Consolidated Financial Results for Nine Months Ended December 31, 2019
(Japanese GAAP) (Unaudited)

January 31, 2020

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code:	9101
Listings:	The First Section of Tokyo and Nagoya Stock Exchanges
URL:	https://www.nyk.com/english/
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Submit scheduled date of Quarterly Financial Report	February 13, 2020
Start scheduled date of paying Dividends	-
Preparation of Supplementary Explanation Material:	Yes
Financial Results Presentation Held:	Yes (for Analysts and Institutional Investors)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(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, 2019	1,253,259	-9.5	32,469	611.3	38,486	-	18,739	-
Nine months ended December 31, 2018	1,384,620	-15.1	4,564	-81.6	(3,389)	-	(8,715)	-

(Note) Comprehensive income:
Nine Months ended December 31, 2019: ¥4,103 million (-%), Nine Months ended December 31, 2018: ¥-23,446 million (-%)

	Profit per share	Profit per share–fully diluted
	yen	yen
Nine months ended December 31, 2019	110.99	-
Nine months ended December 31, 2018	(51.67)	-

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of December 31, 2019	2,047,906	515,266	23.4
As of March 31, 2019	2,001,704	521,725	24.4

(Reference) Shareholders' equity: As of December 31, 2019: ¥ 478,283 million, As of March 31, 2019: ¥ 487,432 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 ended March 31, 2019	-	10.00	-	10.00	20.00
Year ending March 31, 2020	-	20.00	-		
Year ending March 31, 2020 (Forecast)				20.00	40.00

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

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(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, 2020	1,660,000	-9.3	37,000	233.8	40,000	-	29,000	-	171.77

(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, 2019	170,055,098	As of March 31, 2019	170,055,098
2. Number of treasury stock	As of December 31, 2019	1,223,611	As of March 31, 2019	1,349,732
3. Average number of shares (cumulative quarterly period)	Nine months ended December 31, 2019	168,831,532	Nine months ended December 31, 2018	168,690,926

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

*Assumption for the forecast of consolidated financial results and other particular issues
Foreign exchange rate: (for the fourth quarter) ¥105.00/US$, (full year) ¥108.04/US$
Bunker oil price: (for the fourth quarter) US$350.00/MT, (full year) US$412.60/MT
VLSFO price: (for the fourth quarter) US$600.00/MT
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/2019/)

Index of the Attachments

1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

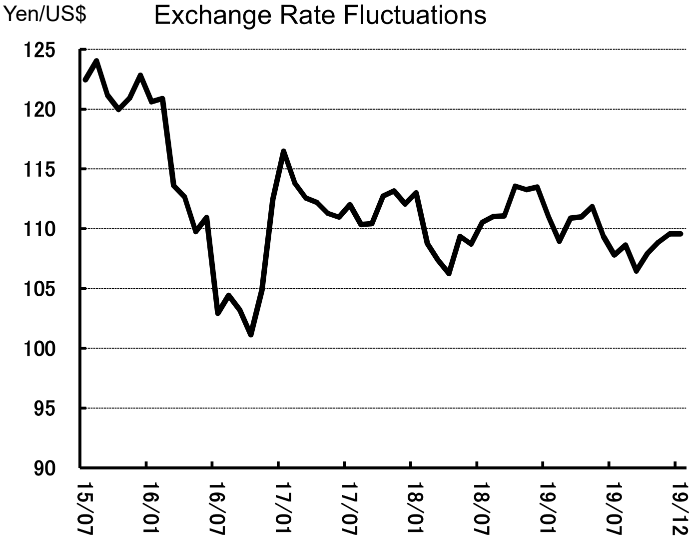
（In billion yen）

	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	Percentage Change
Revenues	1,384.6	1,253.2	-131.3	-9.5%
Operating Profit	4.5	32.4	27.9	611.3%
Recurring Profit	(3.3)	38.4	41.8	-
Profit attributable to owners of parent	(8.7)	18.7	27.4	-

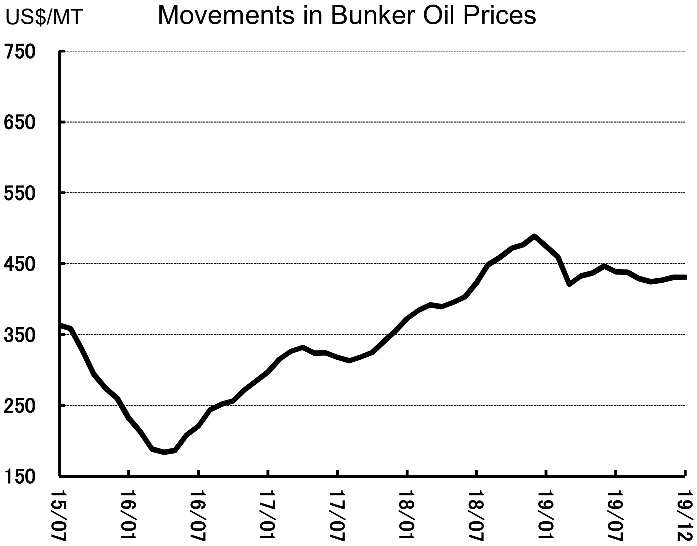
In the nine-month period of the fiscal year ending March 31, 2020 (April 1, 2019, to December 31, 2019), consolidated revenues amounted to ¥1,253.2 billion (decreased ¥131.3 billion in the same period of the previous fiscal year), operating profit amounted to ¥32.4 billion (increased ¥27.9 billion in the same period of the previous fiscal year), recurring profit amounted to ¥38.4 billion (increased ¥41.8 billion in the same period of the previous fiscal year), profit attributable to owners of parent amounted to ¥18.7 billion (increased ¥27.4 billion in the same period of the previous fiscal year).

Changes in the average exchange rate between the U.S. dollar and yen as well as the average bunker oil price during the three quarters of the current and previous fiscal years are shown in the following tables.

	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change
Average exchange rate	¥110.80/US$	¥109.05/US$	Yen up ¥1.75/US$
Average bunker oil prices	US439.40/MT	US$433.29/MT	Price down US$6.11MT



Period：2015/07 ～ 2019/12



Period：2015/07 ～ 2019/12

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, 2019 (April 1, 2019–December 31, 2019) is as follows.

(In billion yen)

		Revenues				Recurring profit		
		FY2018 3Q	FY2019 3Q	Change	Percentage Change	FY2018 3Q	FY2019 3Q	Change
Global Logistics	Liner Trade	218.1	154.7	-63.3	-29.0 %	(24.7)	13.4	38.1
	Air Cargo Transportation	42.2	56.6	14.4	34.2 %	(12.2)	(13.4)	-1.2
	Logistics	403.0	360.2	-42.8	-10.6 %	7.1	4.3	-2.7
Bulk Shipping		633.1	611.0	-22.1	-3.5 %	26.5	34.8	8.2
Others	Real Estate	5.7	5.4	-0.2	-3.9 %	2.0	1.9	-0.1
	Other	140.3	121.6	-18.7	-13.3 %	2.5	2.5	-0.0

Liner Trade

In the container shipping division, Ocean Network Express Pte. Ltd. (ONE), which is an equity method affiliate, maintained steady overall liftings and utilization, and the liftings particularly increased on the major North America and Europe trades, as well as the Intra-Asia trade. However, in the third quarter, liftings stagnated as a result of seasonally slower demand and the impact of the trade problem between the US and China. Although freight rates were higher in the first and second quarters compared to the same period of the previous fiscal year in the North America trade, in the Europe trade, due to deterioration in the supply and demand balance, freight rates did not rise during the summer peak season and were sluggish. In the third quarter, freight rates deteriorated in both the North America and Europe trades compared to the same period of the previous fiscal year. On the other hand, with the aim of improving profitability, synergistic effects of the business integration were further accumulated and improvement measures such as optimizing the cargo portfolio continued to be executed. Also, in the previous fiscal year, large one-time costs were incurred following the teething problems that occurred immediately after the start of service and the termination of the container shipping business at NYK Line. However, these costs have not occurred in the year to date through the third quarter of the consolidated fiscal year, and as a result, the bottom line greatly improved.

Although the total handling volume at terminals in Japan increased, the total handling volume at overseas terminals declined due to the impact of the sale of the equity share in the stevedoring subsidiary located in North America in the previous fiscal year.

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

Air Cargo Transportation

In the Air Cargo Transportation segment, as a result of continued lower demand resulting from mainly the impact of the trade problem between the US and China, the load factor and freight rates fell, and a loss was recorded. Moreover, given that the air cargo market conditions remain difficult much more than expected, we have reviewed the future recoverability of the non-current asset including the airframes, spare engines and parts. As a result, an extraordinary loss of about ¥15.7 billion was recorded as an impairment loss in the third quarter.

Logistics

In the air forwarding business, demand was slow in Japan and Asia, and handling volumes fell. In the ocean freight forwarding business, the cargo portfolio was revised through agile marketing, but handling volumes dropped significantly in relation to the trade problem between the US and China and the chaos in Hong Kong. In the logistics business, the results were generally strong, including progress in the initiatives aimed at improving profitability in Europe and the US. In the coastal transportation business, although the handling volume increased due in part to the establishment of new services, shipping volumes fell in the third quarter as the result of increased service cancellations due to inclement weather.

As a result of the above, the overall Logistics segment recorded lower profit on lower revenue year on year.

Bulk Shipping

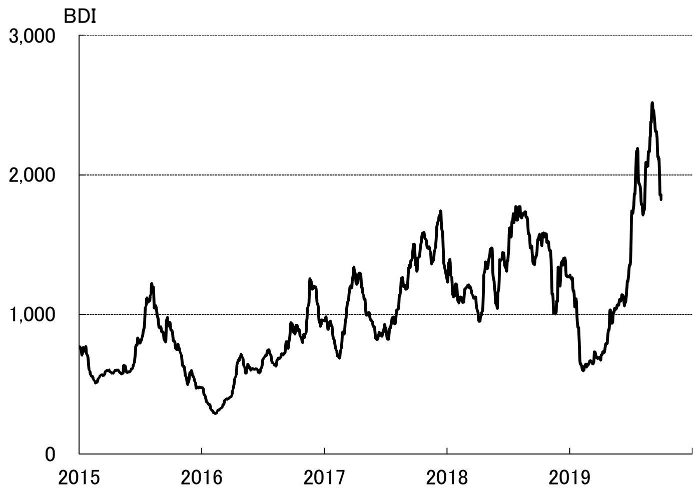
In the car transportation division, vessel deployment was rationalized mainly in trilateral transport and initiatives aimed at selective cargo acquisition were advanced, resulting in increased transportation efficiency. In the auto logistics segment, along with rationalizing some of the existing businesses and starting to reorganize the business portfolio, new businesses were launched in Turkey and Egypt. Also, activities were conducted with the aim of both strengthening the business base and expanding the business in growing fields, including new logistics proposals utilizing the group network such as railroad transportation between China and Central Asia.

In the dry bulk division, although more new ships were commissioned than the number of ships scrapped, the increased dry dockings primarily of Capesize bulk carriers in preparation for the environmental regulations which have been in effect from January 2020 resulted in a tighter supply. Cargo volumes of iron ore started to recover from the supply disruptions that occurred in Brazil and Western Australia at the end of the previous fiscal year. Although cargo volumes of coal and grain were firm through the end of the second quarter, cargo volumes of the major cargo slackened, including slower shipments of iron ore from Brazil caused by the early arrival of the wet season in Brazil, and market levels fell. Under this environment, along with continuing to work to secure long-term contracts, cost reduction initiatives such as thoroughly conducting efficient navigation were implemented, and efforts were made to improve the bottom line, including the reduction of ballast voyages through innovations to the cargo combinations and ship deployments. In addition, progress was made in returning the high cost chartered ships early.

In the energy division, the risk of deploying vessels to the Middle East increased for VLCC (very large crude carriers), including the attacks on tankers near the Strait of Hormuz in May and June and the drone attack on Saudi Arabian oil facilities in September. From the end of September to the middle of October, World Scale rates briefly soared over 200 following the US sanctions on several Chinese tanker companies before settling down. However, rates rose again in late November as the market entered the winter peak demand season. In petrochemical tankers, shipping traffic became more active. In LPG carriers, in addition to more active shipping volumes from the US to Asia, the ton-miles increased due to changes in the trade patterns resulting from the trade problem between the US and China, and market levels were pushed much higher. In LNG carriers, the bottom line was firm based on support from the long-term contracts that generate stable earnings. In the offshore business, FPSO (floating production, storage and offloading) vessels and drill ships were steady.

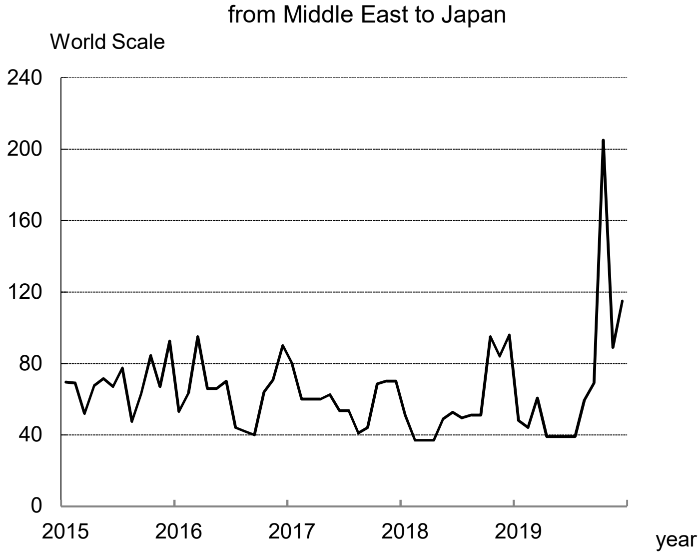
As a result of the above, the overall Bulk Shipping segment recorded higher profit on lower revenue year on year.

Fluctuation in Tramper Freight Rate in B.D.I



Period：2015/01 ～ 2019/12

Tanker Freight Rates (high) for VLCCs from Middle East to Japan



Period：2015/01 ～ 2019/12

Real Estate and Other Businesses

The Real Estate segment was steady, and both revenue and recurring profit were generally unchanged year on year. Also, a gain on the sale of owned property (land and buildings) was recorded as extraordinary income.

In the Other Business Service segment, although several of the businesses including the bunkering business and sales of marine equipment were firm, the passenger occupancy rates in the cruise business declined year on year. Profit levels in the Other Business Services segment as a whole were unchanged from the same period of the previous fiscal year. In regards to revenue, due to the impact of the conversion of NYK CRUISES CO., LTD. into an equity method affiliate, revenue declined year on year.

(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 ¥2,047.9 billion, an increase of ¥46.2 billion compared with the end of the previous consolidated fiscal year. Consolidated liabilities amounted to ¥1,532.6 billion, up ¥52.6 billion compared with the end of the previous consolidated fiscal year as the result of a ¥12.8 billion decrease in loans payable and an ¥87.3 billion increase in leases liabilities at the start of the year from the application of IFRS 16 at consolidated subsidiaries that have adopted the International Financial Reporting Standards (IFRS). Under consolidated equity, retained earnings increased by ¥5.9 billion, and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥478.2 billion. This amount combined with the non-controlling interests of ¥36.9 billion brought total equity to ¥515.2 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 2.36.

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

① Forecast of the Consolidated Financial Results

NYK Line's forecast of the full-year consolidated financial results is as follows: revenues of ¥1,660.0 billion, operating profit of ¥37.0 billion, recurring profit of ¥40.0 billion and profit attributable to owners of parent of ¥29.0 billion.

Concerning the future outlook, in the Liner Trade segment, although ONE expects the cargo volumes are expected to be soft mainly in the North America trade due to the impact of the trade problem between the US and China and the Chinese New Year, ONE plans to respond to the lower demand by intermittently void sailings, and efforts will be made to reduce operating costs. Cargo handling volumes at the terminals in Japan are expected to remain strong. In the Air Cargo Transportation segment, the transportation demand continues to be weak against the backdrop of the trade problem between the US and China, and the situation is expected to remain challenging. Similarly, in the Logistics segment, the cargo handling volumes in both the air freight forwarding business and ocean freight forwarding business are expected to decline. In the car transportation division, continued efforts will be made to increase vessel deployment efficiency mainly in trilateral transport. In the energy division, although the seasonal increase in demand for VLCC during the winter months will start to slow heading into the end of the fiscal year, due to the ongoing US government sanctions on Chinese tanker companies and geopolitical risk, the market will likely be firm. Also, in LPG carriers, cargo volumes from the US are expected to remain strong. In the dry bulk division, shipments of iron ore from Brazil and Australia have fallen, and combined with the impact of Chinese New Year, it will take some time for the market to recover. Given this, the market forecast has been revised lower.

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

(In billion yen)

	Revenues	Operating Profit	Recurring Profit	Profit attributable to owners of parent
Previous Forecast (Oct 31, 2019)	1,680.0	40.5	37.0	26.0
Revised Forecast	1,660.0	37.0	40.0	29.0
Change	-20.0	-3.5	3.0	3.0
Percentage Change (%)	-1.19%	-8.64%	8.11%	11.54%

Assumptions for the forecast:
Exchange Rate
(for the fourth quarter) ¥105.00/US$
(for the full year) ¥108.04/US$

Bunker Oil Prices
(for the fourth quarter) US$350.00/MT
(for the full year) US$412.60/MT
VLSFO price
(for the fourth quarter) US$600.00/MT

② Dividends for the Fiscal Year ending March 31, 2020

NYK Line has designated the stable return of profits to shareholders as one of the most important management priorities, and generally targeting a consolidated dividend payout ratio of 25%, the distribution of profits is decided after comprehensively taking into account the business forecast and other factors. At the same time, based on an ongoing minimum dividend that is not affected by the business results, an annual dividend of ¥20 per share has been set as the minimum dividend. In accordance with this policy, it is planned to issue a year-end dividend of ¥20 per share, and including the interim dividend of ¥20 per share, there is no change in the plan to issue a full-year dividend of ¥40 per share.

2. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(In million yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	79,915	80,826
Notes and operating accounts receivable-trade	219,937	201,061
Short-term investment securities	140	140
Inventories	39,308	41,799
Deferred and prepaid expenses	63,211	70,903
Other	71,909	71,852
Allowance for doubtful accounts	(2,299)	(2,317)
Total current assets	472,123	464,267
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	620,212	636,741
Buildings and structures, net	84,827	116,038
Aircraft, net	39,692	38,602
Machinery, equipment, and vehicles, net	29,310	30,242
Equipment, net	5,729	5,207
Land	68,543	87,054
Construction in progress	44,172	36,799
Other, net	5,372	5,698
Total vessels, property, plant and equipment	897,861	956,384
Intangible assets		
Leasehold right	4,553	4,378
Software	6,562	5,714
Goodwill	16,404	13,380
Other	3,815	5,018
Total intangible assets	31,335	28,491
Investments and other assets		
Investment securities	478,996	477,826
Long-term loans receivable	21,445	20,035
Net defined benefit asset	55,997	55,126
Deferred tax assets	6,361	6,837
Other	44,146	44,440
Allowance for doubtful accounts	(6,847)	(5,860)
Total investments and other assets	600,099	598,405
Total non-current assets	1,529,295	1,583,281
Deferred assets	285	358
Total assets	2,001,704	2,047,906

(In million yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	160,258	149,368
Current portion of bonds	30,000	20,000
Short-term loans payable	196,849	176,951
Commercial papers	11,000	24,000
Leases liabilities	4,151	19,259
Income taxes payable	7,536	4,540
Advances received	39,879	39,027
Provision for bonuses	9,264	6,508
Provision for directors' bonuses	333	361
Provision for stock payment	734	―
Provision for losses related to contracts	4,731	―
Provision for related to business restructuring	351	234
Other	62,461	70,045
Total current liabilities	527,553	510,297
Non-current liabilities		
Bonds payable	125,000	132,000
Long-term loans payable	663,305	670,396
Leases liabilities	15,875	84,731
Deferred tax liabilities	49,540	48,108
Net defined benefit liability	16,837	17,128
Provision for directors' retirement benefits	1,375	1,137
Provision for stock payment	―	202
Provision for periodic dry docking of vessels	20,136	17,784
Provision for losses related to contracts	30,734	25,105
Provision for related to business restructuring	1,220	1,061
Other	28,400	24,683
Total non-current liabilities	952,424	1,022,342
Total liabilities	1,479,978	1,532,640
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	42,894	45,744
Retained earnings	293,719	299,620
Treasury stock	(3,715)	(3,427)
Total shareholders' capital	477,218	486,256
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	23,156	22,448
Deferred gain (loss) on hedges	(15,685)	(26,361)
Foreign currency translation adjustments	(9,988)	(15,412)
Remeasurements of defined benefit plans	12,731	11,352
Total accumulated other comprehensive income (loss)	10,214	(7,973)
Non-controlling interests	34,293	36,983
Total equity	521,725	515,266
Total liabilities and equity	2,001,704	2,047,906

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

(Consolidated Statements of Income)

(In million yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Revenues	1,384,620	1,253,259
Cost and expenses	1,240,300	1,095,246
Gross profit	144,319	158,013
Selling, general and administrative expenses	139,754	125,544
Operating profit (loss)	4,564	32,469
Non-operating income		
Interest income	2,517	2,701
Dividend income	7,443	6,752
Equity in earnings of unconsolidated subsidiaries and affiliates	—	20,804
Foreign exchange gains	1,723	—
Other	4,654	2,215
Total non-operating income	16,339	32,474
Non-operating expenses		
Interest expenses	17,984	20,078
Equity in losses of unconsolidated subsidiaries and affiliates	1,896	—
Foreign exchange losses	—	1,108
Other	4,412	5,271
Total non-operating expenses	24,293	26,457
Recurring profit (loss)	(3,389)	38,486
Extraordinary income		
Gain on sales of non-current assets	8,096	12,678
Other	21,485	1,697
Total extraordinary income	29,581	14,375
Extraordinary losses		
Loss on sales of non-current assets	613	229
Impairment loss	11,935	18,192
Other	8,366	6,561
Total extraordinary losses	20,916	24,983
Profit (loss) before income taxes	5,276	27,878
Total income taxes	11,003	5,331
Profit (loss)	(5,727)	22,547
Profit attributable to non-controlling interests	2,987	3,808
Profit (loss) attributable to owners of the parent	(8,715)	18,739

(Consolidated Statements of Comprehensive Income)

(In million yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit (loss)	(5,727)	22,547
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(17,876)	(565)
Deferred gain (loss) on hedges	(3,529)	(3,449)
Foreign currency translation adjustments	(4,766)	547
Remeasurements of defined benefit plans	(649)	(1,343)
Share of other comprehensive income of associates accounted for using equity method	9,103	(13,631)
Total other comprehensive income	(17,718)	(18,443)
Comprehensive income	(23,446)	4,103
(Breakdown)		
Comprehensive income attributable to owners of parent	(26,225)	802
Comprehensive income attributable to non-controlling interests	2,779	3,301

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The third quarter of this fiscal year (April 1, 2019 – December 31, 2019)

Not applicable

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

The third quarter of this fiscal year (April 1, 2019 – December 31, 2019)

Not applicable

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

（Adoption of IFRS 16 Leases）

Our affiliate companies, which prepare their financial statements in conformity with the International Financial Reporting Standards (IFRS), have adopted IFRS 16 Leases effective from the first quarter of the consolidated accounting period. Accordingly, in principle, all leases, where we are the lessee, have been recognized as assets and liabilities on the quarterly consolidated balance sheets. Furthermore, in adopting the standards, we follow the approach for recognizing the cumulative effect of retroactive adjustments on the adoption date.

Due to the adoption of the above-mentioned accounting standards, at the beginning of the first quarter of the consolidated accounting period, we saw increases mainly in the following assets and liabilities: vessels by 19,346 million yen, buildings and structures by 35,821 million yen, land by 20,600 million yen, and leases liabilities by 87,369 million yen. The effect on retained earnings is minor.

The results of the third quarter of the consolidated cumulative period is as follows: operating profit increased by 2,061 million yen; and recurring profit and profit before income taxes decreased by 2,779 million yen.

(Segment Information)

Ⅰ. Nine months ended December 31, 2018 (April 1, 2018 – December 31, 2018)

Revenues and income or loss by reportable segment

(In million yen)

	Global Logistics			Bulk Shipping	Others		Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics		Real Estate	Other			
Revenues									
(1) Revenues from customer	211,465	39,526	401,300	631,812	4,893	95,621	1,384,620	-	1,384,620
(2) Inter-segment revenues	6,668	2,703	1,779	1,326	807	44,729	58,014	(58,014)	-
Total	218,134	42,229	403,080	633,138	5,700	140,351	1,442,634	(58,014)	1,384,620
Segment income (loss)	(24,791)	(12,244)	7,100	26,518	2,098	2,545	1,225	(4,615)	(3,389)

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 41 million yen and other corporate expenses -4,656 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.
   Also, as a result of revising the business management method for the reportable segments from the start of the first quarter consolidated accounting term, there was a change to the interest burden of each segment. This revision has a minimal impact on segment income (loss), and it has no impact on the revenues of each segment, consolidated revenue and consolidated recurring loss.

2. Segment income (loss) is adjusted on recurring loss on the quarterly consolidated statements of income.

Ⅱ. Nine months ended December 31, 2019 (April 1, 2019 – December 31, 2019)

1. Revenues and income or loss by reportable segment

(In million yen)

	Global Logistics			Bulk Shipping	Others		Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics		Real Estate	Other			
Revenues									
(1) Revenues from customer	150,462	53,061	358,671	610,965	4,776	75,322	1,253,259	-	1,253,259
(2) Inter-segment revenues	4,336	3,593	1,539	47	701	46,314	56,534	(56,534)	-
Total	154,799	56,655	360,211	611,012	5,478	121,636	1,309,793	(56,534)	1,253,259
Segment income (loss)	13,403	(13,488)	4,319	34,803	1,992	2,502	43,532	(5,046)	38,486

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 33 million yen and other corporate expenses -5,080 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 statements of income.

2. Information regarding goodwill and impairment losses on non-current assets at each reporting segment
(Important impairment loss involving non-current assets)
In the Air Cargo Transportation segment, the book value of the airframes, spare engines and parts was lowered to the recoverable amount, and for the difference in value, an extraordinary loss of 15,727 million yen has been recorded as an impairment loss.

1. Other Information

(1) Quarterly Operating Results

Year ending March 31, 2020

(In million yen)

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

Year ended March 31, 2019

(In million yen)

	Apr 1, 2018 – Jun 30, 2018 1Q	Jul 1, 2018 – Sep 30, 2018 2Q	Oct 1, 2018 – Dec 31, 2018 3Q	Jan 1, 2019 – Mar 31, 2019 4Q
Revenues	464,895	450,775	468,949	444,679
Operating profit (loss)	(8,119)	3,925	8,758	6,520
Recurring profit (loss)	(6,606)	(2,423)	5,640	1,337
Profit (loss) attributable to owners of parent for the quarter	(4,594)	(5,200)	1,079	(35,786)
Total assets	2,122,246	2,096,483	2,029,609	2,001,704
Equity	568,362	564,828	564,868	521,725

(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, 2018	Nine months ended December 31, 2019	Change	Year ended March 31, 2019
Average exchange rate during the period	¥110.80/US$	¥109.05/US$	Yen up ¥1.75/US$	¥110.67/US$
Exchange rate at the end of the period	¥111.00/US$	¥109.56/US$	Yen up ¥1.44/US$	¥110.99/US$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2019	Nine months ended December 31, 2019	Change
Loans	860,154	847,348	(12,806)
Corporate bonds	155,000	152,000	(3,000)
Commercial papers	11,000	24,000	13,000
Leases liabilities	20,027	103,991	83,963
Total	1,046,182	1,127,339	81,157

(Note) Due to the adoption of IFRS16 Leases by our consolidated subsidiaries, which have applied the International Financial Reporting Standards (IFRS), leases liabilities at the beginning of the current period increased by 87.3 billion yen.