

Consolidated Financial Results for Six Months Ended September 30, 2022
(Japanese GAAP) (Unaudited)

November 4, 2022

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 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 Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	1,365,878	29.9	163,336	38.5	765,329	92.7	706,058	71.7
Six months ended September 30, 2021	1,051,381	45.6	117,933	606.6	397,246	737.6	411,319	-

(Note) Comprehensive income:

Six Months ended September 30, 2022: ¥950,812 million (118.9%), Six Months ended September 30, 2021: ¥434,355 million (-%)

	Profit per share		Profit per share—fully diluted	
	yen		yen	
Six months ended September 30, 2022	1,391.01		-	
Six months ended September 30, 2021	811.72		-	

(Note) A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. "Profit per share" and "Profit per share—fully diluted" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of September 30, 2022	3,938,103	2,487,650	62.0
As of March 31, 2022	3,080,023	1,759,073	55.6

(Reference) Shareholders' equity: As of September 30, 2022: ¥2,441,092million, As of March 31, 2022: ¥1,713,713 million

2. Dividends

Date of record	Dividend per share				
	1 st Quarter End	2 nd Quarter End	3 rd Quarter End	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2022	-	200.00	-	1,250.00	1,450.00
Year ending March 31, 2023	-	1,050.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	160.00	-

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

(Note)

A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. The (forecast) year-end dividend per share for the fiscal year ending March 31, 2023 indicated above is based on the number of shares after the stock split, and the full-year dividend is stated as "-". Based on the number of shares prior to the stock split, the (forecast) year-end dividend for the fiscal year March 31, 2023 would be ¥480.00 for a full-year dividend of ¥1,530.00 per share.

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	2,700,000	18.4	270,000	0.4	1,110,000	10.7	1,030,000	2.1	2,028.12

(Note) Revision of forecast in this quarter: Yes

(Note)

A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. The full-year profit per share in the consolidated financial results forecast for the fiscal year ending March 31, 2023 is based on the number of shares after the stock split. Based on the number of shares prior to the stock split, profit per share is forecast to be ¥6,084.36.

*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 September 30, 2022	510,165,294	As of March 31, 2022	510,165,294
2. Number of treasury stock	As of September 30, 2022	1,987,314	As of March 31, 2022	3,363,537
3. Average number of shares (cumulative quarterly period)	Six months ended September 30, 2022	507,586,736	Six months ended September 30, 2021	506,727,634

A 3-for-1 common stock split was conducted with an effective date of October 1, 2022. "Total issued shares", "Number of treasury stock" and "Average number of shares" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

*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 third and fourth quarter) ¥143.00/US\$

(for full year) ¥137.28/US\$

Bunker oil price:

(for the third quarter) US\$784.00/MT

(for fourth quarter) US\$746.50/MT

(for full year) US\$801.85/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/2022/>

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1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

(In billion yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	Change	Percentage Change
Revenues	1,051.3	1,365.8	314.4	29.9%
Operating Profit	117.9	163.3	45.4	38.5%
Recurring Profit	397.2	765.3	368.0	92.7%
Profit attributable to owners of parent	411.3	706.0	294.7	71.7%

In the first half of the fiscal year ending March 31, 2023 (April 1, 2022 to September 30, 2022), consolidated revenues amounted to ¥1,365.8 billion (increased by ¥314.4 billion compared to the first half of the previous fiscal year), operating profit amounted to ¥163.3 billion (increased by ¥45.4 billion), recurring profit amounted to ¥765.3 billion (increased by ¥368.0 billion), profit attributable to owners of parent amounted to ¥706.0 billion (increased by ¥294.7 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 ¥572.6 billion in non-operating income was recorded. Within this amount, equity in earnings of affiliates from ONE was ¥551.6 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 half of the current and previous fiscal years are shown in the following tables.

	Six months ended September 30, 2021	Six months ended September 30, 2022	Change
Average exchange rates	¥109.90/US\$	¥131.56/US\$	Yen down ¥21.66/US\$
Average bunker oil prices	US\$477.42/MT	US\$839.95/MT	Price up US\$362.53/MT

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

Overview by Business Segment

Business segment information for the six months ended September 30, 2022 (April 1, 2022 to September 30, 2022) is as follows.

(in billion yen)

		Six Months Ended						
		Revenues				Recurring profit		
		Sep 30, 2021	Sep 30, 2022	Change	Percentage Change	Sep 30, 2021	Sep 30, 2022	Change
Liner & Logistics	Liner Trade	94.0	101.2	7.2	7.7 %	290.3	567.0	276.6
	Air Cargo Transportation	89.7	123.9	34.1	38.1 %	33.0	44.0	11.0
	Logistics	377.3	474.4	97.1	25.7 %	28.4	37.1	8.7
Bulk Shipping		456.9	616.4	159.4	34.9 %	47.7	119.4	71.7
Others	Real Estate	2.4	1.7	-0.7	-29.9 %	1.2	0.8	-0.3
	Other	71.7	125.2	53.4	74.5 %	-1.7	0.0	1.8

Liner Trade Business

In the container shipping division, transportation demand noticeably slowed due to multiple factors including inflation and high consumer goods inventories in consumer markets mainly in Europe and the United States, and recent spot freight rates have fallen. However, ONE was able to maintain freight rates at high levels throughout the first half and continued to achieve strong financial results. In the major trades, although the number of sailings voided due to port congestion declined in the North America trade, shipment volumes declined due to weaker cargo demand compared to the soaring demand in the same period last year, resulting in lower liftings and utilization year on year. In the Europe trade, too, although port congestion remained ongoing, weaker cargo demand resulted in lower shipment volumes, and both liftings and utilization declined compared to the same period last year. On the other hand, freight rates on both trades trended higher than the same period last year, driving the overall financial results.

At the terminals in Japan, lower cargo volumes resulting from delays in the containership voyage schedules and the impact of the lockdowns in China resulted in lower overall handling volumes compared to the same period last year. At the overseas terminals, handling volumes declined compared to the same period last year due to the sale of several terminals in North America. However, ancillary income from container demurrage increased at several terminals and contributed to the bottom line.

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

Air Cargo Transportation Business

In the Air Cargo Transportation Business, cargo volumes declined due to the lockdowns in China, global economic slowdown and weaker demand for shifting maritime cargo to air freight. In addition, the business was impacted by sustained high fuel prices due in part to the situation in Russia and Ukraine. Despite

these factors, the business was supported by long-term contracts and strong transportation demand for semiconductor manufacturing equipment, and freight rates continued to trend at high levels.

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

Logistics Business

In the air freight forwarding business, handling volumes and profit levels declined compared to the same period last year due to lower cargo volumes in the automobile industry.

In the ocean freight forwarding business, slowing cargo volumes due to the impact of the lockdowns in China caused handling volumes to decline compared to the same period last year. Recently, although the slackening in supply-and-demand condition has become particularly noticeable, it was possible to secure a certain level of profit through efforts to conduct agile marketing and increase sales of ancillary services such as customs clearance.

In the contract logistics business, although soaring labor and energy costs were particularly pronounced in Europe and the United States, active cargo volumes resulting from the firm demand mainly for general consumer goods made it possible to achieve strong business results.

In the coastal transportation business, handling volumes declined on several trades, but in the ferry business, the financial results benefited from the weaker yen and soaring feeder freight rates.

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

Bulk Shipping Business

In the automotive transportation division, although lower automobile production volumes due to the impact of COVID-19 and global semiconductor shortage continued to be a concern, vessel utilization was improved by flexibly responding to customer requests through optimized vessel deployment plans and sailing schedules. As a result, shipping volumes increased compared to the same period last year. In the auto logistics business, although the scope of operations was revised in several regions following changes in the business environment, actions were taken to increase profitability by capturing the recovering demand after COVID-19 while reorganizing the business portfolio, including receiving terminal related orders for export vehicles in China.

In the dry bulk business division, the Capesize market temporarily recovered after the seasonal market correction ended in late April and increased vessel waiting times due to the lockdowns in China combined with more active shipments of coal. This unseasonal rise in market levels was subsequently followed by a rapid fall. From June, increased concerns about slowing global economic activity caused the market to fall further to unusually low levels in August and September and trend at levels greatly below the same period last year. In the Panamax segment, strong cargo volumes of grain and coal caused markets to remain at levels exceeding the previous year until May. Thereafter, market levels declined in line with the deterioration in the Capesize market. Although the market started to recover from September as shipments of newly harvested grain commenced from the United States, weakness in the Capesize segment continued to weigh on the market. As a result, the Panamax market trended at levels below the same period last year. The Handymax and Handy segments performed similarly and trended at levels below the same period last year. Although markets were lower than the same period last year for all vessel segments, opportunistic efforts were made to secure transportation contracts when the market was high. Also, within

this business environment, efforts were made to stabilize revenue by securing long-term contracts and reduce costs through efficient operations.

In the energy business division, VLCC (Very Large Crude Carrier) further rebounded off market lows from July, and after oil prices fell in mid-August following the release from the strategic petroleum reserve (SPR) in the United States, shipments of oil from the Middle East and United States in particular rose to destinations in Europe and Asia. Due in part to this, the use of VLCC increased, causing supply-and-demand conditions to tighten and the market to rapidly recover. Thereafter, the higher shipment volumes continued into September. In the petrochemical tanker market, due to the impact of the situation in Russia and Ukraine, the origin of shipments bound for Europe shifted from Russia to the United States, Middle East and India, resulting longer sailing distances. This caused supply-and-demand conditions to tighten, and markets trended at levels greatly exceeding the same period last year. In the VLGC (Very Large LPG Carrier) segment, markets trended at levels exceeding the same period last year on support from strong shipments to Europe. In the 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), drill ship and shuttle tankers were generally steady as expected.

As a result of the above, the overall Bulk Shipping Business recorded increased profit on higher revenue compared to the same period last year.

Also, in the energy business division, an extraordinary loss was recorded in relation to LNG transportation involving the Sakhalin 2 project due to the deteriorating business environment in the first half caused by the situation in Russia and Ukraine.

Real Estate and Other Businesses

In the Real Estate Business, profit decreased on lower revenue compared to the same period last year following the partial transfer of shares of a subsidiary in the last fiscal year.

In Other Business Services, the bunker fuel sales business was strong, and the marine equipment supplies sales business was firm. In the cruise business, operations were suspended in late March due to a problem involving the electrical equipment aboard the ship, but cruises resumed from early June. Thereafter, a COVID-19 infection involving a crew member occurred in mid-August, causing operations to be temporarily suspended again before resuming from mid-September. As a result of the above, revenue increased in Other Business Services compared to the same period last year, a profit was recorded.

(2) Explanation of the Financial Position

① Status of Assets, Liabilities and Equity

As of the end of the second quarter of the current consolidated fiscal year, assets amounted to ¥3,938.1 billion, an increase of ¥858.0 billion compared to the end of the previous consolidated fiscal year due to an increase in notes and operating accounts receivable-trade and contract assets, an increase in investment securities after recording the profit from ONE and other equity method affiliates and an increase in tangible non-current assets, mainly vessels. Interest bearing debt increased by ¥43.6 billion to ¥851.9 billion due to an increase in loans payable, and total liabilities amounted to ¥1,450.4 billion, an increase of ¥129.5 billion compared to the end of the previous fiscal year. Under consolidated equity, retained earnings increased by ¥494.1 billion, and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥2,441.0 billion. This amount combined with non-controlling interest of ¥46.5 billion brought total equity to ¥2,487.6 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 0.35, and the equity ratio was 62.0%.

② Cash flow

The balance of cash and cash equivalents as of the end of the second quarter of the current consolidated fiscal year was ¥129.6 billion, a decrease of ¥97.0 billion compared to the beginning of the fiscal year. Cash flow from operating activities was ¥295.4 billion (compared to ¥109.9 billion during the same period last year) as a result of profit before income taxes of ¥750.6 billion, non-cash depreciation and amortization of ¥57.9 billion, equity in earnings of unconsolidated subsidiaries and affiliates outflow of ¥572.6 billion and interest and dividend income of ¥142.6 billion. Cash flow from investing activities was an outflow of ¥142.4 billion (compared to an inflow of ¥5.6 billion during the same period last year) as a result of the acquisition and sale of non-current assets, mainly vessels. Cash flow from financing activities was an outflow of ¥260.8 billion (compared to an outflow of ¥135.7 billion during the same period last year) due to the repayment of long-term loans payable, payment of the dividend, redemption of bonds payable and repayment of lease liabilities.

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

① Forecast of the Consolidated Financial Results

In the Liner Trade Business, spot freight rates in the container shipping division began to decline from the middle of the first half, and the business environment in which ONE operates is starting to change. However, although freight rates will likely fall further in the second half as transportation demand slows, full-year profit levels are expected to remain high.

At the terminals in Japan, handling volumes are expected to remain firm. At the overseas terminals, with priority to transferring the terminals on the west coast of North America to ONE, it is planned to then successively transfer the terminals in other regions.

In the Air Cargo Transportation Business, in addition to the return of international passenger flights to a certain extent, cargo volumes are expected to decline following the global economic slowdown. As a result, market levels in the second half are forecast to soften compared to the first half.

In the Logistics Business, based on the recent market weakness in both the air freight and ocean freight forwarding businesses, although profit levels are expected to decline, they are forecast to remain at levels higher than before COVID-19 as a result of improved cost competitiveness achieved through far-reaching reforms to the business processes in the ocean freight forwarding business. Also, in the contract logistics

business, although soaring personnel expenses will have an impact, continued efforts will be made to stabilize earnings through cost cutting measures and revisions to the service contracts, including price adjustments.

In the Bulk Shipping Business, there continue to be concerns in the automotive transportation division about transportation volumes due to the semiconductor and automotive component shortages. However, transportation volumes are expected to increase slightly in the second half compared to the first half, and full-year transportation volumes are forecast to grow year on year.

In the dry bulk business division, although market levels for all vessel segments are expected to trend below the same period last year, efforts will be made to minimize the impact of market volatility through the use of futures contracts and securing transportation contracts.

In the energy business division, the VLCC market is expected to recover from the low levels in the first half, and the VLGC market is forecast to remain firm. Also, profits in LNG carriers and the offshore business are expected to remain firm on support from the stable medium to long-term contracts.

Based on the above outlook, the full-year forecast has been revised as follows.

Consolidated forecast for the fiscal year ending March 31, 2023	Revenues	Operating Profit	Recurring Profit	Profit attributable to owners of parent
Previous forecast (August 3, 2022)	2,500.0	250.0	1,040.0	960.0
Revised forecast	2,700.0	270.0	1,110.0	1,030.0
Full-year change	200.0	20.0	70.0	70.0
Percentage change	8.0%	8.0%	6.7%	7.3%

Assumptions for the forecast of consolidated financial results:

Foreign Exchange Rate (for the third and fourth quarters) ¥143.00/US\$, (for the full year) ¥137.28/US\$
 Bunker Oil Price (for the third quarter) US\$784.00/MT, (for the fourth quarter) US\$746.50/MT,
 (for the full year) US\$801.85/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, 2023

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%.

In accordance with this basic policy, the interim dividend for the current fiscal year (ending March 31, 2023) has been increased by ¥50 per share from the previous forecast to ¥1,050 per share. Concerning the year-end dividend, following the 3-for-1 common stock split conducted with a record date of September 30, 2022 and effective date of October 1, 2022, it was planned to issue a dividend of ¥145 per share, but this dividend has been increased by ¥15 to ¥160 per share. Concerning the full-year dividend, it is not possible to simply add the interim and year-end dividend together due to the stock split, but based on the number of shares prior to the stock split, it is equivalent to a full-year dividend of ¥1,530 per share.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In million yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	233,019	136,359
Notes and operating accounts receivable- trade and contract assets	359,158	397,941
Inventories	57,029	67,487
Deferred and prepaid expenses	24,152	38,186
Other	94,937	97,948
Allowance for doubtful accounts	(3,433)	(3,098)
Total current assets	764,863	734,825
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	577,147	669,208
Buildings and structures, net	105,494	138,872
Aircraft, net	103,683	99,965
Machinery, equipment, and vehicles, net	27,548	30,514
Furniture and fixtures, net	5,979	6,707
Land	72,722	96,387
Construction in progress	65,834	113,116
Other, net	5,867	7,779
Total vessels, property, plant and equipment	964,277	1,162,552
Intangible assets		
Leasehold right	5,117	5,489
Software	6,135	7,419
Goodwill	8,711	7,853
Other	3,637	2,865
Total intangible assets	23,602	23,628
Investments and other assets		
Investment securities	1,146,438	1,826,840
Long-term loans receivable	27,503	30,115
Net defined benefit asset	85,644	85,194
Deferred tax assets	10,571	8,640
Other	62,099	72,156
Allowance for doubtful accounts	(5,236)	(6,075)
Total investments and other assets	1,327,019	2,016,873
Total non-current assets	2,314,899	3,203,054
Deferred assets	259	223
Total assets	3,080,023	3,938,103

(In million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	218,650	230,106
Current portion of bonds payable	30,000	10,000
Short-term loans payable	130,919	160,526
Leases liabilities	23,818	27,001
Income taxes payable	25,097	22,598
Contract liabilities	39,792	53,701
Provision for bonuses	23,188	15,983
Provision for directors' bonuses	517	485
Provision for stock payment	1,270	95
Provision for losses related to contracts	134	140
Other	79,895	105,229
Total current liabilities	573,282	625,867
Non-current liabilities		
Bonds payable	97,000	87,000
Long-term loans payable	447,069	485,689
Leases liabilities	79,493	81,770
Deferred tax liabilities	57,446	62,026
Net defined benefit liability	15,907	16,367
Provision for directors' retirement benefits	819	763
Provision for stock payment	—	31
Provision for periodic dry docking of vessels	16,347	16,418
Provision for losses related to contracts	18,074	17,172
Provision for related to business restructuring	407	322
Other	15,102	57,021
Total non-current liabilities	747,667	824,585
Total liabilities	1,320,949	1,450,453
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	44,314	44,323
Retained earnings	1,396,300	1,890,402
Treasury stock	(3,428)	(3,778)
Total shareholders' capital	1,581,506	2,075,266
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	32,136	32,543
Deferred gain (loss) on hedges	(15,452)	(4,574)
Foreign currency translation adjustments	85,785	310,680
Remeasurements of defined benefit plans	29,737	27,176
Total accumulated other comprehensive income (loss)	132,207	365,825
Non-controlling interests	45,359	46,558
Total equity	1,759,073	2,487,650
Total liabilities and equity	3,080,023	3,938,103

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

(In million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Revenues	1,051,381	1,365,878
Cost and expenses	847,555	1,100,184
Gross profit	203,826	265,693
Selling, general and administrative expenses	85,893	102,356
Operating profit	117,933	163,336
Non-operating income		
Interest income	993	1,783
Dividend income	4,277	9,033
Equity in earnings of unconsolidated subsidiaries and affiliates	295,152	572,610
Foreign exchange gains	2,381	20,049
Other	2,502	7,655
Total non-operating income	305,306	611,132
Non-operating expenses		
Interest expenses	6,671	7,226
Other	19,321	1,912
Total non-operating expenses	25,993	9,138
Recurring profit	397,246	765,329
Extraordinary income		
Gain on sales of non-current assets	8,806	3,678
Other	29,996	4,260
Total extraordinary income	38,802	7,938
Extraordinary losses		
Loss on sales of non-current assets	15	17
Impairment losses	144	18,810
Other	2,884	3,813
Total extraordinary losses	3,044	22,641
Profit before income taxes	433,004	750,627
Total income taxes	18,373	35,452
Profit	414,631	715,175
Profit attributable to non-controlling interests	3,311	9,116
Profit attributable to owners of parent	411,319	706,058

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	414,631	715,175
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	2,157	528
Deferred gain (loss) on hedges	483	(3,351)
Foreign currency translation adjustments	(3,599)	31,396
Remeasurements of defined benefit plans	(415)	(2,622)
Share of other comprehensive income of associates accounted for using equity method	21,099	209,685
Total other comprehensive income	19,724	235,637
Comprehensive income	434,355	950,812
(Breakdown)		
Comprehensive income attributable to owners of parent	431,669	939,676
Comprehensive income attributable to non-controlling interests	2,686	11,135

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net cash provided by (used in) operating activities		
Profit before income taxes	433,004	750,627
Depreciation and amortization	49,158	57,956
Impairment loss	144	18,810
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(8,649)	(3,431)
Loss (gain) on sales of short-term and long-term investment securities	(28,959)	(1,322)
Loss (gain) on valuation of short-term and long-term investment securities	8	—
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(295,152)	(572,610)
Interest and dividend income	(5,271)	(10,816)
Interest expenses	6,671	7,226
Foreign exchange losses (gains)	2,055	(11,137)
Decrease (increase) in notes and accounts receivable- trade and contract assets	(24,323)	(24,662)
Decrease (increase) in inventories	(4,736)	(9,995)
Increase (decrease) in notes and accounts payable - trade	(171)	2,023
Other, net	(15,757)	(14,535)
Subtotal	108,021	188,132
Interest and dividend income received	21,788	142,612
Interest expenses paid	(6,615)	(6,725)
Income taxes (paid) refund	(13,197)	(28,612)
Net cash provided by (used in) operating activities	109,996	295,407
Net cash provided by (used in) investing activities		
Purchase of vessels, property, plant and equipment and intangible assets	(38,098)	(109,907)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	19,942	8,263
Purchase of investment securities	(7,390)	(21,355)
Proceeds from sales and redemption of investment securities	1,038	7,431
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	4,278
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(1)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	35,772	2,900
Payments of loans receivable	(6,578)	(2,100)
Collection of loans receivable	4,358	3,499
Other, net	(3,386)	(35,460)
Net cash provided by (used in) investing activities	5,656	(142,450)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(33)	55,473
Proceeds from long-term loans payable	11,202	11,840
Repayments of long-term loans payable	(100,801)	(68,024)
Proceeds from issuance of bonds	19,892	—
Redemption of bonds	(25,000)	(30,000)
Repayments of leases liabilities	(10,506)	(11,545)
Proceeds from stock issuance to non-controlling shareholders	5,976	—
Purchase of treasury stock	(38)	(1,522)
Proceeds from sales of treasury stock	290	2,949
Cash dividends paid to shareholders	(30,520)	(211,935)
Cash dividends paid to non-controlling interests	(2,344)	(8,388)
Other, net	(3,843)	326
Net cash provided by (used in) financing activities	(135,726)	(260,827)
Effect of exchange rate change on cash and cash equivalents	(4,097)	10,688
Net increase (decrease) in cash and cash equivalents	(24,171)	(97,181)
Cash and cash equivalents at beginning of period	103,593	226,694
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	8	—
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	—	173
Cash and cash equivalents at end of period	79,430	129,686

(4) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The Second quarter of this fiscal year (April 1, 2022 – September 30, 2022)

Not applicable

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

The Second quarter of this fiscal year (April 1, 2022 – September 30, 2022)

Not applicable

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

(Adoption of the Accounting Standards Update 2016-02 "Leases")

At affiliates preparing their financial statements in accordance with US GAAP, the Accounting Standards Update (ASU) 2016-02 "Leases" has been adopted from the first quarter of the current consolidated fiscal year. Under this new policy, the lessee is required to record nearly all leases as assets and liabilities in the quarterly consolidated balance sheet.

As a result of adopting this accounting standard, the starting balances at the beginning of the first quarter of the current consolidated fiscal year have increased mainly by 19,889 million yen for Buildings and structures, 20,305 million yen for Land, 9,574 million yen for Other current liabilities and 31,074 million yen for Other non-current liabilities. The impact on retained earnings is minor.

Also, the impact on the quarterly consolidated statement of income through the Second quarter of the current consolidated fiscal year is minor.

(Adoption of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on June 17, 2021; hereinafter "Implementation Guidance for the Fair Value Measurement 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 27-2 of the Implementation Guidance for the Fair Value Measurement Accounting Standard, the new accounting policy set forth in the Implementation Guidance for the Fair Value Measurement Accounting Standard will be permanently adopted.

The adoption of this implementation guidance will have no impact on the quarterly consolidated financial statements.

(Segment Information)**I. Six months ended September 30, 2021 (April 1, 2021 – September 30, 2021)****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	91,723	84,477	376,283	456,805	2,358	39,733	1,051,381	-	1,051,381
(2) Inter-segment revenues	2,282	5,270	1,049	131	111	32,016	40,862	(40,862)	-
Total	94,005	89,748	377,332	456,937	2,469	71,749	1,092,243	(40,862)	1,051,381
Segment income (loss)	290,394	33,035	28,418	47,712	1,217	(1,748)	399,029	(1,782)	397,246

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 31 million yen and other corporate expenses -1,813 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. Six months ended September 30, 2022 (April 1, 2022 – September 30, 2022)**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	98,642	118,030	472,794	616,274	1,709	58,427	1,365,878	-	1,365,878
(2) Inter-segment revenues	2,634	5,872	1,698	141	20	66,793	77,162	(77,162)	-
Total	101,277	123,903	474,493	616,416	1,730	125,220	1,443,040	(77,162)	1,365,878
Segment income (loss)	567,034	44,099	37,165	119,427	835	75	768,637	(3,307)	765,329

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 19 million yen and other corporate expenses -3,327 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, 2023

(In million yen)

	Apr 1, 2022 – Jun 30, 2022 1Q	Jul 1, 2022 – Sep 30, 2022 2Q	Oct 1, 2022 – Dec 31, 2022 3Q	Jan 1, 2023 – Mar 31, 2023 4Q
Revenues	673,050	692,827		
Operating profit (loss)	89,174	74,162		
Recurring profit (loss)	377,726	387,603		
Profit (loss) attributable to owners of parent for the quarter	343,377	362,681		
Total assets	3,504,816	3,938,103		
Equity	2,028,845	2,487,650		

Year ended 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	604,816
Operating profit (loss)	53,000	64,932	80,059	70,946
Recurring profit (loss)	153,620	243,626	301,081	304,826
Profit (loss) attributable to owners of parent for the quarter	151,093	260,225	280,897	316,888
Total assets	2,238,803	2,395,332	2,723,315	3,080,023
Equity	805,345	1,074,175	1,347,791	1,759,073

(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

	Six months ended September 30, 2021	Six months ended September 30, 2022	Change	Year ended March 31, 2022
Average exchange rate during the period	¥109.90/US\$	¥131.56/US\$	Yen down ¥21.66/US\$	¥112.06/US\$
Exchange rate at the end of the period	¥111.92/US\$	¥144.81/US\$	Yen down ¥32.89/US\$	¥122.39/US\$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2022	Six months ended September 30, 2022	Change
Loans	577,988	646,215	68,227
Corporate bonds	127,000	97,000	(30,000)
Leases liabilities	103,311	108,772	5,460
Total	808,299	851,987	43,687