

Consolidated Financial Results for Six Months Ended September 30, 2024
(Japanese GAAP) (Unaudited)

November 6, 2024

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Listings: Prime Market of Tokyo Stock Exchanges
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Submit scheduled date of Six Months Financial Report November 8, 2024
Start scheduled date of paying Dividends December 2, 2024
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, 2024 (April 1, 2024 to September 30, 2024)

(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, 2024	1,316,816	12.7	115,628	17.0	289,239	81.6	265,892	134.5
Six months ended September 30, 2023	1,168,335	-14.5	98,786	-39.5	159,297	-79.2	113,390	-83.9

(Note) Comprehensive income: Six Months ended September 30, 2024: ¥219,326 million (-32.9%),
Six Months ended September 30, 2023: ¥326,944 million (-65.6%)

	Profit per share		Profit per share-fully diluted	
	yen		yen	
Six months ended September 30, 2024	585.60		-	
Six months ended September 30, 2023	224.99		-	

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio
	million yen	million yen	%
As of September 30, 2024	4,178,867	2,824,013	66.5
As of March 31, 2024	4,254,770	2,693,365	62.3

(Reference) Shareholders' equity: As of September 30, 2024: ¥2,780,498million, As of March 31, 2024: ¥2,650,371 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, 2024	-	60.00	-	80.00	140.00
Year ending March 31, 2025		130.00			
Year ending March 31, 2025 (Forecast)			-	130.00	260.00

(Note) Revision of forecast for dividends in this quarter: No

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	2,540,000	6.4	200,000	14.5	410,000	56.9	390,000	70.6	863.71

(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 September 30, 2024	461,000,000	As of March 31, 2024	510,165,294
As of September 30, 2024	12,393,071	As of March 31, 2024	51,027,775
Six months ended September 30, 2024	454,054,518	Six months ended September 30, 2023	503,988,216

2. Number of treasury stock

3. Average number of shares

*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 quarter) ¥140.00/US\$ (for fourth quarter) ¥140.00/US\$

(for full year) ¥146.95/US\$

Bunker oil price:

(for the third and fourth quarter) US\$566.31/MT

(for full year) US\$599.10/MT

*Bunker oil price is on average basis for all the major fuel grades.

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 2-8 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/2024/>)

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1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

(In billion yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage Change
Revenues	1,168.3	1,316.8	148.4	12.7%
Operating Profit	98.7	115.6	16.8	17.0%
Recurring Profit	159.2	289.2	129.9	81.6%
Profit attributable to owners of parent	113.3	265.8	152.5	134.5%

In the first six months of the fiscal year ending March 31, 2025 (April 1, 2024 to September 30, 2024), consolidated revenues amounted to ¥1,316.8 billion (increased by ¥148.4 billion compared to the first six months of the previous fiscal year), operating profit amounted to ¥115.6 billion (increased by ¥16.8 billion), recurring profit amounted to ¥289.2 billion (increased by ¥129.9 billion), profit attributable to owners of parent amounted to ¥265.8 billion (increased by ¥152.5 billion).

Equity in earnings of unconsolidated subsidiaries and affiliates of ¥186.6 billion in non-operating income was recorded. Within this amount, equity in earnings of affiliates from OCEAN NETWORK EXPRESS PTE. LTD. (ONE), our equity-method affiliate, was ¥163.1 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 six months of the current and previous fiscal years are shown in the following tables.

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Average exchange rates	¥139.93/US\$	¥153.89/US\$	Yen weakend by ¥13.96/US\$
Average bunker oil prices	US\$604.38/MT	US\$631.85/MT	Price up by US\$27.47/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, 2024 (April 1, 2024 to September 30, 2024) is as follows.

(in billion yen)

		Six Months Ended						
		Revenues				Recurring profit		
		Sep 30, 2023	Sep 30, 2024	Change	Percentage Change	Sep 30, 2023	Sep 30, 2024	Change
Liner & Logistics	Liner Trade	111.7	92.2	-19.5	-17.5%	46.7	176.6	129.9
	Air Cargo Transportation	77.8	92.6	14.7	19.0%	0.3	8.3	8.0
	Logistics	338.6	401.2	62.5	18.5%	13.7	12.4	-1.3
Automotive		243.4	271.6	28.1	11.6%	60.5	61.6	1.0
Dry Bulk		270.8	323.4	52.5	19.4%	20.5	8.5	-12.0
Energy		81.4	91.0	9.5	11.8%	22.0	21.8	-0.1
Others		108.3	103.4	-4.9	-4.5%	0.9	4.2	3.3

Following a partial review of the business management structure, we have reconsidered the reportable segments. As a result, we have divided the previous Bulk Shipping Business into the Automotive Business, Dry Bulk Business, and Energy Business. In addition, the Real Estate Business is now included in the Other Business in consideration of its relative business scale. Accordingly, the figures for the six months ended September 30, 2023 have been reclassified to conform to the new classification.

Liner Trade Business

Container Shipping Division: Despite a continued increase in shipping capacity following the completion of new vessels, market levels were significantly higher than in the same period last year due to strong cargo movements and ongoing tight supply-demand conditions caused by the situation in the Red Sea. At ONE, the profit level was significantly higher than in the same period last year due to higher freight rates compared to the same period last year.

Terminal Division: At the terminals in Japan, the handling volumes were almost flat compared to the same period last year. At overseas terminals, handling volumes declined year on year due to the sale of shares of an affiliate at a terminal on the west coast of North America at the end of September 2023.

As a result of the above, the Liner Trade Business overall decreased revenues and increased profits year on year.

Air Cargo Transportation Business

Cargo handling volumes increased year on year, supported mainly by strong e-commerce demand from Asia to Europe and the U.S., as well as demand for semiconductor manufacturing equipment and automotive-related cargo. In addition, freight unit prices remained at a high level due to tightened supply and demand, while fuel unit prices decreased year on year.

As a result of the above, the Air Cargo Transportation Business increased both revenues and profits year on year.

Logistics Business

Air Freight Forwarding Business: Although the handling volumes increased year on year due to a recovery in cargo volumes mainly from Asia, profit levels declined due to higher purchase prices.

Ocean Freight Forwarding Business: Although handling volumes increased year on year as cargo movements centered on services within Asia remained strong, purchase prices rose caused by the change in market conditions, resulting in flat profit levels.

Contract Logistics Business: The business secured a certain level of profits despite a slowdown in cargo movements in Europe and East Asia, which was offset by a solid revenue in the other regions.

As a result of the above, the Logistics Business overall increased revenues and decreased profits year on year.

Automotive Business

In the marine transport business, though impacted by the port congestion, the conflict in the Middle East, and a rise in loading and unloading charges, we strove to maintain the number of vehicles transported by optimizing our vessel deployment plans and vessel operations.

The auto logistics business continued performing strong as it captured a robust demand primarily in the terminal business.

As a result of the above, the Automotive Business overall increased both revenues and profits year on year.

Dry Bulk Business

Capesize: Market levels in the second quarter continued to be robust, exceeding the same period last year, building on the positive trend in the first quarter supported by strong shipments of iron ore cargoes from Brazil, which was less affected by the rainy season.

Panamax size and smaller: Market levels increased year on year as the supply-and-demand conditions tightened due to the coincidence of peak soybean shipments from Brazil and the active loading of coal inventories in China and India for the summer season.

As stated above, although market levels improved year on year, the Dry Bulk Business overall saw decreased profits despite increased revenues year on year due to a decline in freight rates and total volume of multi-purpose carrier cargo, as well as the strong impact of foreign exchange fluctuations.

Energy Business

VLCC (Very Large Crude Carrier): Although market levels improved year on year, vessel utilization declined due to the increased number of vessels docked.

VLGC (Very Large Gas Carrier): Market levels significantly declined year on year due to an increase in shipping capacity resulting from the influx of new vessels and the alleviation of the impact of the drought in the Panama Canal, offsetting an increase in long-distance transport from the U.S. to the Asia. Meanwhile, charter fee income remained stable due to fixed-time charter contracts having been renewed at the level of charter fee reflecting the high market levels in the previous fiscal year.

Petrochemical tanker: Market levels exceeded the same period last year due to the tightening of the supply-and-demand conditions caused by changes in trade flows triggered by the situation in Russia and Ukraine and also by the situation in the Red Sea.

LNG carrier: The results were steady on support from the long-term contracts that generate stable earnings.

Offshore business: FPSO (Floating, Production, Storage and Offloading), drill ships and shuttle tankers operated steadily.

As a result of the above, the Energy Business overall saw an increase in revenues and a slight decrease in profits year on year.

Other Business

Vessel & Technical Service Business: Despite the bunker fuel sales business remaining weak due to decreased sales volume, the marine equipment supplies sales business remained firm.

Cruise Business: For the first time in six years, we resumed a round-the-world cruise. In addition, although some cruises were forced to change their schedules due to typhoons, the overall occupancy rate remained high, driven by summer firework and festival cruises among others.

As a result of the above, the Other Business overall saw a decrease in revenues and an increase in profits year on year.

(2) Explanation of the Financial Position

① Status of Assets, Liabilities and Equity

As of the end of the second quarter of the current fiscal year, total assets amounted to ¥4,178.8 billion, a decrease of ¥75.9 billion from the end of the previous fiscal year due to factors including a decrease in vessels and other items of property, plant and equipment. Total liabilities amounted to ¥1,354.8 billion, also a decrease of ¥206.5 billion from the end of the previous fiscal year due to factors including a ¥184.9 billion decrease in interest-bearing debt to ¥728.8 billion caused by a decrease in short-term loans payable. In the equity section, retained earnings increased by ¥34.4 billion and shareholders' equity, which is the aggregate of shareholders' capital and accumulated other comprehensive income, amounted to ¥2,780.4 billion. This amount combined with non-controlling interests of ¥43.5 billion brought total equity to ¥2,824.0 billion. Based on this result, the debt-to-equity ratio (D/E ratio) came to 0.26, and the equity ratio was 66.5%.

② Cash flows

The balance of cash and cash equivalents as of the end of the second quarter of the current fiscal year was ¥137.4 billion, a decrease of ¥7.3 billion compared to the beginning of the fiscal year.

Net cash provided by operating activities was ¥230.7 billion (compared to net cash provided of ¥254.2 billion for the same period last year) as a result of profit before income taxes of ¥299.1 billion, non-cash depreciation and amortization of ¥75.5 billion, equity in earnings of unconsolidated subsidiaries and affiliates of negative ¥186.6 billion and interest and dividend income received of ¥83.3 billion. Net cash provided by investing activities was ¥30.6 billion (compared to net cash used of ¥134.5 billion for the same period last year) mainly as a result of the purchase and sale of vessels and other non-current assets. Net cash used in financing activities was ¥256.3 billion (compared to net cash used of ¥173.4 billion for the same period last year) due to the repayment of short-term loans payable, purchase of own shares, and payment of dividends.

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

① Forecast of the Consolidated Financial Results

Liner Trade Business

Container Shipping Division: Although we expect that the tight supply-demand balance will ease after peaking out in the second quarter and short-term freight rates will decline even further than our previous forecast toward the end of the current fiscal year, the full-year profit level will be higher than our previous forecast as the second-quarter profit level has ended up being higher than our previous forecast.

Air Cargo Transportation Business

As disclosed on June 10, 2024, the share exchange between Nippon Cargo Airlines Co, Ltd. and ANA Holdings Inc. will be effective on March 31, 2025 (scheduled). Effective the same date, Nippon Cargo Airlines Co, Ltd. will no longer be one of our consolidated subsidiaries and will become a wholly owned subsidiary of ANA Holdings Inc.

From the third quarter onward, we expect steady cargo demand mainly from Asia to Europe and the U.S.

Logistics Business

Air Freight Forwarding Business: Although the handling volumes are expected to be steady, the profit level is expected to be lower than our previous forecast due to a rise in purchase prices.

Ocean Freight Forwarding Business: The profit level is expected to be largely the same as our previous forecast.

Contract Logistics Business: The business is expected to secure a certain level of profits despite an expected slowdown in cargo movements in Europe and East Asia, which will, however, be backed by a solid performance of the business in North America.

Automotive Business

The profit level is expected to be lower than our previous forecast due to a slight decline in the handling volumes in terms of the number of vehicles transported, the impact of foreign exchange, and a rise in loading and unloading charges.

Dry Bulk Business

The Capesize market is expected to be in line with our previous forecast, supported by firm transport

demand for iron ore cargoes bound for China and bauxite out of Guinea. On the other hand, the market levels for the Panamax size and smaller are expected to be lower than our previous forecast. The full-year profit level is also expected to be lower than our previous forecast due in part to the fact that the second quarter performance, strongly impacted by the foreign exchange fluctuations, ended up being significantly lower than our previous forecast.

Energy Business

VLCC: In light of the decrease in demand in China and other factors, the market levels in the second half are expected to be lower than our previous forecast.

VLGC: Although market levels are expected to be lower than our previous forecast, the earnings are expected to remain stable due to a high level of charter fee income reflecting the high market levels in the previous fiscal year.

LNG carrier: The business is expected to remain stable, backed by stable earnings from medium- to long-term contracts and new projects.

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

(in billion yen)

Consolidated forecast for the fiscal year ending March 31, 2025	Revenues	Operating Profit	Recurring Profit	Profit attributable to owners of parent
Previous Forecast (August 05, 2024)	2,570.0	215.0	410.0	390.0
Revised Forecast	2,540.0	200.0	410.0	390.0
Change	-30	-15	0	0
Percentage Change	-1.2%	-7.0%	0.0%	0.0%

Assumptions for the forecast of consolidated financial results:

Foreign Exchange Rate

(for the third quarter) ¥140.00/US\$ (for the fourth quarter) ¥140.00/US\$ (for the full year) ¥146.95/US\$

Bunker Oil Price*

(for the third and fourth quarters) US\$566.31/MT (for the full year) US\$599.10/MT

*Bunker oil price is on average basis for all the major fuel grades.

② Dividends for the Fiscal Year ending March 31, 2025

The Company regards the stable return of profits to shareholders as one of the most important management priorities, and determines profit distribution based on a targeted consolidated dividend payout ratio of 30% with the minimum annual dividend of ¥100 per share, by comprehensively considering the outlook for business performance and other factors. In addition, the Company will make decisions on the implementation of flexible additional shareholder returns, including the acquisition of own stock, after considering investment opportunities and the business environment.

In accordance with this policy, the Company is going to pay the previously planned interim dividend for the current fiscal year of ¥130 per share. Also, the Company plans to leave the year-end dividend unchanged at ¥130 per share, as announced in the previous forecast, for a full-year dividend of ¥260 per share.

With regard to the acquisition of own shares, the Company has decided to increase the total maximum acquisition amount in order to further enhance shareholder returns and improve capital efficiency, given the Company's performance and stock market trends. After the change, the total maximum acquisition amount will be increased by ¥30 billion from ¥100 billion yen resolved on May 8, 2024 to ¥130 billion. There are no changes in the total maximum number of shares to be acquired (35 million shares) and the share acquisition period (from May 9, 2024 to April 30, 2025). The Company completed the acquisition of 14,220,100 shares by the end of October 2024. Furthermore, the Company has decided to retire all the acquired shares. All the dividends for the current fiscal year are based on the number of shares excluding the number of shares of treasury stock acquired by the end of October 2024.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	156,163	145,187
Notes and operating accounts receivable-trade and contract assets	354,656	361,359
Inventories	69,886	66,201
Deferred and prepaid expenses	29,862	38,684
Other	96,857	100,323
Allowance for doubtful accounts	(3,909)	(3,244)
Total current assets	703,517	708,512
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	787,035	674,546
Buildings and structures, net	149,154	154,019
Aircraft, net	90,273	86,271
Machinery, equipment, and vehicles, net	29,678	32,165
Furniture and fixtures, net	8,367	9,396
Land	75,747	74,840
Construction in progress	223,454	158,646
Other, net	9,417	8,359
Total vessels, property, plant and equipment	1,373,126	1,198,246
Intangible assets		
Leasehold right	5,599	5,581
Software	7,443	7,214
Goodwill	27,743	26,527
Other	12,518	10,751
Total intangible assets	53,305	50,074
Investments and other assets		
Investment securities	1,813,157	1,916,206
Long-term loans receivable	51,671	38,314
Net defined benefit asset	186,211	185,491
Deferred tax assets	7,717	8,776
Other	71,496	78,256
Allowance for doubtful accounts	(5,671)	(5,340)
Total investments and other assets	2,124,582	2,221,705
Total non-current assets	3,551,014	3,470,025
Deferred assets	238	329
Total assets	4,254,770	4,178,867

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	228,287	221,985
Current portion of bonds payable	33,000	—
Short-term loans payable	194,716	96,243
Commercial papers	53,000	—
Leases liabilities	22,649	22,805
Income taxes payable	15,282	22,353
Contract liabilities	53,430	56,055
Provision for bonuses	17,502	16,530
Provision for directors' bonuses	434	302
Provision for stock payment	258	306
Provision for losses related to contracts	213	158
Other	125,779	104,622
Total current liabilities	744,554	541,363
Non-current liabilities		
Bonds payable	74,000	99,000
Long-term loans payable	461,294	428,258
Leases liabilities	75,145	82,574
Deferred tax liabilities	120,575	125,116
Net defined benefit liability	16,086	16,418
Provision for directors' retirement benefits	895	729
Provision for stock payment	116	—
Provision for periodic dry docking of vessels	28,225	28,064
Provision for losses related to contracts	5,425	3,934
Provision for related to business restructuring	276	74
Other	34,808	29,318
Total non-current liabilities	816,850	813,490
Total liabilities	1,561,404	1,354,853
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	45,099	43,711
Retained earnings	2,105,521	2,139,922
Treasury stock	(203,595)	(56,947)
Total shareholders' capital	2,091,344	2,271,006
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	50,800	49,940
Deferred gain (loss) on hedges	8,014	13,938
Foreign currency translation adjustments	407,345	360,015
Remeasurements of defined benefit plans	92,866	85,596
Total accumulated other comprehensive income (loss)	559,026	509,491
Non-controlling interests	42,993	43,515
Total equity	2,693,365	2,824,013
Total liabilities and equity	4,254,770	4,178,867

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

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenues	1,168,335	1,316,816
Cost and expenses	950,173	1,074,640
Gross profit	218,162	242,176
Selling, general and administrative expenses	119,375	126,547
Operating profit	98,786	115,628
Non-operating income		
Interest income	2,452	3,580
Dividend income	4,583	5,129
Equity in earnings of unconsolidated subsidiaries and affiliates	59,198	186,690
Other	5,864	4,400
Total non-operating income	72,098	199,801
Non-operating expenses		
Interest expenses	6,718	11,899
Foreign exchange losses	2,766	12,875
Other	2,103	1,414
Total non-operating expenses	11,588	26,189
Recurring profit	159,297	289,239
Extraordinary income		
Gain on sales of non-current assets	8,520	11,291
Other	11,597	2,120
Total extraordinary income	20,117	13,411
Extraordinary losses		
Loss on sales of non-current assets	21	9
Loss on sale of shares of subsidiaries and associates	—	3,005
Provision for losses related to contracts	500	—
Other	1,249	437
Total extraordinary losses	1,771	3,452
Profit before income taxes	177,643	299,198
Total income taxes	60,518	30,917
Profit	117,125	268,281
Profit attributable to non-controlling interests	3,735	2,389
Profit attributable to owners of parent	113,390	265,892

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	117,125	268,281
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	20,449	(869)
Deferred gain (loss) on hedges	(1,341)	129
Foreign currency translation adjustments	31,669	(4,519)
Remeasurements of defined benefit plans	(2,282)	(7,282)
Share of other comprehensive income of associates accounted for using equity method	161,325	(36,414)
Total other comprehensive income	209,819	(48,955)
Comprehensive income	326,944	219,326
(Breakdown)		
Comprehensive income attributable to owners of parent	320,960	216,348
Comprehensive income attributable to non-controlling interests	5,984	2,977

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net cash provided by (used in) operating activities		
Profit before income taxes	177,643	299,198
Depreciation and amortization	68,460	75,536
Impairment loss	154	—
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(7,780)	(11,083)
Loss (gain) on sales of short-term and long-term investment securities	(9,421)	1,898
Loss (gain) on valuation of short-term and long- term investment securities	0	108
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(59,198)	(186,690)
Interest and dividend income	(7,035)	(8,710)
Interest expenses	6,718	11,899
Foreign exchange losses (gains)	2,875	18,034
Decrease (increase) in notes and accounts receivable-trade and contract assets	1,007	(8,705)
Decrease (increase) in inventories	(10,111)	3,462
Increase (decrease) in notes and accounts payable - trade	6,238	(6,494)
Other, net	11,770	(21,156)
Subtotal	181,319	167,296
Interest and dividend income received	128,009	83,385
Interest expenses paid	(6,901)	(11,787)
Income taxes (paid) refund	(48,171)	(8,099)
Net cash provided by (used in) operating activities	254,256	230,795
Net cash provided by (used in) investing activities		
Purchase of vessels, property, plant and equipment and intangible assets	(116,272)	(94,080)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	23,771	68,749
Purchase of investment securities	(18,790)	(36,306)
Proceeds from sales and redemption of investment securities	6,337	8,643
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,172)	(1,875)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(1,838)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	15,725	90,070
Payments of loans receivable	(17,773)	(6,181)
Collection of loans receivable	2,492	14,171
Other, net	(28,889)	(10,736)
Net cash provided by (used in) investing activities	(134,572)	30,615

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(241)	(74,762)
Net increase (decrease) in commercial papers	—	(53,000)
Proceeds from long-term loans payable	18,228	—
Repayments of long-term loans payable	(28,851)	(16,493)
Proceeds from issuance of bonds	19,885	24,868
Redemption of bonds	(10,000)	(33,000)
Repayments of leases liabilities	(14,715)	(13,176)
Purchase of treasury stock	(66,018)	(50,018)
Proceeds from sales of treasury stock	241	246
Cash dividends paid to shareholders	(86,467)	(36,761)
Cash dividends paid to non-controlling interests	(4,975)	(3,673)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(27)
Other, net	(558)	(534)
Net cash provided by (used in) financing activities	(173,472)	(256,331)
Effect of exchange rate change on cash and cash equivalents	6,166	(12,505)
Net increase (decrease) in cash and cash equivalents	(47,621)	(7,426)
Cash and cash equivalents at beginning of period	196,231	144,858
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	39
Cash and cash equivalents at end of period	148,609	137,471

(4) Notes Regarding Consolidated Financial Statements

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

(Application of the Accounting Standard for Current Income Taxes, etc.)

We have adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter, the “Amended Accounting Standard 2022”), etc. from the beginning of the period under review.

The amendment to the classification for recording current income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Amended Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter, the “Amended Implementation Guidance 2022”).

This change in accounting policies has no impact on the consolidated financial statements.

In addition, for the amendment related to the revised accounting treatment in consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the group has adopted the Amended Implementation Guidance 2022 from the beginning of the period under review. As this change in accounting policies was applied retrospectively, the consolidated financial statements for the six months ended September 30, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024 have been restated retrospectively.

This change in accounting policies has no impact on the consolidated financial statements for the six months ended September 30, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024.

(Segment Information)

I. Six months ended September 30, 2023 (April 1, 2023 - September 30, 2023)

Revenues and income or loss by reportable segment

(In million yen)

	Liner & Logistics			Auto-motive	Dry Bulk	Energy	Others	Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics							
Revenues										
(1) Revenues from customer	108,808	74,572	337,414	243,283	267,547	81,362	55,346	1,168,335	-	1,168,335
(2) Inter-segment revenues	2,916	3,284	1,278	207	3,336	84	52,972	64,080	(64,080)	-
Total	111,724	77,856	338,693	243,491	270,884	81,446	108,318	1,232,416	(64,080)	1,168,335
Segment income (loss)	46,745	335	13,740	60,519	20,584	22,000	936	164,861	(5,564)	159,297

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 7 million yen and other corporate expenses -5,572 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, 2024 (April 1, 2024 - September 30, 2024)

1. Revenues and income or loss by reportable segment

(In million yen)

	Liner & Logistics			Auto-motive	Dry Bulk	Energy	Others	Total	Adjustment (*1)	Consolidated Total (*2)
	Liner Trade	Air Cargo Transportation	Logistics							
Revenues										
(1) Revenues from customer	89,298	89,486	399,627	271,450	320,696	90,750	55,505	1,316,816	-	1,316,816
(2) Inter-segment revenues	2,924	3,153	1,640	237	2,710	269	47,902	58,837	(58,837)	-
Total	92,223	92,639	401,267	271,687	323,406	91,020	103,408	1,375,654	(58,837)	1,316,816
Segment income (loss)	176,675	8,374	12,401	61,606	8,511	21,842	4,295	293,708	(4,468)	289,239

(Notes)

- Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments 20 million yen and other corporate expenses -4,489 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.

2. Changes in reportable segments

Following a partial review of the business management structure, we have reconsidered the reportable segments. As a result, we have divided the previous Bulk Shipping segment into the Automotive Business, Dry Bulk Business, and Energy Business segments. In addition, the Real Estate Business is now included in the Other Business in consideration of its relative business scale. Accordingly, the figures for the six months ended September 30, 2023 have been reclassified to conform to the new classification.

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

Six months ended September 30, 2024 (April 1, 2024 - September 30, 2024)

Not applicable

(Notes Regarding Going Concern Assumption)

Six months ended September 30, 2024 (April 1, 2024 - September 30, 2024)

Not applicable

(Important Subsequent Events)

(Increase in the maximum limit of share repurchase)

Regarding the share repurchase and retirement of treasury shares that were resolved at the Board of Directors meeting held on May 8, 2024 in accordance with Article 459, paragraph 1 of the Companies Act and Article 44 of the Company's Articles of Incorporation as well as Article 178 of the Companies Act and Article 25 of its Articles of Incorporation, the Company resolved at the Board of Directors meeting held on November 6, 2024 to increase the maximum limit of share repurchase.

(1) Reason for making the change (the increase in the maximum limit of share repurchase)

Given our business performance, stock market trends, and other considerations, we will increase the maximum total value of shares to be repurchased to further enhance shareholder returns and improve capital efficiency.

(2) Details of the change in share repurchase

	Before change	After change
①Class of shares to be repurchased	Common stock	Common stock
②Total number of shares to be repurchased	35,000,000 shares (maximum)	35,000,000 shares (maximum)
	(Percentage of the total number of shares issued (excluding treasury shares): 7.6%)	(Percentage of the total number of shares issued (excluding treasury shares): 7.6%)
③Total value of shares to be repurchased	JPY100 billion (maximum)	JPY130 billion (maximum)
④Repurchase period	May 9, 2024–April 30, 2025	May 9, 2024–April 30, 2025
⑤Repurchase method	Purchase on the open market in the Tokyo Stock Exchange based on discretionary trading contracts	Purchase on the open market in the Tokyo Stock Exchange based on discretionary trading contracts

Please note that all or part of the share repurchase may not be executed depending on market trends and other factors.

(3) Details of retirement

①Class of shares to be retired: Common stock

②Total number of shares to be retired: All treasury shares to be repurchased based on (2) above

③Scheduled date of retirement: May 30, 2025

There are no changes in the details of retirement.

3. Other Information

(1) Quarterly Operating Results

Year ending March 31, 2025

(Millions of yen)

	Apr 1, 2024 - Jun 30, 2024 1Q	Jul 1, 2024 - Sep 30, 2024 2Q	Oct 1, 2024 - Dec 31, 2024 3Q	Jan 1, 2025 - Mar 31, 2025 4Q
Revenues	651,714	665,101		
Operating profit (loss)	65,878	49,749		
Recurring profit (loss)	125,787	163,452		
Profit (loss) attributable to owners of parent for the quarter	110,234	155,658		
Total assets	4,336,689	4,178,867		
Equity	2,884,436	2,824,013		

Year ended March 31, 2024

(Millions of yen)

	Apr 1, 2023 - Jun 30, 2023 1Q	Jul 1, 2023 - Sep 30, 2023 2Q	Oct 1, 2023 - Dec 31, 2023 3Q	Jan 1, 2024 - Mar 31, 2024 4Q
Revenues	567,515	600,819	620,882	598,022
Operating profit (loss)	47,103	51,683	45,484	30,408
Recurring profit (loss)	89,403	69,893	40,968	61,075
Profit (loss) attributable to owners of parent for the quarter	73,490	39,899	40,184	75,028
Total assets	3,950,363	4,018,960	3,995,334	4,254,770
Equity	2,637,096	2,688,714	2,563,952	2,693,365

(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, 2023	Six months ended September 30, 2024	Change	Year ended March 31, 2024
Average exchange rate during the period	¥139.93/US\$	¥153.89/US\$	Yen down ¥13.96/US\$	¥143.82/US\$
Exchange rate at the end of the period	¥149.58/US\$	¥142.73/US\$	Yen up ¥6.85/US\$	¥151.41/US\$

(3) Balance of Interest-Bearing Debt

(In million yen)

	As of March 31, 2024	Six months ended September 30, 2024	Change
Loans	656,010	524,502	(131,508)
Corporate bonds	107,000	99,000	(8,000)
Commercial papers	53,000	—	(53,000)
Leases liabilities	97,795	105,379	7,584
Total	913,806	728,881	(184,924)