Consolidated Financial Results for Nine Months Ended December 31, 2021
(Japanese GAAP) (Unaudited)

February 3, 2022

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code:	9101
Listings:	The First Section of Tokyo Stock Exchanges
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Submit scheduled date of Quarterly Financial Report	February 10, 2022
Start scheduled date of paying Dividends	-
Preparation of Supplementary Explanation Material:	Yes
Financial Results Presentation Held:	Yes (for Analysts and Institutional Investors)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	1,675,958	46.3	197,992	312.9	698,327	472.0	692,216	-
Nine months ended December 31, 2020	1,145,943	- 8.6	47,953	47.7	122,086	217.2	52,362	179.4

(Note) Comprehensive income:
Nine Months ended December 31, 2021: ¥744,451 million (-%), Nine Months ended December 31, 2020: ¥49,155 million (-%)

	Profit per share	Profit per share–fully diluted
	yen	yen
Nine months ended December 31, 2021	4,097.91	-
Nine months ended December 31, 2020	310.11	-

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of December 31, 2021	2,723,315	1,347,791	48.0
As of March 31, 2021	2,125,480	667,411	29.4

(Reference) Shareholders' equity: As of December 31, 2021: ¥1,306,279 million, As of March 31, 2021: ¥625,332 million

2. Dividends

Date of record	Dividend per share				
	1st Quarter End	2nd Quarter End	3rd 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	-	200.00			
Year ending March 31, 2022 (Forecast)			-	1,000.00	1,200.00

(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
Year ending March 31,2022	2,200,000	36.8	265,000	270.4	930,000	331.9	930,000	568.0	5,505.46

(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 December 31, 2021	170,055,098	As of March 31, 2021	170,055,098
2. Number of treasury stock	As of December 31, 2021	1,119,028	As of March 31, 2021	1,195,544
3. Average number of shares (cumulative quarterly period)	Nine months ended December 31, 2021	168,919,491	Nine months ended December 31, 2020	168,851,889

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

*Assumptions for the forecast of consolidated financial results and other particular issues
Foreign exchange rates:
(for the fourth quarter) ¥113.00/US$
(for full year) ¥111.48/US$
Bunker oil prices:
(for fourth quarter) US$565.00/MT
(for full year) US$519.53/MT
*Bunker oil prices are 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

(1) Review of Operating Results

(In billion yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Percentage Change
Revenues	1,145.9	1,675.9	530.0	46.3%
Operating Profit	47.9	197.9	150.0	312.9%
Recurring Profit	122.0	698.3	576.2	472.0%
Profit attributable to owners of parent	52.3	692.2	639.8	1,222.0%

In the first nine months of the fiscal year ending March 31, 2022 (April 1, 2021 to December 31, 2021), consolidated revenues amounted to ¥1,675.9 billion (increased by ¥530.0 billion compared to the first nine months of the previous fiscal year), operating profit amounted to ¥197.9 billion (increased by ¥150.0 billion), recurring profit amounted to ¥698.3 billion (increased by ¥576.2 billion), profit attributable to owners of parent amounted to ¥692.2 billion (increased by ¥639.8 billion).

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 ¥513.8 billion in non-operating income was recorded. Within this amount, equity in earnings of affiliates from ONE was ¥491.3 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 nine months of the current and previous fiscal years are shown in the following tables.

	Nine months ended Dec 31, 2020	Nine months ended Dec 31, 2021	Change
Average exchange rates	¥106.14/US$	¥110.97/US$	Yen down ¥4.83/US$
Average bunker oil prices	US$362.57/MT	US$504.05/MT	Price up US$141.48/MT

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

Overview by Business Segment

Business segment information for the nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021) is as follows.

(in billion yen)

		Nine Months Ended						
		Revenues				Recurring profit		
		Dec 31, 2020	Dec 31, 2021	Change	Percentage Change	Dec 31, 2020	Dec 31, 2021	Change
Liner & Logistics	Liner Trade	126.5	141.0	14.5	11.5 %	68.4	504.4	435.9
	Air Cargo Transportation	87.8	141.6	53.7	61.2 %	24.6	56.4	31.7
	Logistics	387.6	613.3	225.6	58.2 %	17.4	45.6	28.2
Bulk Shipping		493.3	724.6	231.2	46.9 %	14.1	93.9	79.8
Others	Real Estate	5.1	3.3	-1.8	-35.3 %	2.0	1.6	-0.3
	Other	90.9	118.2	27.3	30.1 %	-1.4	-1.1	-0.2

Liner Trade

In the container shipping division, at ONE, the robust cargo demand remained ongoing at mainly in the North America trade while the continued port congestion and inland congestion due to a shortage of drivers caused by COVID-19 led to little improvement in the overall supply chain disruptions, resulting in tighter supply-and-demand for shipping space. In the major trades, sailings were voided in the North America trade as turnaround times grew longer due to port congestion, resulting in lower liftings and higher utilization year on year. In the Europe trade, both liftings and utilization were higher compared to the same period last year. Freight rates were higher year on year in both trades, greatly contributing to profits. Within this situation, ONE continued to procure containers, add extra sailings and increase the vessel sailing speed to minimize schedule delays in order to maximize the space available aboard the vessels.

As a result of the above, profit increased on higher revenue in the overall Liner Trade 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 impact of COVID-19, cargo volumes mainly of automotive components and semiconductors remained strong. In addition, some ocean cargo continued to be shifted to air freight due to a shortage of space aboard containerships and port congestion. This caused both cargo volumes and freight to trend at high levels.

As a result of the above, profit greatly increased on higher revenue in the overall Air Cargo Transportation segment compared to the same period last year.
Also, in the third quarter, Nippon Cargo Airlines Co., Ltd. (NCA) cancelled the lease agreements and took ownership of 7 Boeing 747-8F aircraft operated by the company. This will enable the aircraft to be used flexibly in response to the future changes in the business environment. As a result of this acquisition, an extraordinary loss of about ¥8.0 billion was recorded in the third quarter for the penalty incurred when cancelling the lease agreements.

Logistics

In the air freight forwarding business, the supply and demand balance tightened due to the decreased supply of space caused by the ongoing COVID-19 related suspension and cancellation of international passenger flights and the increased cargo volumes during the peak season in the third quarter. Within this situation, the ability to secure space through agile procurement activities led to higher handling volumes year on year and was the driver of overall business performance.
In the ocean freight forwarding business, although it was difficult to secure space due to port congestion, handling volumes increased compared to the same period last year. Also, sales prices caught up with the soaring procurement prices, leading to improved profit levels, and overall business performance was strong.
In the logistics business, demand for mainly consumer goods was firm, and handling volumes increased compared to the same period last year.
In the coastal transportation business, handling volumes increased compared to the same period last year.
As a result of the above, profit increased on higher revenue in the overall Logistics segment compared to the same period last year.

Bulk Shipping

In the car transportation division, there were concerns for finished-car handling volumes due to the shortage of automobile components caused by the impact of COVID-19 and the global semiconductor shortage, but along with acquiring alternative cargo through cooperation with affiliate companies and maintaining close communication with customers, the efforts to optimize vessel deployment plans and sailing schedules led to improved vessel utilization, and handling volumes increased compared to the same period last year. In the auto logistics segment, despite the impact of lower automobile production volumes mainly in China due to a shortage of semiconductors, each business unit worked to reduce costs and rationalize unprofitable businesses, and at the same time, activities directed at revising the business portfolio were carried out, including progress in the preparations for opening finished-car terminals in Turkey and Egypt.
In the dry bulk division, during the peak season from July through September, shipments of iron ore from Brazil picked up after the wet season ended, while in China, multiple typhoons, heavy rain and the enactment of stricter border measures against COVID-19 led to increased vessel waiting times. Consequently, the Capesize market rose to the highest level in 11 years. After peaking in early October, the market started to decline as vessel waiting times in China dropped, but it still trended at greatly higher levels compared to the same period last year. In the Panamax segment, coal procurement increased when the price of natural gas exceeded that of coal in June and July. Imports of coal into China increased ahead

of peak electricity demand season, and the market peaked in October. Thereafter, the global congestion eased, and the market entered a correction phase. However, supported by strong coal shipments, the market trended at levels greatly exceeding the same period last year. Within this environment, along with fixing revenue through the use of futures contracts to minimize the impact of market fluctuations, efforts were made to stabilize revenue by securing long-term contracts and reduce costs through efficient operations.

In the energy division, although OPEC Plus gradually ended the coordinated production cuts from May, the supply and demand balance did not improve, and the VLCC (Very Large Crude Carrier) and petrochemical tanker markets remained at historic lows. In the VLGC (Very Large LPG Carrier) market, from June, along with entering the weak demand season, the LPG export price from the United States rose, causing the price difference for LPG from the United States and Middle East to contract. As a result, shipments from the United States with relatively higher transportation costs due to the longer distance slackened, and the decline in overall ton-miles caused market levels to fall. Although the market soared from September as shipments increased ahead the peak winter demand and congestion occurred at the Panama Canal, it did not reach the strong levels seen in the same period last year. In the tanker market, although the ratio of vessels operated under short-term contracts affected by market volatility is limited, the market was extremely weaker than the same period last year and had a negative impact on earnings. 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 increased profit on higher revenue compared to the same period last year.

Real Estate and Other Businesses

In the real estate segment, profit decreased on lower revenue year on year following the partial transfer of shares of a subsidiary. Also, an extraordinary income of about ¥23.0 billion was recorded in the second quarter as a result of this share transfer.

In the Other Business Services segment, bunker fuel sales greatly increased due mainly to higher oil prices which has led to the strong performance in this business. In addition, COVID-19 had a smaller impact on the technical service business, where some of the construction projects recovered and the sales of marine equipment supplies business improved. In the cruise business, only some of the cruises were operated due to the impact of COVID-19. As a result of the above, although revenue increased in the Other Business Services segment compared to the same period last year, a loss was recorded.

(2) Explanation of the Financial Position

Status of Assets, Liabilities and Equity

As of the end of the third quarter of the current consolidated accounting period, assets amounted to ¥2,723.3 billion, an increase of ¥597.8 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 ONE and other equity method affiliates. Interest bearing debt decreased by ¥83.6 billion to ¥867.4 billion due to a decrease in long-term loans payable, and total liabilities amounted to ¥1,375.5 billion, a decrease of ¥82.5 billion compared to the end of the previous consolidated fiscal year. Under consolidated equity, retained earnings increased by ¥634.7 billion and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥1,306.2 billion. This amount combined with the non-controlling interests of ¥41.5 billion brought total equity to ¥1,347.7 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 0.66, and the equity ratio was 48.0%.

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

① Forecast of the Consolidated Financial Results

In the container shipping division, at ONE, it is still unclear when the robust demand will peak and the supply chain will return to normal, but the current forecast incorporates the assumptions of seasonally slower demand after Chinese New Year and the impact of voiding voyages due to further sailing schedule delays caused by supply chain disruptions. At the overseas terminals, there are concerns handling volumes will decline due to vessel congestion mainly at the ports on the west coast of North America. On the other hand, handling volumes are expected to remain firm at the terminals in Japan.

In the Air Cargo Transportation segment, although the market will enter the seasonal period of weaker demand, freight rates are expected to remain at favorable levels. It is still difficult to foresee how the restoration of international passenger flights will impact the market, but the trend of shifting some of the ocean cargo to air freight is expected to continue, resulting in a sustained tight supply and demand balance.

In the Logistics segment, although handling volumes and profit levels are expected to decline in the air freight forwarding, ocean freight forwarding and logistics businesses due to seasonally slower demand, they are forecast to remain at firm levels. Also, in the logistics business, soaring personnel expenses in Europe and the United States are a concern, but efforts will be made to stabilize earnings through further progress in cutting costs and revising the service contracts, including price adjustments.

In the car transportation division, although the impact of the semiconductor and automobile component shortages on transportation volumes is a concern, transportation volumes in the second half are expected to surpass those in the first half for a full-year total exceeding last year.

In the dry bulk division, market levels are expected to settle down for all vessel segments in the fourth quarter, but supported by the strong results achieved through the third quarter, the full-year results are forecast to greatly exceed last year.

In the energy division, although the VLCC market is expected to gradually recover in the fourth quarter, it is forecast to remain at weak levels. The VLGC market is expected to remain at levels exceeding those in the first half. Also, LNG carrier earnings are expected to remain steady based on support from stable medium to long-term contracts.

Based on the above, the forecast of the full-year consolidated financial results has been revised as follows.

(in billion yen)

	Revenues	Operating Profit	Recurring Profit	Profit attributable to owners of parent
Previous Forecast (Nov 4, 2021)	2,000.0	220.0	710.0	710.0
Revised Forecast	2,200.0	265.0	930.0	930.0
Change	200.0	45.0	220.0	220.0
Percentage Change (%)	10.00%	20.45%	30.99%	30.99%

Assumptions for the forecast of consolidated financial results:
Foreign Exchange Rate
(for the fourth quarter) ¥113.00/US$
(for the full year) ¥111.48/US$

Bunker Oil Price
(for the fourth quarter) US$565.00/MT
(for the full year) US$519.53/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

We have designated the stable return of profits to shareholders as one of the most important management priorities, and the distribution of profits is decided after comprehensively taking into account the business forecast and other factors and generally targeting a consolidated payout ratio of 25%. At the same time, based on an ongoing minimum dividend that is not affected by the business results, an annual dividend of JPY20 per share has been set as the minimum dividend for the time being. As the interim dividend for the current fiscal year (year ending March 31, 2022), we issued a dividend of JPY200 per share. For the year-end dividend, we have increased the dividend by JPY400 per share compared to the previous forecast and currently plan to issue a dividend of JPY1,000 per share, for a full-year dividend of JPY1,200 per share. The issue of future share buybacks remains subject to consideration and it is planned to resolve the matter of final shareholder returns for the profits earned in FY2021 at the Board of Directors meeting in May after confirming the actual financial results.

2. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	107,369	101,538
Notes and operating accounts receivable-trade	234,909	321,993
Contract assets	—	21,758
Short-term investment securities	144	96
Inventories	37,619	47,667
Deferred and prepaid expenses	56,438	31,261
Other	104,108	85,664
Allowance for doubtful accounts	(2,101)	(3,079)
Total current assets	538,488	606,902
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	534,378	536,690
Buildings and structures, net	109,198	98,534
Aircraft, net	35,838	105,534
Machinery, equipment, and vehicles, net	26,040	26,856
Furniture and fixtures, net	5,303	5,356
Land	86,912	70,975
Construction in progress	44,704	63,307
Other, net	5,314	4,945
Total vessels, property, plant, and equipment	847,689	912,200
Intangible assets		
Leasehold right	4,912	4,898
Software	5,768	5,860
Goodwill	10,190	8,989
Other	3,408	3,570
Total intangible assets	24,279	23,319
Investments and other assets		
Investment securities	578,892	1,037,441
Long-term loans receivable	21,393	29,278
Net defined benefit asset	60,339	59,780
Deferred tax assets	6,110	5,939
Other	53,393	53,542
Allowance for doubtful accounts	(5,350)	(5,370)
Total investments and other assets	714,779	1,180,611
Total non-current assets	1,586,748	2,116,131
Deferred assets	243	282
Total assets	2,125,480	2,723,315

		(Millions of yen)
	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	168,690	203,587
Current portion of bonds payable	25,000	30,000
Short-term loans payable	161,045	158,094
Commercial papers	—	25,000
Leases liabilities	19,477	18,932
Income taxes payable	14,390	19,932
Contract liabilities	—	38,837
Provision for bonuses	14,063	10,569
Provision for directors' bonuses	366	316
Provision for stock payment	170	1,093
Provision for losses related to contracts	14,364	1,839
Provision for related to business restructuring	3	3
Other	124,691	90,310
Total current liabilities	542,262	598,516
Non-current liabilities		
Bonds payable	107,000	97,000
Long-term loans payable	560,913	462,424
Leases liabilities	77,707	76,019
Deferred tax liabilities	64,718	65,227
Net defined benefit liability	16,697	16,204
Provision for directors' retirement benefits	979	791
Provision for stock payment	551	—
Provision for periodic dry docking of vessels	14,595	15,564
Provision for losses related to contracts	52,071	28,152
Provision for related to business restructuring	927	658
Other	19,645	14,964
Total non-current liabilities	915,805	777,007
Total liabilities	1,458,068	1,375,524
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	44,214	44,200
Retained earnings	444,801	1,079,557
Treasury stock	(3,381)	(3,406)
Total shareholders' capital	629,954	1,264,671
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	22,004	24,939
Deferred gain (loss) on hedges	(29,187)	(21,201)
Foreign currency translation adjustments	(11,365)	25,975
Remeasurements of defined benefit plans	13,927	11,894
Total accumulated other comprehensive income (loss)	(4,621)	41,607
Non-controlling interests	42,078	41,511
Total equity	667,411	1,347,791
Total liabilities and equity	2,125,480	2,723,315

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

(Consolidated Statement of Income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenues	1,145,943	1,675,958
Cost and expenses	981,146	1,345,293
Gross profit	164,796	330,665
Selling, general and administrative expenses	116,842	132,672
Operating profit	47,953	197,992
Non-operating income		
Interest income	1,769	1,511
Dividend income	4,816	5,590
Equity in earnings of unconsolidated subsidiaries and affiliates	79,637	513,893
Foreign exchange gains	—	4,999
Other	5,397	3,274
Total non-operating income	91,620	529,269
Non-operating expenses		
Interest expenses	12,596	9,456
Foreign exchange losses	2,498	—
Derivative losses	1,261	16,696
Other	1,130	2,781
Total non-operating expenses	17,487	28,933
Recurring profit	122,086	698,327
Extraordinary income		
Gain on sales of non-current assets	9,662	13,274
Gain on sale of shares of subsidiaries and associates	96	29,216
Other	3,870	2,075
Total extraordinary income	13,630	44,565
Extraordinary losses		
Loss on sales of non-current assets	442	44
Provision for losses related to contracts	53,663	—
Loss on cancellation of leased aircrafts	—	8,048
Other	16,788	6,611
Total extraordinary losses	70,894	14,704
Profit before income taxes	64,822	728,188
Total income taxes	9,084	29,947
Profit	55,737	698,240
Profit attributable to non-controlling interests	3,375	6,024
Profit attributable to owners of parent	52,362	692,216

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	55,737	698,240
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	4,148	2,970
Deferred gain (loss) on hedges	186	3,862
Foreign currency translation adjustments	3,121	910
Remeasurements of defined benefit plans	(1,007)	(2,106)
Share of other comprehensive income of associates accounted for using equity method	(13,031)	40,573
Total other comprehensive income	(6,582)	46,210
Comprehensive income	49,155	744,451
(Breakdown)		
Comprehensive income attributable to owners of parent	45,602	738,445
Comprehensive income attributable to non-controlling interests	3,552	6,005

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The second quarter of this fiscal year (April 1, 2021 – December 31, 2021)
Not applicable

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

The second quarter of this fiscal year (April 1, 2021 – December 31, 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 million yen, contract assets increased by 9,622 million yen, notes and operating accounts payable- trade increased by 5,991 million yen, contract liabilities increased by 24,640 million yen, retained earnings increased by 6,467 million yen, deferred and prepaid expenses decreased by 35,147 million yen and other under current liabilities decreased by 30,521 million yen.

Also, during the cumulative period through the end of the third quarter of the current consolidated fiscal year, revenue increased by 23,084 million yen, cost and expenses increased by 12,998 million yen, operating profit increased by 10,085 million yen and recurring profit and profit before income taxes each increased by 9,591 million yen. During the third quarter of the current consolidated fiscal year, notes and operating accounts receivable- trade increased by 48,155 million yen, contract assets increased by 12,371 million yen, notes and operating accounts payable- trade increased by 6,336 million yen, contract liabilities increased by 36,962 million yen, deferred and prepaid expenses decreased by 53,643 million yen and other under current liabilities decreased by 53,868 million yen.

(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. Nine months ended December 31, 2020 (April 1, 2020 – December 31, 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	123,381	82,491	386,529	493,265	4,546	55,728	1,145,943	-	1,145,943
(2) Inter-segment revenues	3,141	5,384	1,113	133	631	35,172	45,578	(45,578)	-
Total	126,523	87,875	387,643	493,398	5,178	90,900	1,191,521	(45,578)	1,145,943
Segment income (loss)	68,489	24,685	17,487	14,149	2,051	(1,418)	125,445	(3,358)	122,086

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 49 million yen and other corporate expenses - 3,407 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. Nine months ended December 31, 2021 (April 1, 2021 – December 31, 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	137,632	134,113	611,782	724,391	3,229	64,808	1,675,958	-	1,675,958
(2) Inter-segment revenues	3,433	7,509	1,536	218	111	53,484	66,293	(66,293)	-
Total	141,065	141,623	613,319	724,609	3,340	118,293	1,742,252	(66,293)	1,675,958
Segment income (loss)	504,447	56,411	45,692	93,956	1,684	(1,135)	701,056	(2,728)	698,327

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 45 million yen and other corporate expenses - 2,773 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".

1. 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 third quarter of the current consolidated fiscal year increased by 30,091 million yen in the Bulk Shipping segment, and the segment income (loss) increased by 10,555 million yen 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	546,769	624,577	
Operating profit (loss)	53,000	64,932	80,059	
Recurring profit (loss)	153,620	243,626	301,081	
Profit (loss) attributable to owners of parent for the quarter	151,093	260,225	280,897	
Total assets	2,238,803	2,395,332	2,723,315	
Equity	805,345	1,074,175	1,347,791	

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

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Year ended March 31, 2021
Average exchange rate during the period	¥ 106.14/US$	¥ 110.97/US$	Yen down ¥4.83/US$	¥105.79/US$
Exchange rate at the end of the period	¥ 103.50/US$	¥ 115.02/US$	Yen down ¥11.52/US$	¥110.71/US$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2021	Nine months ended December 31, 2021	Change
Loans	721,958	620,518	(101,439)
Corporate bonds	132,000	127,000	(5,000)
Commercial papers	—	25,000	25,000
Leases liabilities	97,184	94,951	(2,232)
Total	951,143	867,470	(83,672)