit	47,798	96,177
Selling, general and administrative expenses	38,850	43,176
Operating profit	8,947	53,000
Non-operating income		
Interest income	605	443
Dividend income	2,508	2,733
Equity in earnings of unconsolidated subsidiaries and affiliates	9,492	113,326
Foreign exchange gains	—	417
Other	1,658	1,033
Total non-operating income	14,265	117,954
Non-operating expenses		
Interest expenses	4,948	3,576
Foreign exchange losses	584	—
Derivative losses	590	13,006
Other	498	751
Total non-operating expenses	6,621	17,334
Recurring profit	16,591	153,620
Extraordinary income		
Gain on sales of non-current assets	2,885	3,616
Gain on sale of shares of subsidiaries and associates	32	5,372
Other	2,496	823
Total extraordinary income	5,414	9,811
Extraordinary losses		
Loss on sales of non-current assets	2	15
Loss on valuation of investment securities	136	1,029
Other	6,117	2,494
Total extraordinary losses	6,256	3,540
Profit before income taxes	15,749	159,892
Total income taxes	3,523	7,856
Profit	12,225	152,035
Profit attributable to non-controlling interests	541	942
Profit attributable to owners of parent	11,684	151,093

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	12,225	152,035
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	1,362	83
Deferred gain (loss) on hedges	42	(24)
Foreign currency translation adjustments	1,932	(2,131)
Remeasurements of defined benefit plans	(557)	(707)
Share of other comprehensive income of associates accounted for using equity method	(8,068)	15,465
Total other comprehensive income	(5,288)	12,685
Comprehensive income	6,937	164,721
(Breakdown)		
Comprehensive income attributable to owners of parent	6,187	164,432
Comprehensive income attributable to non-controlling interests	749	288

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The first quarter of this fiscal year (April 1, 2021 – June 30, 2021)

Not applicable

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

The first quarter of this fiscal year (April 1, 2021 – June 30, 2021)

Not applicable

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

(Adoption of the Accounting Standard for Revenue Recognition)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard") has been adopted from the start of the first quarter of the current consolidated fiscal year, and when control of the promised goods or service transfers to the customer, the expected monetary compensation received in return is recognized as revenue.

In accordance with the transitional arrangements set forth in the proviso of Article 84 of the Revenue Recognition Accounting Standard, retained earnings at the start of the first quarter of the current consolidated fiscal year has been adjusted to reflect the cumulative impact assuming the accounting standard is retroactively adopted prior to the start of the first quarter of the current consolidated fiscal year, and the new accounting policy has been applied from the relevant starting balances at the beginning of the accounting period.

As a result, compared to the previous accounting policy, concerning the starting balances at the beginning of the first quarter of the current consolidated fiscal year, mainly notes and operating accounts receivable-trade increased by ¥33.600 billion, contract assets increased by ¥9.622 billion, notes and operating accounts payable-trade increased by ¥5.991 billion, contract liabilities increased by ¥24.640 billion, retained earnings increased by ¥6.467 billion, deferred and prepaid expenses decreased by ¥35.147 billion and other under current liabilities decreased by ¥30.521 billion.

Also, during the cumulative period through the end of the first quarter of the current consolidated fiscal year, revenue increased by ¥10.830 billion, cost and expenses increased by ¥7.770 billion, operating profit increased by ¥3.060 billion and recurring profit and profit before income taxes each increased by ¥2.288 billion. During the first quarter of the current consolidated fiscal year, notes and operating accounts receivable-trade increased by ¥38.837 billion, contract assets increased by ¥9.875 billion, notes and operating accounts payable-trade increased by ¥3.439 billion, contract liabilities increased by ¥28.603 billion, deferred and prepaid expenses decreased by ¥47.557 billion and other under current liabilities decreased by ¥43.039 billion.

(Adoption of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019; hereinafter "Fair Value Accounting Standard") has been applied from the start of the first quarter of the current consolidated fiscal year, and in accordance with the transitional arrangements set forth in Article 19 of the Fair Value Accounting Standard and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019), the new accounting policy set forth in the

Fair Value Accounting Standard has been permanently adopted. As a result of this change, from the first quarter of the current consolidated fiscal year, the method used to determine the fair value of other short-term investment securities with a market value has been revised from the average market value during the one month prior to the final day of the accounting period to the market value on the final day of the accounting period.

(Segment Information)

I. Three months ended June 30, 2020 (April 1, 2020 – June 30, 2020) Revenues and income or loss by reportable segment

(In million yen)

	Liner & 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)

1. 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.
2. Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statement of income.
3. On April 1, 2021, "Global Logistics" has been renamed to "Liner & Logistics".

II. Three months ended June 30, 2021 (April 1, 2021 – June 30, 2021)

1. Revenues and income or loss by reportable segment

(In million yen)

	Liner & Logistics			Bulk Shipping	Others		Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics		Real Estate	Other			
Revenues									
(1) Revenues from customer	48,950	41,310	176,413	217,667	1,483	18,787	504,661	-	504,611
(2) Inter-segment revenues	1,242	2,633	391	28	111	15,114	19,521	(19,521)	-
Total	50,192	43,944	176,804	217,696	1,594	33,901	524,113	(19,521)	504,611
Segment income (loss)	111,373	15,323	11,586	16,060	732	(666)	154,409	(789)	153,620

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 16 million yen and other corporate expenses -806 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.
2. Segment income (loss) is adjusted on recurring profit on the quarterly consolidated statement of income.
3. On April 1, 2021, "Global Logistics" has been renamed to "Liner & Logistics".

2. Notes Regarding Changes in Reportable Segments

(Adoption of the Accounting Standard for Revenue Recognition)

In accordance with the Changes in Accounting Policies stated above, the Revenue Recognition Accounting Standard has been adopted from the start of the first quarter of the current consolidated fiscal year, and because the accounting method for revenue recognition has been changed, the method used to measure profit or loss in each reportable segment has been similarly changed.

As a result of these changes, the revenue to external customers through the first quarter of the current consolidated fiscal year increased by 13.283 billion in the Bulk Shipping segment, and the segment income (loss) increased by 3.937 billion in the Bulk Shipping segment.

3. Other Information

(1) Quarterly Operating Results

Year ending March 31, 2022

(In million yen)

	Apr 1, 2021 – Jun 30, 2021 1Q	Jul 1, 2021 – Sep 30, 2021 2Q	Oct 1, 2021 – Dec 31, 2021 3Q	Jan 1, 2022 – Mar 31, 2022 4Q
Revenues	504,611			
Operating profit (loss)	53,000			
Recurring profit (loss)	153,620			
Profit (loss) attributable to owners of parent for the quarter	151,093			
Total assets	2,238,803			
Equity	805,345			

Year ended March 31, 2021

(In million yen)

	Apr 1, 2020 – Jun 30, 2020 1Q	Jul 1, 2020 – Sep 30, 2020 2Q	Oct 1, 2020 – Dec 31, 2020 3Q	Jan 1, 2021 – Mar 31, 2021 4Q
Revenues	361,170	360,861	423,911	462,471
Operating profit (loss)	8,947	7,743	31,262	23,583
Recurring profit (loss)	16,591	30,837	74,657	93,249
Profit (loss) attributable to owners of parent for the quarter	11,684	10,496	30,181	86,866
Total assets	1,882,678	1,901,705	1,960,549	2,125,480
Equity	502,347	510,612	540,502	667,411

(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, 2020	Three months ended June 30, 2021	Change	Year ended March 31, 2021
Average exchange rate during the period	¥107.74/US\$	¥109.80/US\$	Yen down ¥2.06/US\$	¥105.79/US\$
Exchange rate at the end of the period	¥107.74/US\$	¥110.58/US\$	Yen down ¥2.84/US\$	¥110.71/US\$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2021	Three months ended June 30, 2021	Change
Loans	721,958	707,657	(14,300)
Corporate bonds	132,000	132,000	–
Leases liabilities	97,184	97,950	766
Total	951,143	937,608	(13,534)