

Consolidated Financial Results for Nine Months Ended December 31, 2020
(Japanese GAAP) (Unaudited)

February 3, 2021

Nippon Yusen Kabushiki Kaisha (NYK Line)

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 Submit scheduled date of Quarterly Financial Report February 10, 2021
 Start scheduled date of paying Dividends -
 Preparation of Supplementary Explanation Material: Yes
 Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

(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, 2020	1,145,943	-8.6	47,953	47.7	122,086	217.2	52,362	179.4
Nine months ended December 31, 2019	1,253,259	-9.5	32,469	611.3	38,486	-	18,739	-

(Note) Comprehensive income:

Nine Months ended December 31, 2020: ¥49,155 million (-%), Nine Months ended December 31, 2019: ¥4,103 million (-%)

	Profit per share	Profit per share—fully diluted
	yen	yen
Nine months ended December 31, 2020	310.11	-
Nine months ended December 31, 2019	110.99	-

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of December 31, 2020	1,960,549	540,502	25.5
As of March 31, 2020	1,933,264	498,839	23.9

(Reference) Shareholders' equity: As of December 31, 2020: ¥ 500,501 million, As of March 31, 2020: ¥462,664 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, 2020	-	20.00	-	20.00	40.00
Year ending March 31, 2021	-	20.00	-		
Year ending March 31, 2021 (Forecast)				110.00	130.00

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

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(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	%	
Year ending March 31, 2021	1,540,000	-7.7	57,000	47.3	160,000	259.7	90,000	189.1	533.00

(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: None

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, 2020	170,055,098	As of March 31, 2021	170,055,098
2. Number of treasury stock	As of December 31, 2020	1,193,049	As of March 31, 2021	1,224,721
3. Average number of shares (cumulative quarterly period)	Nine months ended December 31, 2021	168,851,889	Nine months ended December 31, 2020	168,831,532

*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) ¥103.00/US\$

(full year) ¥105.35/US\$

Bunker oil price:

(for the fourth quarter) US\$393.00/MT

(full year) US\$371.35/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/2020/>)

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1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

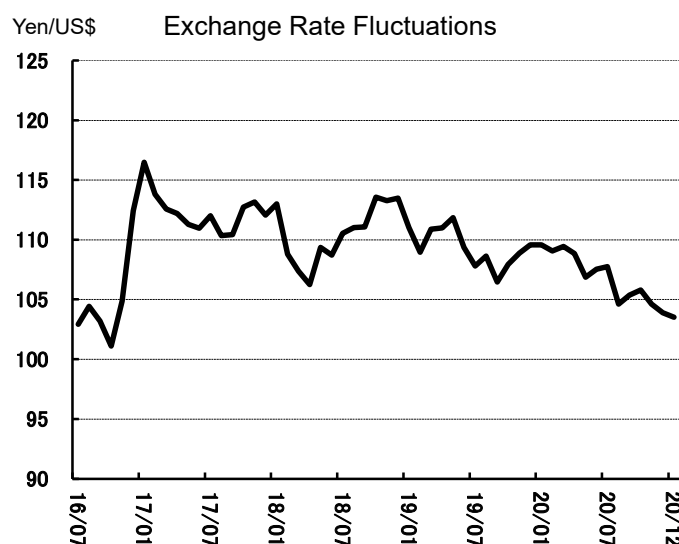
(In billion yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Percentage Change
Revenues	1,253.2	1,145.9	-107.3	-8.6%
Operating Profit	32.4	47.9	15.4	47.7%
Recurring Profit	38.4	122.0	83.6	217.2%
Profit attributable to owners of parent	18.7	52.3	33.6	179.4%

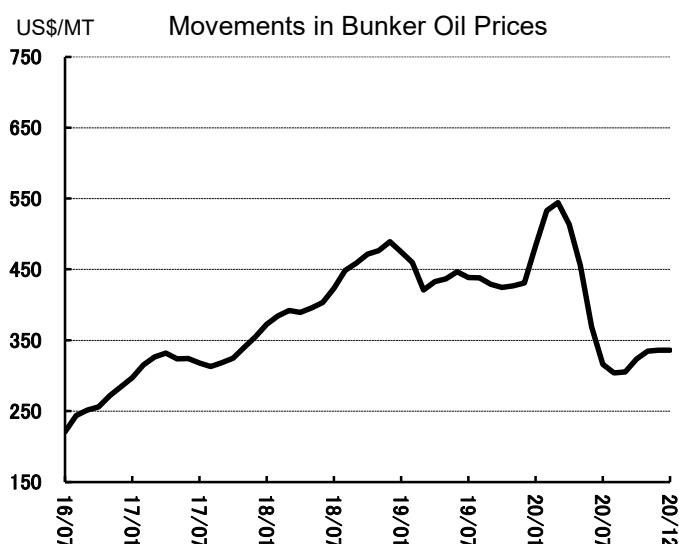
In the third quarter of the fiscal year ending March 31, 2021 (April 1, 2020 to December 31, 2020), consolidated revenues amounted to ¥1,145.9 billion (decreased ¥107.3 billion in the third quarter of the previous fiscal year), operating profit amounted to ¥47.9 billion (increased ¥15.4 billion in the third quarter of the previous fiscal year), recurring profit amounted to ¥122.0 billion (increased ¥83.6 billion in the third quarter of the previous fiscal year), and profit attributable to owners of parent amounted to ¥52.3 billion (increased ¥33.6 billion in the third quarter 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 third quarter of the current and previous fiscal years are shown in the following tables.

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change
Average exchange rate	¥109.05/US\$	¥106.14/US\$	Yen up ¥2.91/US\$
Average bunker oil prices	US\$433.29/MT	US\$362.57/MT	Price up US\$70.73/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, 2020 (April 1, 2020 to December 31, 2020) is as follows.

(in billion yen)

		Revenues				Recurring profit		
		FY2019 3Q	FY2020 3Q	Change	Percentage Change	FY2019 3Q	FY2020 3Q	Change
Global Logistics	Liner Trade	154.7	126.5	-28.2	-18.3 %	13.4	68.4	55.0
	Air Cargo Transportation	56.6	87.8	31.2	55.1 %	(13.4)	24.6	38.1
	Logistics	360.2	387.6	27.4	7.6 %	4.3	17.4	13.1
Bulk Shipping		611.0	493.3	-117.6	-19.2 %	34.8	14.1	-20.6
Others	Real Estate	5.4	5.1	-0.2	-5.5 %	1.9	2.0	0.0
	Other	121.6	90.9	-30.7	-25.3 %	2.5	(1.4)	-3.9

Liner Trade

In the container shipping division, OCEAN NETWORK EXPRESS PTE. LTD. (ONE) continued the performance from the first half and strong freight rates and utilization were maintained in the third quarter. During the quarter, cargo volumes rapidly increased due to even higher demand for consumer products from stay at home demand and medical supplies. The resulting congestion in the harbors and on land led to a shortage of vessel capacity and empty containers. Following the rapid increase in cargo volumes, both liftings and utilization were higher on the main North America trade year on year. In the Europe trade, although liftings were lower compared to the same period last year, utilization was high. In regard to freight rates, the soaring spot market led to greatly higher freight rates on both trades compared to the same period last year, resulting in a large increase in profit. At the terminals in Japan and overseas, although handling volumes tended to recover in the third quarter, they were lower at the company's terminals in North America and Asia compared to last year, resulting in lower profit year on year.

As a result of the above, although revenue declined year on year in the overall Liner Trade segment, the business performance greatly improved, and profit increased.

Air Cargo Transportation

In the Air Cargo Transportation segment, the continued impact of the COVID-19 pandemic resulted in a limited return of international passenger flights. On the other hand, from the middle of the third quarter through the peak season, cargo volumes of mainly automotive components, semiconductors and electronic devices recovered, and in addition, some ocean cargo was shifted to air cargo due to the containership congestion. This tightened the supply and demand balance for air freight space, and freight rates remained high.

As a result of the above, revenue significantly increased compared to the same period last year and profit was recorded.

Logistics

In the air freight forwarding business, due to the demand for chartered flights caused by the lack of available space and the cargo shifted from ocean freight, handling volumes recovered to the same level as last year. Also, freight rate levels remained firm as a result of promotion of agile marketing. In the ocean freight forwarding business, despite soaring procurement costs, robust cargo volumes led to a recovery in handling volumes on both the North America and Asia routes. In the logistics business, as a result of higher stay at home demand caused by the COVID-19 pandemic, cargo volumes increased mainly in e-commerce related business, and marked solid performance. In the coastal transportation business, the cancellation of sailings due to bad weather pressured the bottom line, and both the handling volumes and revenue declined.

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

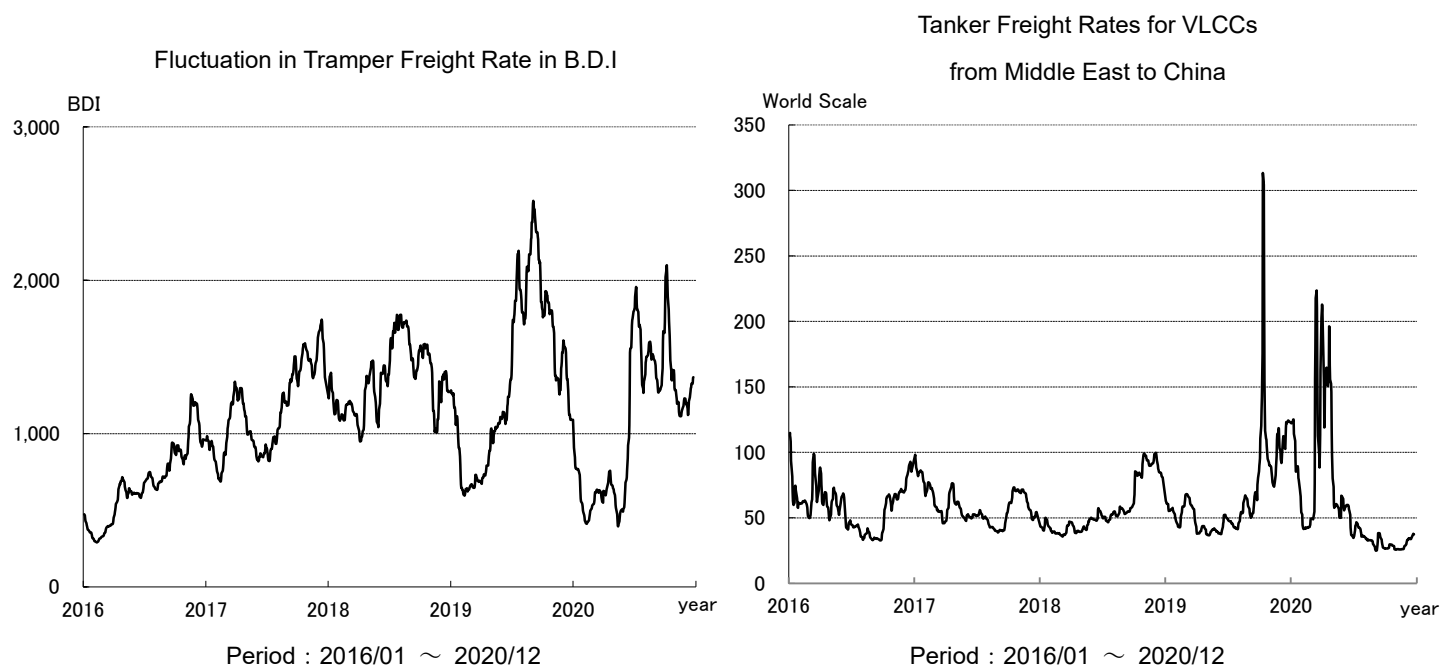
Bulk Shipping

In the car transportation division, cargo volumes declined through the second quarter due to the impact of the COVID-19 pandemic. However, marine transportation demand rapidly recovered in the third quarter, and there were even localized shortages of vessel capacity. In the auto logistics segment, as well, although there were regional variations in the supply and demand balance, efforts were made to cut costs and rationalize the business in countries including China, Russia and India, and at the same time, progress was made in the activities directed at revising the business portfolio, such as establishing new finished-car terminals in Turkey and Egypt and opening a finished-car terminal in Yokohama (Daikoku Pier).

In the dry bulk division, although cargo volumes of iron ore and soybeans were strong to China, one of the first countries to restart economic activities, the market remained at low levels due to the prolonged impact of the wet season on iron ore shipments from Brazil, which has a major influence on the market. In June, the Capesize market eventually recovered rapidly and temporarily declined afterwards. Although it rose again in October, the high market level did not last and went weak towards the end of the year. In regard to the Panamax, cargo volumes of soybeans to China from the United States were strong from early autumn last year, but the market remained below the levels seen in the same period of the previous year. Under this environment, efforts were made to stabilize the bottom line by continuing to work to secure long-term contracts and reduce costs through efficient operations. Also, similar to the second quarter, an extraordinary loss (provision for losses related to contracts) was recorded in the third quarter for expenses forecasted to arise onwards by conducting structural reforms.

In the energy division, following the lower energy demand caused by the COVID-19 pandemic, the major oil producing countries agreed to reduce production at the beginning of April, and this resulted in extreme market volatility. In April, vessel demand for floating storage increased, leading to greatly higher market levels for VLCC (Very Large Crude Carriers) and petrochemical tankers. However, following the production cuts and weaker demand, the market rates that had soared through June settled down gradually, and from July, slackening in the vessel supply and demand balance resulted in weakness within the market. In LPG carriers, although the market was weak through June due to lower vessel demand, it was strong from July following a decline in capacity supply due to an increase in dry docking period and waiting days at discharging ports, as well as increased ton-miles and congestion at the Panama Canal following more active shipments from North America. 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 lower profit on decreased revenue year on year.



Real Estate and Other Businesses

The real estate segment was steady with both revenue and recurring profit generally unchanged year on year.

In the Other Business Services segment, lower customer demand and project schedule delays caused by the COVID-19 pandemic affected the technical service business and marine equipment sales. Also, bunker fuel sales and chemical product manufacturing and sales were also weak compared to last year. In the cruise business, although cruises commenced again from last November, the occupancy rate was lower in the third quarter year on year.

As a result of the above, profit declined on lower revenue in the Other Business Services segment compared to the same period last 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 ¥1,960.5 billion, an increase of ¥27.2 billion compared with the end of the previous consolidated fiscal year. Interest-bearing debt amounted to ¥986.0 billion, down ¥63.8 billion from last year, as a result of decline in bonds payable and long-term loans payable. Due to this decrease in interest-bearing debt, although provision for losses related to contracts increased, consolidated liabilities amounted to ¥1,420.0 billion, down ¥14.3 billion compared with the end of the previous fiscal year. Under consolidated equity, retained earnings increased by ¥46.0 billion and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥500.5 billion. This amount combined with the non-controlling interests of ¥40.0 billion brought total equity to ¥540.5 billion.

Based on this result, the debt-to-equity ratio (D/E ratio) came to 1.97, and the equity ratio was 25.5%.

(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 ¥1,540.0 billion, operating profit of ¥57.0 billion, recurring profit of ¥160.0 billion and profit attributable to owners of parent of ¥90.0 billion.

It is still unclear when the COVID-19 pandemic will come to an end, but based on the performance through the third quarter and after taking into account the measures to prevent infections and economic policy trends in each country, as well as the other current characteristics of each business segment, the following forecast was formulated.

In the Liner Trade, although there is the potential for weaker cargo volumes at ONE due to the increased COVID-19 infections and seasonal factors such as Chinese New Year, cargo volumes are expected to remain firm. At the terminals in Japan and overseas, handling volumes are expected to recover mainly in North America. In the Air Cargo Transportation segment, international passenger flights are expected to remain suspended and reduced for the time being, and after a period of weakness caused by Chinese New Year, cargo volumes are forecast to recover again in March. In the Logistics segment, although handling volumes will remain below the levels last year in both the ocean and air freight forwarding businesses, procurement costs are expected to remain high in the ocean freight forwarding business and the market is forecast to remain strong for a while in the air freight forwarding business. In the logistics business, handling volumes are expected to be strong mainly in Europe and North America.

In the car transportation division, handling volumes to North America are expected to recover, and by closely watching the impact of the third wave of COVID-19 infections, efforts will be made to implement agile and rational vessel deployment. In the dry bulk division, although the Capesize market started the year off strong, each segment is expected to enter the seasonally slow period. In the energy division, although the market situation differs according to each vessel type, the VLCC (Very Large Crude Carrier) market is expected to remain at the current weak levels, LPG carrier market should continue to be strong, and LNG carriers are forecast to remain firm based on support from the long-term stable contracts. Similarly, the offshore segment, which is primarily operated based on long-term stable contracts, is also forecast to be firm. However, the bottom line is expected to deteriorate following the renewal of the drill ship contracts.

In the real estate business, the COVID-19 pandemic will have a limited impact. In the cruise business, in addition to the Asuka II dry docking in January, all cruises were cancelled until February 20 following the declaration of a state of emergency. Moreover, in relation to the transfer of trust beneficial right of fixed assets (real estate) of the subsidiary company, record of an extraordinary income is expected.

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 5, 2020)	1,460.0	30.0	70.0	35.0
Revised Forecast	1,540.0	57.0	160.0	90.0
Change	80.0	27.0	90.0	55.0
Percentage Change (%)	5.48%	90.00%	128.57%	157.14%

Assumptions for the forecast of consolidated financial results:

Foreign Exchange Rate

(for the fourth quarter) ¥103.00/US\$

(for the full year) ¥105.35/US\$

Bunker Oil Price

(for the fourth quarter) US\$393.00/MT

(for the full year) US\$371.35/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, 2021

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 the business forecast and other factors into account. 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 forecast to issue a year-end dividend of ¥110 per share for an annual dividend of ¥130 when including the interim dividend of ¥20.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In million yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	81,861	80,928
Notes and operating accounts receivable-trade	191,813	200,638
Short-term investment securities	134	138
Inventories	32,532	33,849
Deferred and prepaid expenses	61,162	65,313
Other	77,091	71,009
Allowance for doubtful accounts	(2,173)	(2,079)
Total current assets	442,421	449,798
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	603,317	564,021
Buildings and structures, net	107,643	107,168
Aircraft, net	38,023	36,295
Machinery, equipment, and vehicles, net	28,856	25,657
Equipment, net	5,145	5,030
Land	83,504	84,906
Construction in progress	44,903	52,839
Other, net	4,935	5,718
Total vessels, property, plant and equipment	916,329	881,637
Intangible assets		
Leasehold right	4,926	4,768
Software	5,915	5,882
Goodwill	11,055	9,916
Other	3,670	3,230
Total intangible assets	25,568	23,798
Investments and other assets		
Investment securities	449,267	500,588
Long-term loans receivable	11,876	13,996
Net defined benefit asset	41,430	41,234
Deferred tax assets	4,910	4,854
Other	46,694	49,497
Allowance for doubtful accounts	(5,567)	(5,122)
Total investments and other assets	548,611	605,048
Total non-current assets	1,490,509	1,510,485
Deferred assets	333	264
Total assets	1,933,264	1,960,549

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	137,911	140,063
Current portion of bonds	20,000	25,000
Short-term loans payable	162,675	196,858
Commercial papers	19,000	—
Leases liabilities	18,740	17,684
Income taxes payable	5,340	4,778
Advances received	39,349	40,740
Provision for bonuses	9,360	7,351
Provision for directors' bonuses	310	303
Provision for stock payment	—	13
Provision for losses related to contracts	—	700
Provision for related to business restructuring	20	19
Other	60,906	62,366
Total current liabilities	473,615	495,880
Non-current liabilities		
Bonds payable	132,000	107,000
Long-term loans payable	616,234	562,721
Leases liabilities	81,203	76,768
Deferred tax liabilities	44,632	47,136
Net defined benefit liability	15,920	17,436
Provision for directors' retirement benefits	1,067	1,074
Provision for stock payment	285	547
Provision for periodic dry docking of vessels	18,536	14,969
Provision for losses related to contracts	23,078	68,838
Provision for related to business restructuring	1,001	898
Provision for loss on guarantees	224	—
Other	26,624	26,774
Total non-current liabilities	960,809	924,166
Total liabilities	1,434,424	1,420,046
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	45,737	44,218
Retained earnings	311,892	357,953
Treasury stock	(3,429)	(3,373)
Total shareholders' capital	498,520	543,117
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	9,474	13,684
Deferred gain (loss) on hedges	(27,752)	(31,125)
Foreign currency translation adjustments	(18,966)	(25,507)
Remeasurements of defined benefit plans	1,388	333
Total accumulated other comprehensive income (loss)	(35,856)	(42,615)
Non-controlling interests	36,175	40,000
Total equity	498,839	540,502
Total liabilities and equity	1,933,264	1,960,549

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

(In million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Revenues	1,253,259	1,145,943
Cost and expenses	1,095,246	981,146
Gross profit	158,013	164,796
Selling, general and administrative expenses	125,544	116,842
Operating profit	32,469	47,953
Non-operating income		
Interest income	2,701	1,769
Dividend income	6,752	4,816
Equity in earnings of unconsolidated subsidiaries and affiliates	20,804	79,637
Other	2,215	5,397
Total non-operating income	32,474	91,620
Non-operating expenses		
Interest expenses	20,078	12,596
Foreign exchange losses	1,108	2,498
Other	5,271	2,392
Total non-operating expenses	26,457	17,487
Recurring profit	38,486	122,086
Extraordinary income		
Gain on sales of non-current assets	12,678	9,662
Other	1,697	3,967
Total extraordinary income	14,375	13,630
Extraordinary losses		
Loss on sales of non-current assets	229	442
Impairment loss	18,192	10,334
Provision for losses related to contracts	—	53,663
Other	6,561	6,453
Total extraordinary losses	24,983	70,894
Profit before income taxes	27,878	64,822
Total income taxes	5,331	9,084
Profit	22,547	55,737
Profit attributable to non-controlling interests	3,808	3,375
Profit attributable to owners of parent	18,739	52,362

(Consolidated Statement of Comprehensive Income)

(In million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	22,547	55,737
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(565)	4,148
Deferred gain (loss) on hedges	(3,449)	186
Foreign currency translation adjustments	547	3,121
Remeasurements of defined benefit plans	(1,343)	(1,007)
Share of other comprehensive income of associates accounted for using equity method	(13,631)	(13,031)
Total other comprehensive income (loss)	(18,443)	(6,582)
Comprehensive income	4,103	49,155
(Breakdown)		
Comprehensive income attributable to owners of parent	802	45,602
Comprehensive income attributable to non-controlling interests	3,301	3,552

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The third quarter of this fiscal year (April 1, 2020 – December 31, 2020)

Not applicable

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

The third quarter of this fiscal year (April 1, 2020 – December 31, 2021)

Not applicable

(Segment Information)

I . 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)

- 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.
 - 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.

II . Nine months ended December 31, 2020 (April 1, 2020 – December 31, 2020)

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	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)

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

3. Other Information

(1) Quarterly Operating Results

Year ending 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	
Operating profit (loss)	8,947	7,743	31,262	
Recurring profit (loss)	16,591	30,837	74,657	
Profit (loss) attributable to owners of parent for the quarter	11,684	10,496	30,181	
Total assets	1,882,678	1,901,705	1,960,549	
Equity	502,347	510,612	540,502	

Year ended 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	415,096
Operating profit (loss)	5,470	10,366	16,633	6,226
Recurring profit (loss)	6,415	9,604	22,466	6,000
Profit (loss) attributable to owners of parent for the quarter	9,141	1,982	7,615	12,390
Total assets	2,050,150	2,036,653	2,047,906	1,933,264
Equity	515,910	505,028	515,266	498,839

(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, 2019	Nine months ended December 31, 2020	Change	Year ended March 31, 2020
Average exchange rate during the period	¥109.05/US\$	¥106.14/US\$	Yen up ¥2.91/US\$	¥109.13/US\$
Exchange rate at the end of the period	¥109.56/US\$	¥103.50/US\$	Yen up ¥6.06/US\$	¥108.83/US\$

(3) Balance of Interest-Bearing Debt

(In million yen)

	Year ended March 31, 2020	Nine months ended December 31, 2021	Change
Loans	778,909	759,579	(19,330)
Corporate bonds	152,000	132,000	(20,000)
Commercial papers	19,000	-	(19,000)
Leases liabilities	99,944	94,453	(5,490)
Total	1,049,853	986,032	(63,820)