

# FY16/3 2<sup>nd</sup> Quarter Report

## October 2015



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# 1. Financial Highlights for FY16/3 2Q

➤ **Increase in revenues and profit** compared to FY15/3 2Q.

Weakness in container and dry bulker market was compensated by yen depreciation, lower bunker oil price, and cost reduction initiatives, improvement in non-shipping business, etc..

➤ **Compared to FY15/3 2Q,**

▪ **Global Logistics (Liner/Air Cargo/Logistics) : More revenues and profit**

- **Liner business : weakness in freight market (especially Europe trade) was compensated by cost reduction ,etc..**

- **Air Cargo business : improved due to increase in ex-Asia business.**

▪ **Bulk Shipping : Less revenues, less profit**

- **Dry bulker : Suffered from market depression.**

- **Tanker : Supported by strong spot rate and contract renewals with better terms.**

▪ **Operating Income : largely improved, Non-Operating Income : worsened**  
**Recurring Profit : improved**

▪ **Extraordinary Income and Loss(NET) : improved due to extraordinary gain from sale of Crystal Cruise LLC..**

➤ **Net Income : significant improvement due to delay of structural reform to FY16/3 2H. (initially planned in FY16/3 1H)**



# Summary of FY16/3 2nd Quarter Result

- Increase in revenues and profit compared to FY15/3 2Q, due to yen depreciation, lower bunker oil price, etc., in spite of weak container and dry bulker market.
- Net Income significantly improved due to extraordinary gain from sale of a U.S. based company.

(billion yen)	FY15/3							FY16/3			Year-on-year
	1Q	2Q	1H	3Q	4Q	2H	Full-Year	1Q	2Q	1H	
<b>Revenues</b>	<b>582.3</b>	<b>596.7</b>	<b>1,179.0</b>	<b>603.7</b>	<b>618.9</b>	<b>1,222.7</b>	<b>2,401.8</b>	<b>588.7</b>	<b>609.5</b>	<b>1,198.2</b>	<b>19.1</b>
<b>Operating Income</b>	<b>11.5</b>	<b>16.3</b>	<b>27.8</b>	<b>13.0</b>	<b>25.2</b>	<b>38.2</b>	<b>66.1</b>	<b>17.4</b>	<b>21.1</b>	<b>38.6</b>	<b>10.7</b>
<b>Recurring Profit</b>	<b>12.0</b>	<b>24.7</b>	<b>36.7</b>	<b>24.8</b>	<b>22.4</b>	<b>47.2</b>	<b>84.0</b>	<b>21.5</b>	<b>21.2</b>	<b>42.7</b>	<b>5.9</b>
<b>Net Income</b> attributable to owners of the parent company	<b>10.2</b>	<b>9.7</b>	<b>20.0</b>	<b>8.4</b>	<b>19.1</b>	<b>27.5</b>	<b>47.5</b>	<b>43.0</b>	<b>11.7</b>	<b>54.7</b>	<b>34.7</b>

**Exchange Rate**    ¥102.40   ¥102.65   ¥102.52   ¥112.34   ¥119.36   ¥115.85   ¥109.19   ¥120.97   ¥122.56   ¥121.76   ¥19.24

**Bunker Oil Price**   \$616.36   \$610.64   \$613.50   \$574.02   \$428.10   \$501.06   \$557.28   \$357.71   \$349.69   \$353.70   -\$259.80

## FY15/3 2Q vs FY16/3 2Q by Industrial Segments

	Industrial Segments (billion yen)	FY15/3							FY16/3			Year-on-year
		1Q	2Q	1H	3Q	4Q	2H	Full-year	1Q	2Q	1H	
Global Logistics	Liner	166.8 -0.1	177.2 5.1	344.0 4.9	171.3 1.0	180.9 3.7	352.2 4.8	696.3 9.8	184.1 3.9	194.0 3.8	378.2 7.8	34.2 2.9
	Air Cargo	22.3 -2.2	24.0 -1.1	46.3 -3.3	26.8 2.0	25.9 1.9	52.7 4.0	99.1 0.6	24.6 0.8	24.2 0.1	48.9 0.9	2.6 4.3
	Logistics	109.8 1.4	116.7 2.8	226.5 4.2	127.2 3.0	133.1 3.4	260.3 6.5	486.9 10.7	123.4 2.3	126.0 3.7	249.5 6.0	22.9 1.7
	Total	299.0 -1.0	317.9 6.8	616.9 5.8	325.4 6.2	340.0 9.2	665.4 15.4	1,282.3 21.3	332.3 7.1	344.3 7.7	676.7 14.8	59.8 9.0
Bulk Shipping	Bulk Shipping	252.5	245.4	497.9	249.2	248.7	497.9	995.8	237.5	245.6	483.1	-14.7
		11.9	15.5	27.4	18.1	14.4	32.6	60.0	14.4	12.8	27.2	-0.2
Others	Real Estate	2.4 0.9	2.4 0.8	4.8 1.8	2.3 0.8	2.3 0.6	4.6 1.4	9.5 3.2	2.3 0.7	2.5 0.9	4.8 1.7	0.0 0.0
	Other	57.0 0.5	58.2 1.9	115.3 2.4	52.8 0.1	52.0 -1.0	104.9 -0.9	220.4 1.5	37.8 -0.1	38.6 0.2	76.5 0.0	-38.8 -2.3
	Elimination/ Unallocation	-28.6 -0.4	-27.2 -0.4	-55.8 -0.8	-26.0 -0.4	-24.1 -0.8	-50.1 -1.2	-106.3 -2.1	-21.3 -0.5	-21.6 -0.6	-42.9 -1.1	12.9 -0.3
	Consolidated	582.3 12.0	596.7 24.7	1,179.0 36.7	603.7 24.8	618.9 22.4	1,222.7 47.2	2,401.8 84.0	588.7 21.5	609.5 21.2	1,198.2 42.7	19.1 5.9

★ (Upper) Revenues (Lower) Recurring Profit

\* From FY16/3, previous "Cruises" segment is merged with "Other" segment due to sale of Crystal Cruises, Inc.

- Liner business remained black and improved due to lower bunker oil price and cost reduction initiatives even though freight rate market especially for Europe trade dropped due to spreading supply-demand gap.
- Bulk Shipping maintained similar profit level due to strong tanker market covering weakness in dry bulker market.



## Analysis of Change in Recurring Profit between FY15/3 1H and FY16/3 1H

Contribution from yen depreciation, lower bunker oil prices, and cost reduction was larger than the loss from weakness in container and dry bulker market.

(billion yen)

<b>Yen Depreciation</b>	<b>13.5</b>	¥ 121.76/\$, Depreciated by ¥ 19.24
<b>Lower Bunker Oil Price</b>	<b>13.0</b>	\$353.7/MT, Decreased by \$259.8
<b>Market Effects etc</b>	<b>-24.6</b>	
<b>Cost Reduction</b>	<b>7.2</b>	
<b>Foreign Exchange Gain/Loss</b>	<b>-4.3</b>	
<b>Others</b>	<b>1.1</b>	
<b>Total</b>	<b>5.9</b>	

## 2. Forecast for FY16/3

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- **Profit from business with stable freight rate was secured in line with the initial plan however, due to further weakening of container and dry bulker market,**

### **Adjusted Recurring Profit and Net Income downward from previous forecast.**

- Liner : further weakening of freight rate market particularly in Europe trade.
- Bulk Shipping : pessimistic view prevailing in the dry bulker market is delaying recovery of shipping market.

- **Assume extraordinary loss from structural reform.**

- **Revised cash dividend forecast in line with downward adjustment of Net Income projection.**

**Annual dividend forecast of ¥7/share**

**(¥4/share for interim and ¥3/share for year-end).**

- **Assumption for exchange rate, bunker oil price and sensitivity on Recurring Profit (2H).**
  - Exchange rate ¥120/\$ : ¥ 1.1 billion (Full-year) increase per ¥1/\$ depreciation.
  - Bunker oil price \$270/MT : ¥ 1.3billion (Full-year) increase per \$10/MT decrease.

# Forecast for FY16/3

**Downward adjustment in line with revised market assumption for 2H.**

(billion yen)	FY15/3(Result)					FY16/3 (Forecast)				Year-on-year	Change from previous forecast
	1H		2H		Full-year	1H(Result)		2H	Full-year		
	1Q	2Q	3Q	4Q		1Q	2Q				
Revenues	1,179.0		1,222.7		2,401.8	1,198.2		1,171.8	2,370.0	-31.8	-30.0
	582.3	596.7	603.7	618.9		588.7	609.5			-1%	-1%
Operating Income	27.8		38.2		66.1	38.6		36.4	75.0	8.8	-9.0
	11.5	16.3	13.0	25.2		17.4	21.1			13%	-11%
Recurring Profit	36.7		47.2		84.0	42.7		37.3	80.0	-4.0	-10.0
	12.0	24.7	24.8	22.4		21.5	21.2			-5%	-11%
Net Income attributable to owners of the parent company	20.0		27.5		47.5	54.7		-7.7	47.0	-0.5	-8.0
	10.2	9.7	8.4	19.1		43.0	11.7			-1%	-15%

Exchange Rate	\$102.40	¥102.65	¥112.34	¥119.36	¥109.19	¥120.97	¥122.56	¥120.00	¥120.88	¥11.69
Bunker Oil Price	¥616.36	\$610.64	\$574.02	\$428.10	\$557.28	\$357.71	\$349.69	\$270.00	\$311.85	-\$245.43

- Sensitivity on Recurring Profit
  - Exchange rate : ¥ 1.1 billion (Full-year) increase per ¥1/\$ depreciation.
  - Bunker oil price : ¥ 1.3billion (Full-year) increase per \$10/MT decrease.
- FY16/3 cash dividend forecast :Annual dividend of ¥7/share (¥4/share for interim and ¥3/share for year-end).



## FY15/3 Results vs FY16/3 Revised Forecast by Industrial Segments

	Industrial Segment (billion yen)	FY15/3(Result)					FY16/3(Forecast)					Change Full-year
		1Q	2Q	1H	2H	Full-year	1Q	2Q	1H	2H	Full-year	
									(Result)			
Global Logistics	Liner	166.8	177.2	344.0	352.2	696.3	184.1	194.0	378.2	361.8	740.0	43.7
		-0.1	5.1	4.9	4.8	9.8	3.9	3.8	7.8	7.7	15.5	5.7
	Air Cargo	22.3	24.0	46.3	52.7	99.1	24.6	24.2	48.9	47.1	96.0	-3.1
		-2.2	-1.1	-3.3	4.0	0.6	0.8	0.1	0.9	1.1	2.0	1.4
Logistics	109.8	116.7	226.5	260.3	486.9	123.4	126.0	249.5	270.5	520.0	33.1	
	1.4	2.8	4.2	6.5	10.7	2.3	3.7	6.0	6.0	12.0	1.3	
Total	299.0	317.9	616.9	665.4	1,282.3	332.3	344.3	676.7	679.3	1,356.0	73.7	
	-1.0	6.8	5.8	15.4	21.3	7.1	7.7	14.8	14.7	29.5	8.2	
Bulk Shipping	Bulk Shipping	252.5	245.4	497.9	497.9	995.8	237.5	245.6	483.1	466.9	950.0	-45.8
		11.9	15.5	27.4	32.6	60.0	14.4	12.8	27.2	22.8	50.0	-10.0
Others	Real Estate	2.4	2.4	4.8	4.6	9.5	2.3	2.5	4.8	5.2	10.0	0.5
		0.9	0.8	1.8	1.4	3.2	0.7	0.9	1.7	1.3	3.0	-0.2
	Other	57.0	58.2	115.3	104.9	220.4	37.8	38.6	76.5	74.5	151.0	-69.4
		0.5	1.9	2.4	-0.9	1.5	-0.1	0.2	0.0	0.0	0.0	-1.5
Elimination/ Unallocation	-28.6	-27.2	-55.8	-50.1	-106.3	-21.3	-21.6	-42.9	-54.1	-97.0	9.3	
	-0.4	-0.4	-0.8	-1.2	-2.1	-0.5	-0.6	-1.1	-1.4	-2.5	-0.4	
Consolidated	582.3	596.7	1,179.0	1,222.7	2,401.8	588.7	609.5	1,198.2	1,171.8	2,370.0	-31.8	
	12.0	24.7	36.7	47.2	84.0	21.5	21.2	42.7	37.3	80.0	-4.0	

- Liner business : Weak market condition continues however, cost reduction initiatives and lower bunker oil price should improve the bottom line.
- Overall, Recurring Profit will decrease by 4.0 billion yen due to continued weakness in dry bulker market.



## FY16/3 Previous forecast vs Revised Forecast by Industrial Segments

	Industrial Segment (billion yen)	Previous Forecast			Revised Forecast			Change		
		1H	2H	Full-year	1H	2H	Full-year	1H	2H	Full-year
<b>Global Logistics</b>	<b>Liner</b>	370.0	384.0	754.0	378.2	361.8	740.0	8.2	-22.2	-14.0
		9.4	11.1	20.5	7.8	7.7	15.5	-1.5	-3.4	-5.0
	<b>Air Cargo</b>	48.8	47.2	96.0	48.9	47.1	96.0	0.1	-0.1	0.0
		0.8	1.2	2.0	0.9	1.1	2.0	0.1	-0.1	0.0
<b>Logistics</b>	256.1	265.4	521.5	249.5	270.5	520.0	-6.5	5.1	-1.5	
	5.2	6.8	12.0	6.0	6.0	12.0	0.8	-0.8	0.0	
<b>Total</b>	675.1	696.4	1,371.5	676.7	679.3	1,356.0	1.6	-17.1	-15.5	
	15.5	19.0	34.5	14.8	14.7	29.5	-0.6	-4.3	-5.0	
<b>Bulk Shipping</b>	<b>Bulk Shipping</b>	479.4	472.1	951.5	483.1	466.9	950.0	3.7	-5.2	-1.5
		28.3	25.2	53.5	27.2	22.8	50.0	-1.0	-2.4	-3.5
<b>Others</b>	<b>Real Estate</b>	4.8	5.2	10.0	4.8	5.2	10.0	0.0	0.0	0.0
		1.6	1.4	3.0	1.7	1.3	3.0	0.1	-0.1	0.0
	<b>Other</b>	82.3	87.7	170.0	76.5	74.5	151.0	-5.7	-13.2	-19.0
		0.8	0.2	1.0	0.0	0.0	0.0	-0.7	-0.2	-1.0
<b>Elimination/Unallocation</b>	-41.7	-61.3	-103.0	-42.9	-54.1	-97.0	-1.2	7.2	6.0	
	-0.6	-1.4	-2.0	-1.1	-1.4	-2.5	-0.5	0.0	-0.5	
<b>Consolidated</b>	1,200.0	1,200.0	2,400.0	1,198.2	1,171.8	2,370.0	-1.7	-28.2	-30.0	
	45.5	44.5	90.0	42.7	37.3	80.0	-2.7	-7.2	-10.0	

\* (Upper) Revenues (Lower) Recurring Profit

- **Liner** : downward adjustment of freight rate level and liftings in Europe trade
- **Bulk Shipping** : downward adjustment of dry bulker market assumption



## 3. Overview of Each Industrial Segment

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### 【Liner business】

- **North America Trade** : Expect strong cargo movement to continue 2H onward.  
Maintained freight rate, and increased liftings assumptions compared to previous forecast.
- **Europe Trade** : Due to spreading cargo vs space gap, 1H spot rate fell sharply.  
Lowered freight rate level and liftings assumptions from previous forecast however, we expect better utilization due to implementation of winter program.
- **Cost reduction initiatives** : Match-back ratio and variable cost per unit is steadily improving.

### 【Air Cargo business】

- **Basically in line.** Usual peak season is expected in 3Q.

### 【Bulk Shipping business】

- **Dry bulk division** :  
We see some improvement in supply vs demand gap due to scrapping and cancellation of new buildings however, we don't see significant effect in market sentiment. Therefore, we further adjusted our market assumptions downward.
- **Liquid division** :  
Tanker market remains strong, longer transport distance due to diversified cargo source being one of the reason. We are also seeing improvements in VLCC contract terms upon renewal.

## 1. Liner(Container Transportation):

### Container Lifting, Slot (1,000TEU)

		FY15/3(Result)					FY16/3(Forecast)					Change from previous forecast (Full-year)
		1Q	2Q	3Q	4Q	Full-year	1Q (Result)	2Q (Result)	3Q	4Q	Full-year	
Asia→North America	Lifting	180	198	179	160	718	189	213	203	194	800	6
	Slot	202	213	193	166	774	203	227	211	203	845	11
	Utilizaion	89%	93%	93%	96%	93%	93%	94%	96%	95%	95%	0%
Asia→Europe	Lifting	148	150	141	135	574	124	140	121	118	503	-54
	Slot	153	158	150	144	605	146	143	123	120	532	-63
	Utilizaion	97%	95%	94%	94%	95%	85%	98%	99%	98%	95%	1%

### Trend of Container Freight Rate (Index, FY09/3 1Q=100)

		FY15/3(Result)					FY16/3(Forecast)					Change from previous forecast (Full-year)
		1Q	2Q	3Q	4Q	Full-year	1Q (Result)	2Q (Result)	3Q	4Q	Full-year	
Asia→North America		91	91	89	94	91	89	87	87	90	88	-1
Asia→Europe		72	74	66	69	70	58	54	54	60	57	-4

- **Liftings** : For North America trade, expect strong liftings to continue for the rest of the year. For Europe trade, adjusted downward in line with reduced space due to implementation of winter program.
- **Freight Rates** : Slightly weak but stable in North America trade. In Europe trade, expect some recovery in 4Q as a result of rate restoration initiatives starting November.

## 2. Air Cargo Transportation (NCA)

	FY15/3 (Result)					FY16/3 (Forecast)				Change from previous forecast
	1H		2H		Full-year	1H(Result)		2H	Full-Year	
	1Q	2Q	3Q	4Q		1Q	2Q			
<b>Revenues</b> billion yen	46.3		52.7		99.1	48.9		47.1	96.0	0
	22.3	24.0	26.8	25.9		24.6	24.2			
<b>Recurring Profit</b> billion yen	-3.3		4.0		0.6	0.9		1.1	2.0	0
	-2.2	-1.1	2.0	1.9		0.8	0.1			
<b>Chargeable Weight</b> 1,000 ton	233		237		470	244		236	481	-4
	115	118	119	118		122	122			
<b>Volume (RTK)</b> Mil.ton kilo	1,410		1,485		2,895	1,513		1,483	2,996	-6
	690	720	736	749		761	752			
<b>Capacity (ATK)</b> Mil.ton kilo	1,984		2,004		3,988	2,135		2,022	4,158	99
	975	1,009	1,017	987		1,048	1,087			
<b>YIELD</b> FY09/3 1Q=100	94		103		98	92		93	93	2
	93	94	105	101		94	91			
<b>MOPS</b> US\$ per bbl	\$118		\$80		\$99	\$68		\$70	\$69	-\$2
	\$120	\$116	\$90	\$69		\$75	\$61			

- During 1H, drop in ex-Japan cargo volume was compensated by increased ex-Asia liftings and charter business. Significant improvement in profitability compared to previous year.

## 3. Logistics Segment

(billion yen)	FY15/3 (Result)					FY16/3 (Forecast)				Change from previous forecast (Full-year)
	1H		2H		Full-Year	1H(Result)		2H	Full-Year	
	1Q	2Q	3Q	4Q		1Q	2Q			
Revenues	226.5		260.3		486.9	249.5		270.5	520.0	-1.5
	109.8	116.7	127.2	133.1		123.4	126.0			
Recurring Profit	4.2		6.5		10.7	6.0		6.0	12.0	0.0
	1.4	2.8	3.0	3.4		2.3	3.7			

- Air freight forwarding volume was strong from non-Japan origins.
- Ocean freight forwarding volume increased.
- Logistics business also remained stable.
- As a result, no change in Recurring Profit projection from previous forecast.

# Bulk Shipping business

## 4. Bulk Shipping – 1) Market trend and forecast:

		FY15/3(Result)					FY16/3(Forecast)					Previous Forecast (Full-year)
		1Q	2Q	3Q	4Q	Full-Year	1Q (Result)	2Q (Result)	3Q	4Q	Full-Year	
Dry Bulk Carrier	B D I	983	950	1,120	614	917	632	974	1,002	760	842	1,024
	Cape (4TC)	11,884	12,665	14,148	4,610	10,827	4,551	11,579	14,000	8,000	9,533	12,138
	Panamax (Pac)	6,834	5,218	8,752	4,535	6,335	4,650	6,601	6,500	6,000	5,938	6,663
	Handymax (Pac)	9,022	8,639	8,928	5,980	8,142	6,058	6,700	7,500	6,500	6,690	7,515
	Handy (Pac)	8,083	6,405	7,003	5,527	6,755	4,618	4,838	5,500	5,500	5,114	6,030
Tanker	VLCC	14,050	21,497	48,792	56,493	35,208	62,411	54,951	40,000	35,000	48,091	44,353

\* Spot charterage by vessel type 4TC = average of 4 routes, Pac = Pacific-round, Currency Unit = US\$ / day

### 【Dry Bulk Carriers】

- Historically-weak market in 1H has prompted scrapping and supply vs demand gap was narrowed down to some extent however, depressed Chinese economy is slowing down market recovery.
- Adjusted downward our market assumptions.

### 【Tankers】

- Market remains strong however, expect some slow down in 2H.

# Bulk Shipping business

## 4. Bulk Shipping –2) Car Carrier :

### Car Transportation Result/Forecast(1,000Cars)

	FY15/3(Result)					FY16/3 (Forecast)					Change from previous forecast (Full-year)
	1H		2H		Full-year	1H		2H		Full-year	
	1Q	2Q	3Q	4Q		1Q (Result)	2Q (Result)	3Q	4Q		
All Trade (1,000cars)	1,840		1,820		3,650	1,880		1,820		3,700	0
	930	900	930	890		940	940	900	920		
Change	1%		3%		2%	3%		0%		1%	0%
	6%	-4%	-1%	7%		1%	5%	-3%	3%		

- During 1H, we managed to carry 40,000 extra cars compared to same period previous year due to very strong car sales in North America.
- Maintain previous forecast of 3.7 million cars for this year.



## 4. Financial Position

		FY14/3 (Result)	FY15/3 (Result)	FY15/9 (Result)	FY16/3 (Forecast)	FY16/3 (Previous Forecast)
Interest-bearing debt	billion yen	1,241.9	1,098.3	1,064.4	1,000.0	1,000.0
Shareholders' equity	billion yen	720.2	810.3	841.0	830.0	840.0
Shareholders' equity ratio		28%	32%	34%	33%	33%
DER		1.72	1.36	1.27	1.20	1.19
ROE		4.8%	6.2%	-	5.7%	6.7%
Cash flow from operating activities	billion yen	136.5	136.4	70.8	140.0	140.0
Cash flow from investing activities	billion yen	6.4	26.7	-23.9	-100.0	-120.0
(Depreciation and amortization)	billion yen	(105.9)	(101.0)	(51.8)	(100.0)	(100.0)

- Satisfactory progress in reduction of interest-bearing debt. Maintain FY16/3 year end target of 1 trillion yen.
- Steady improvement in shareholder's equity ratio and DER.
- Decreased cash flow from investing activities due to delay of planned projects, etc. will result in increase of free cash flow.

## 5. Fleet in Operation

Industrial Segment	Type of vessel	FY15/3 (Result)						FY15/9 (Result)					
		Owned (incl. co-owned)		Chartered		Total		Owned (incl. co-owned)		Chartered		Total	
		Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)	Vessels	DWT (1000Kt)
Liner	Container ships (incl. semi-container ships)	20	1,219	84	4,772	104	5,991	19	1,140	86	5,148	105	6,289
Bulk Shipping	Bulk carriers (capesize)	36	6,806	87	17,054	123	23,861	34	6,514	80	15,763	114	22,277
	Bulk carriers (panamax)	42	3,696	71	5,846	113	9,542	40	3,554	69	5,647	109	9,202
	Bulk carriers (handysize)	67	3,010	105	4,838	172	7,848	63	2,880	98	4,462	161	7,343
	Wood chip carriers	8	416	40	2,141	48	2,558	8	416	39	2,092	47	2,509
	Car carriers	28	477	95	1,738	123	2,215	29	434	90	1,659	119	2,093
	Tankers	47	8,107	21	3,206	68	11,313	45	7,778	22	3,196	67	10,975
	LNG carriers	27	2,015	3	228	30	2,243	26	1,948	3	228	29	2,176
	Multi-purpose carriers	15	302	32	455	47	758	15	302	27	397	42	700
	Others	1	7	0	0	1	7	1	7	0	0	1	7
Cruises	Cruise ships	1	7	2	14	3	21	1	7	0	0	1	7
<b>Total</b>		292	26,067	540	40,295	832	66,363	281	24,980	514	38,592	795	63,583

-Co-owned ships's dwt is including not only NYK Group companies' ownership but also other non-affiliated

-The number of owned LNG Carriers including equity method affiliates are 69 as of FY15/3, 68 as of FY15/9.

-Capesize: Over 120,000DWT  
 -Panamax: 60,000-119,999DWT  
 -Handysize: Under 60,000DWT



## 6. Progress of basic strategy MTS2018

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### 1) Recurring profit from business with stable freight rate

: Approx. ¥110 billion already secured

### 2) Asset light strategy in volatile business :

Dry bulkers	2015/03/31	2015/09/30	
	408 vessels	384 vessels	(-24 vessels)

### 3) LNG and offshore investment:

slightly delayed but almost in line with original plan

### 4) Unrivalled competitiveness beyond traditional shipping:

Automotive logistics business is expanding at steady pace.

<New projects announced in FY2015>

- India : first finished car shipment from NYK RORO terminal in Pipavav port
- Saudi Arabia : car terminal operation at King Abdullah port
- Columbia : finished car transportation business