Consolidated Financial Results for Six Months Ended September 30, 2015
(Japanese GAAP) (Unaudited)

October 30, 2015

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code: 9101
Listings: The First Section of Tokyo and Nagoya Stock Exchanges
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Submit scheduled date of Quarterly Financial Report November 11, 2015
Start scheduled date of paying Dividends November 24, 2015
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, 2015 (April 1, 2015 to September 30, 2015)

(1) Consolidated Operating Results

(Percentage figures show year on year changes)

	Revenues		Operating income		Recurring profit		Net income attributable to owners of the parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2015	1,198,297	1.6	38,623	38.5	42,711	16.3	54,768	173.8
Six months ended September 30, 2014	1,179,098	8.3	27,896	39.7	36,738	43.3	20,002	-2.5

(Note) Comprehensive income:
Six Months ended September 30, 2015: ¥42,710million (22.3%), Six Months ended September 30, 2014: ¥34,914 million (-44.3%)

	Net income per share attributable to owners of the parent company	Net income per share attributable to owners of the parent company –fully diluted
	yen	yen
Six months ended September 30, 2015	32.29	32.28
Six months ended September 30, 2014	11.79	11.79

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio	Equity per share
	million yen	million yen	%	yen
As of September 30, 2015	2,497,933	912,967	33.7	495.94
As of March 31, 2015	2,569,828	880,923	31.5	477.79

(Reference) Shareholders' equity: As of September 30, 2015: ¥841,075 million, As of March 31, 2015: ¥810,311 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, 2015	-	2.00	-	5.00	7.00
Year ending March 31, 2016	-	4.00			
Year ending March 31, 2016 (Forecast)			-	3.00	7.00

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

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Percentage figures show year on year changes)

	Revenues		Operating income		Recurring profit		Net income attributable to owners of the parent company		Net income per share attributable to owners of the parent company
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31,2016	2,370,000	-1.3	75,000	13.3	80,000	-4.8	47,000	-1.2	27.71

(Note) Revision of forecast in this quarter: Yes

(Reference)

(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
Note: Details are stated on page 8 “Information about Summary (Notes)”

(4) Total issued shares (Ordinary shares)

1. Total issued shares (including treasury stock)	As of September 30, 2015	1,700,550,988	As of March 31, 2015	1,700,550,988
2. Number of treasury stock	As of September 30, 2015	4,628,600	As of March 31, 2015	4,581,697
3. Average number of shares (cumulative quarterly period)	Six months ended September 30, 2015	1,695,944,539	Six months ended September 30, 2014	1,696,064,996

*Indication of quarterly review process implementation status
This quarterly fiscal statement is exempt from the quarterly review process based upon the Financial Instruments and Exchange Act. As of the press release date, the quarterly review process is ongoing.

*Assumption for the forecast of consolidated financial results and other particular issues
Foreign exchange rate: (for the third and fourth quarter) ¥120/US$, (full year) ¥120.88/US$
Bunker oil price: (for the third and fourth quarter) US$270/MT, (full year) US$311.85/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.

NYK Line is to hold a financial result presentation meeting for analysts and institutional investors. The on-demand audio presentation and presentation materials are available on the NYK website
(http://www.nyk.com/english/release/IR_explanation.html)

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1. Qualitative Information on Quarterly Results

(1) Review of Operating Results

In the first six months of the fiscal year ending March 31, 2016 (April 1, 2015–September 30, 2015), consolidated revenues totaled ¥1,198.2 billion (compared with ¥1,179.0 billion in the same period of the previous year), operating income totaled ¥38.6 billion (compared with ¥27.8 billion), recurring profit totaled ¥42.7 billion (compared with ¥36.7 billion), and net income attributable to owners of the parent company totaled ¥54.7 billion (compared with ¥20.0 billion).

Overview

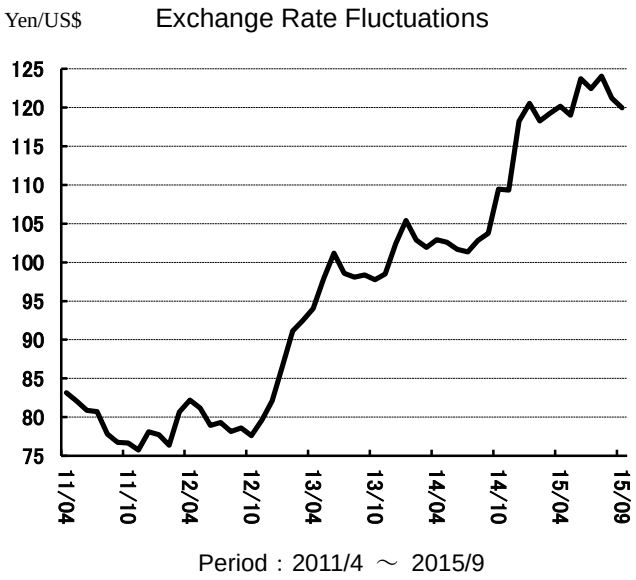
In the first six months of the fiscal year, signs of a gradual economic recovery were evident in the U.S., where housing investment, household consumption and other economic indicators underpinned economic stability, as well as in Europe, where personal consumption and exports contributed to favourable conditions. At the same time, the economy decelerated in China, and despite monetary easing and economic stimulus measures, the future is rapidly becoming increasingly uncertain. In Japan, there were concerns about an economic downturn despite the economic expansion fuelled by yen depreciation since last period.

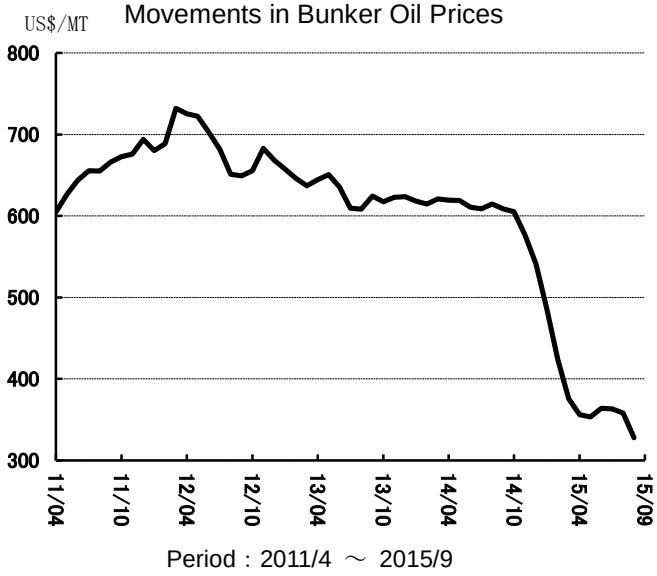
The environment surrounding the shipping industry was generally challenging, as the ongoing construction of large vessels continued to fuel an excess supply of tonnage in the container shipping division and the impact of the economic slowdown in China has caused market sentiments to cool and market conditions to stagnate even in the dry bulk division. Nevertheless, we continued efforts to improve profitability by decreasing costs through heightened fleet assignment rationalization and reduced fuel consumption. In the liquid division, market conditions remained favourable and performance improved over the previous fiscal year. In non-shipping businesses, the air cargo transportation and logistics segments continued to perform favourably as Group earnings overall received a boost from cheaper bunker oil and the weaker yen, causing earnings to increase over those in the previous fiscal year.

As a result of the above, consolidated revenues for the period increased ¥19.1 billion (an increase of 1.6%) compared with the same period in the previous fiscal year. Operating income increased ¥10.7 billion year on year (an increase of 38.5%) while recurring profit increased ¥5.9 billion year on year (an increase of 16.3%). Extraordinary income from the sale of North American cruise business CRYSTAL CRUISES, LLC drove the significant increase in net income attributable to owners of the parent company, which improved ¥34.7 billion year on year (an increase of 173.8%).

Changes in foreign exchange rates and bunker oil prices are summarized in the following table.

	Six months ended September 30, 2014	Six months ended September 30, 2015	Change
Average exchange rate	¥102.52/US$	¥121.76/US$	Yen down ¥19.24/US$
Average bunker oil price	US$613.50/MT	US$353.70/MT	Price down US$259.80/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, 2015 is as follows.

		Revenues				Recurring profit		
		FY 2014 1H	FY 2015 1H	Change	Percentage Change	FY 2014 1H	FY 2015 1H	Change
Global Logistics	Liner Trade	344.0	378.2	34.2	9.9 %	4.9	7.8	2.9
	Air Cargo Transportation	46.3	48.9	2.6	5.7 %	(3.3)	0.9	4.3
	Logistics	226.5	249.5	22.9	10.1 %	4.2	6.0	1.7
Bulk Shipping		497.9	483.1	-14.7	-3.0 %	27.4	27.2	-0.2
Others	Real Estate	4.8	4.8	-0.0	-0.0 %	1.8	1.7	-0.0
	Other	115.3	76.5	-38.8	-33.7 %	2.4	0.0	-2.3

Note: From the first quarter of the current fiscal year, reportable segments listed under business segments have changed. Second quarter consolidated results comparisons and analyses are based on segments after this change was implemented. Details regarding reportable segment changes are on page 15.

Liner Trade

In the container shipping division, despite the appearance of a downward trend in North American shipping route freight rates attributable to increased supply capacity in overall trade, cargo movement originating in Asia was favorable, leading to comparatively robust conditions. However, in addition to a spate of ultra-large containership deliveries on European routes, the depreciation of the Euro and an economic slump in the European region amid lower demand for cargo to Europe caused spot freight rates to decline, resulting in a challenging business environment. In terms of services, we realigned Central and South America routes and to increase efficiency and enhance cost competitiveness. With regard to operations, we strove to deploy and economically optimize the operations of each vessel on each route while continuing efforts aimed at

reducing fleet and operational costs. With respect to sales, we attempted to raise lifting volumes by further enhancing management methods aimed at improving lifting volumes and establishing objectives for each country, which contributed to improved profitability even as the overall market remained sluggish. In the terminal business, continued to perform favourably, revenues and recurring profit in the liner trade segment overall increased compared with the same period in the previous fiscal year.

Air Cargo Transportation

In the air cargo transportation segment, we engaged in efforts to strengthen the ongoing collection of cargo particular to cargo planes and the airline charter business. At the beginning of the fiscal year under review, continued demand for air transport due to harbour congestion on the west coast of North America, the capture of active cargo from Asia after sluggish cargo movement from Japan and a boost from bunker oil price cuts caused revenue to increase year on year, maintaining profitability in this segment.

Logistics

In the airfreight forwarding business, the handling of freight from overseas was brisk, while improved competitiveness in the ocean freight forwarding business caused handling volumes to increase year on year. In the logistics business, sales expanded due to the effect of operational reforms and an attempt to offer more comprehensive services. In the coastal transportation business, new vessels were launched along major routes. As a result, the logistics segment posted increases in revenues and profit compared with the same period in the previous fiscal year.

Bulk Shipping

Car Transportation Division

In the car transportation division, favourable finished automobile sales in the North America region and the assignment of vessels to regions where transport demand was vigorous, including between countries outside Japan, resulted in an overall increase in Group finished automobiles shipments year on year. Also, continuing from last period, newly built large vessels went into commission, contributing to improved performance due to their high fuel efficiency. In the auto logistics business, we commenced shipments of finished automobiles in August from India’s Port of Pipavav. In September, we established companies in Saudi Arabia and Columbia through joint-ventures with local companies in an effort to further expand business in growth markets.

Dry bulk Division

In the dry bulk division, shipments of iron ore to China were at the same level as last fiscal year, but coal shipments declined. Despite a substantial increase in the scrapping of dry bulk carriers, the ongoing construction of new vessels resulted in a failure to eliminate excess tonnage, casing stagnant market conditions among all types of vessels in all regions. Given these conditions, the NYK Group increasingly entered contracts less susceptible to short-term market fluctuation and engaged in cost reductions, including the return or sale of unprofitable and older vessels and the thorough implementation of slow-steaming throughout the fleet. Other efforts to improve profitability included the reduction of ballast voyages by combining cargoes and efficiently assigning carriers.

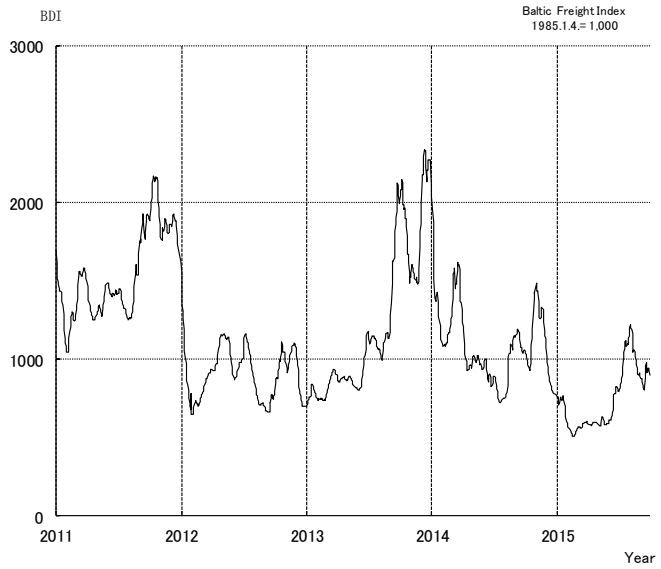
Liquid Division

In the liquid division, increased transportation distances caused by diversifying cargo movement resulted in improved market conditions compared to the same period in the previous fiscal year. VLCC market conditions rapidly improved due to increased demand for China storage demand due to cheap crude oil. Petroleum products tanker market conditions led to higher performance year on year, as arbitrage increased

due to the naphtha east-west cost differential from the high cost of petrochemical raw materials, and new refinery operations in the Middle East and Asia caused exports bound for Suez and westward to remain at a high level. LPG carrier business performance also continued to be robust due to increased demand for transport to East Asia from the United States. LNG tankers also performed well, underpinned by long-term contracts giving rise to stable earnings. In the offshore business, the floating production, storage and offloading (FPSO) and drillship businesses continued to perform well.

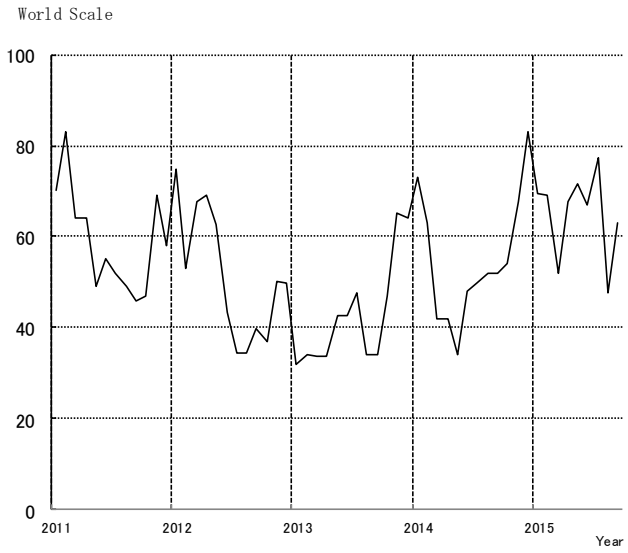
As a result, the bulk shipping segment posted lower profit on lower revenues compared with the same period in the previous fiscal year.

Fluctuation in Tramper Freight Rate in BDI



Period : 2011/1 ～ 2015/9

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



Period : 2011/1 ～ 2015/9

Real Estate and Other Businesses Services

The Real Estate Business promoted building reconstruction, building disposal and new building purchases in an attempt to rejuvenate properties under ownership. Despite maintaining the same level of revenue as the same period in the previous fiscal year, expenses related to the acquisition of properties caused profit to decline year on year.

In Other Business Services, crude oil prices fell, causing a significant drop in trading business core vessel bunker oil sales prices. In addition, typhoons necessitated the cancellation of some Asuka Cruises, resulting in lower revenues and profit.

Furthermore, CRYSTAL CRUISES, LLC was sold and transferred in the first quarter of the consolidated fiscal year under review, and the Cruise Business was incorporated into the Other Business Services category.

(2) Explanation about Financial Position

① Assets, Liabilities, and Equity

Consolidated assets totalled ¥2,497.9 billion at the end of the second quarter (September 30, 2015), a decline of ¥71.8 billion compared with the end of the previous fiscal year (March 31, 2015). Consolidated liabilities totalled ¥1,584.9 billion, a decline of ¥103.9 billion from the end of the previous fiscal year due to the elimination of interest-bearing debt. In consolidated equity, retained earnings increased ¥46.5 billion from the end of the previous fiscal year. Shareholders' equity—the aggregate of shareholders' capital and total accumulated other comprehensive income—amounted to ¥841.0 billion; adding non-controlling interests of ¥71.8 billion, consolidated equity amounted to ¥912.9 billion. As a result, the debt-equity ratio was 1.27.

② Cash flow

Overview

Net cash provided by operating activities in the six months ended September 30, 2015 was ¥70.8 billion, reflecting income before income taxes and non-controlling interests of ¥78.4 billion and non-cash depreciation and amortization of ¥51.8 billion, which was partially offset by ¥8.5 billion in interest expenses paid and other factors. Investing activities used net cash of ¥23.9 billion, primarily reflecting the purchase and sales of noncurrent assets, mainly vessels. Net cash used in financing activities was ¥41.5 billion, mainly due to outflows for the repayment of long-term loans payable. As a result, the balance of cash and cash equivalents stood at ¥329.2 billion at September 30, 2015, an increase of ¥1.9 billion compared with the beginning of the fiscal year (April 1, 2015), after taking into account the effect of exchange rate fluctuations.

Trends in cash flow indicators

	March 31,2013	March 31,2014	March 31,2015	September 30,2014	September 30,2015
Shareholder's equity ratio (%)	26.8	28.2	31.5	29.5	33.7
Shareholder's equity ratio at market price (%)	17.0	19.9	22.8	19.4	18.7
Cash flows vs ratio of interest bearing debt (years)	13.8	9.1	8.0	-	-
Interest coverage ratio	5.4	7.1	7.6	5.2	8.3

1. Shareholders' equity ratio: shareholders' equity/total assets

2. Shareholders' equity ratio at market price: total market capitalization/total assets

3. Cash flows vs ratio of interest-bearing debt (years): interest-bearing debt/cash flow from operating activities

4. Interest coverage ratio: cash flow from operating activities/interest payments

Notes:

1. All indices are calculated using consolidated figures.

2. Gross equity market capitalization is calculated by multiplying the closing price of our shares at the end of the period by the number of ordinary shares issued and outstanding at the end of the period.

3. Operating cash flow uses net cash provided by operating activities as stated in the consolidated statements of cash flows. Interest-bearing debt reflects loans, corporate bonds, and lease liabilities as stated in the consolidated balance sheets. Interest paid is the interest expenses paid in the consolidated cash flow statements.

(3) Explanation about Consolidated Earnings Outlook and Other Forecasts

① Consolidated Earnings Outlook

The forecast for the full fiscal year is revenues of ¥2,370.0 billion, operating income of ¥75.0 billion, recurring profit of ¥80.0 billion and net income attributable to owners of the parent company of ¥47.0 billion.
In the container shipping business, although cargo shipping demand is expected to remain comparatively firm, the persistent, firmly-rooted tonnage supply pressure causing weak cargo shipping demand on European routes led us to revise shipping volumes and freight rates. In the second half of the fiscal year, we will make an effort to restore freight rates through space adjustments achieved by reducing service during the winter season and initiatives aimed at reducing all types of costs while improving profitability. In the dry bulk division, we expect market conditions to remain challenging with no improvement in market sentiments in reaction to the economic slowdown in China, upon which we based our revisions. In the liquid division, we assume tanker market conditions will remain firm and anticipate securing stable profits in the LNG tanker and offshore businesses. In the car transportation division, we also anticipate continued stability.
Conditions are expected to remain favourable in the non-shipping businesses of air cargo transportation and logistics.

In view of the above, we have revised our full-year forecast as follows.

(In billion yen)

	Revenues	Operating Income	Recurring Profit	Net Income attributable to owners of the Parent company
Previous Forecast（July 31,2015）	2,400	84	90	55
Revised Forecast	2,370	75	80	47
Change	(30)	(9)	(10)	(8)
Percentage Change (%)	-1.3	-10.7	-11.1	-14.5

Assumption for forecasts:
Exchange Rate (for the third and fourth quarter) ¥120/US$ (Full year) ¥120.88/US$
Bunker Oil Prices (for the third and fourth quarter) US$270/MT (Full year) US$311.85/MT

② Dividends for the Fiscal Year ending March 31, 2016

NYK Line regards the stable return of profit to shareholders to be one of its top management priorities. The Company determines the amounts of its dividend distributions in light of its earnings forecasts and various other considerations, with a consolidated payout ratio target of 25%.
For the fiscal year ending March 31, 2016, the Company plans to pay a ¥4 per share interim payment according to the schedule, a ¥3 per share year-end payment, totaling ¥7 per share for the full year.

2. Information about Summary (Notes)

Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements

(Changes in accounting policy in accordance with changes in accounting standard)

(Application of Accounting Standard for Business Combination)

Effective from the first quarter of the current fiscal year, with regard to Accounting Standards Board of Japan (ASBJ) “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013. Hereinafter, “Accounting Standard for Business Combinations”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013. Hereinafter, “Accounting Standard for Consolidated Financial Statements”) and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013. Hereinafter, “Accounting Standard for Business Divestitures”), the NYK Group records the difference attributable to changes in the Company’s ownership interest in subsidiaries if the Group retains control over such subsidiaries as capital surplus and charges acquisition related expenses to cost in the fiscal year in which such expenses were incurred. Regarding business combinations taking place from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2016 forward, if the allocated amount of the acquisition cost is revised following the determination of the provisional accounting treatment, the NYK Group reflects such revision in the quarterly consolidated financial statements of the quarter in which the business combination takes place. In addition, the presentation method of quarterly net income was amended and the reference to “minority interests” was changed to “non-controlling interests.”

To reflect the amended presentation method, with regard to the second quarter of the previous fiscal year and the previous fiscal year, the quarterly consolidated financial statements and consolidated financial statements were reclassified.

With regard to application of the Accounting Standard for Business Combinations, etc., as Clause 58-2 (4) of the Accounting Standard for Business Combinations, Clause 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Clause 57-4 (4) of the Accounting Standard for Business Divestures stipulate transitional treatment, these standards will be applied going forward from the beginning of the first quarter under review.

These accounting policy changes have only a minor impact on financial statements in the second quarter of the consolidated fiscal year ending March 31, 2016.

3. Consolidated Financial Statements
(1)Consolidated Balance Sheets

(In million yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	260,900	236,990
Notes and operating accounts receivable-trade	287,518	266,543
Short-term investment securities	73,400	99,000
Inventories	48,717	38,621
Deferred and prepaid expenses	70,510	66,102
Deferred tax assets	7,083	6,910
Other	96,589	92,121
Allowance for doubtful accounts	(2,222)	(2,287)
Total current assets	842,496	804,001
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	937,245	892,989
Buildings and structures, net	79,650	79,298
Aircraft, net	21,621	21,188
Machinery, equipment and vehicles, net	37,337	36,208
Equipment, net	6,446	6,592
Land	67,162	74,414
Construction in progress	34,113	36,214
Other, net	6,883	6,503
Total vessels, property, plant and equipment	1,190,460	1,153,408
Intangible assets		
Leasehold right	4,625	4,219
Software	15,585	15,624
Goodwill	23,955	22,727
Other	4,621	3,740
Total intangible assets	48,787	46,311
Investments and other assets		
Investment securities	348,665	358,790
Long-term loans receivable	30,196	30,769
Net defined benefit asset	50,238	49,704
Deferred tax assets	6,104	6,058
Other	54,848	51,116
Allowance for doubtful accounts	(2,462)	(2,670)
Total investments and other assets	487,589	493,771
Total non-current assets	1,726,837	1,693,491
Deferred assets	493	440
Total assets	2,569,828	2,497,933

(In million yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	217,470	209,233
Short-term loans payable	99,566	103,945
Income taxes payable	20,628	8,200
Deferred tax liabilities	3,017	3,021
Advances received	78,102	40,424
Provision for bonuses	9,983	9,300
Provision for directors' bonuses	369	239
Provision for losses related to antitrust law	7,175	4,800
Provision for losses related to contracts	2,649	5,744
Other	97,894	96,272
Total current liabilities	536,858	481,183
Non-current liabilities		
Bonds payable	195,445	195,445
Long-term loans payable	788,832	751,420
Deferred tax liabilities	46,749	42,875
Net defined benefit liability	19,480	18,176
Provision for directors' retirement benefits	1,786	1,574
Provision for periodic dry docking of vessels	20,959	20,963
Provision for losses related to contracts	8,678	4,262
Other	70,115	69,064
Total non-current liabilities	1,152,047	1,103,782
Total liabilities	1,688,905	1,584,965
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	155,616	155,616
Retained earnings	467,092	513,654
Treasury stock	(2,070)	(2,086)
Total shareholders' capital	764,957	811,503
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	54,665	42,630
Deferred gain (loss) on hedges	(41,857)	(43,226)
Foreign currency translation adjustment	27,196	23,964
Remeasurements of defined benefit plans	5,348	6,202
Total accumulated other comprehensive income (loss)	45,353	29,571
Non-controlling interests	70,611	71,892
Total equity	880,923	912,967
Total liabilities and equity	2,569,828	2,497,933

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

(In million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Revenues	1,179,098	1,198,297
Cost and expenses	1,050,023	1,053,027
Gross profit	129,075	145,270
Selling, general and administrative expenses	101,178	106,647
Operating income	27,896	38,623
Non-operating income		
Interest income	1,613	1,767
Dividend income	2,597	2,967
Equity in earnings of unconsolidated subsidiaries and affiliates	9,215	7,248
Foreign exchange gains	2,900	—
Other	4,371	4,142
Total non-operating income	20,699	16,125
Non-operating expenses		
Interest expenses	8,867	8,493
Foreign exchange losses	—	1,361
Other	2,989	2,181
Total non-operating expenses	11,857	12,037
Recurring profit	36,738	42,711
Extraordinary income		
Gain on sales of non-current assets	6,130	7,901
Gain on sales of shares of subsidiaries and affiliates	—	28,993
Other	1,330	1,430
Total extraordinary income	7,461	38,325
Extraordinary loss		
Loss on sales of non-current assets	142	1,047
Other	13,605	1,530
Total extraordinary loss	13,747	2,577
Income before income taxes	30,451	78,459
Income taxes	8,658	19,127
Profit	21,793	59,331
Net income attributable to non-controlling interests	1,790	4,562
Net income attributable to owners of the parent company	20,002	54,768

(Consolidated Statements of Comprehensive Income)

(In million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	21,793	59,331
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	8,435	(11,959)
Deferred gain (loss) on hedges	(2,103)	(1,708)
Foreign currency translation adjustments	10,342	(8,328)
Remeasurements of defined benefit plans	365	938
Share of other comprehensive income of associates accounted for using equity method	(3,919)	4,436
Total other comprehensive income	13,120	(16,620)
Comprehensive income	34,914	42,710
(Breakdown)		
Comprehensive income attributable to owners of the parent company	31,519	40,612
Comprehensive income attributable to non-controlling interests	3,394	2,098

(3) Consolidated Statements of Cash Flows

(In million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	30,451	78,459
Depreciation and amortization	49,313	51,875
Impairment loss	226	10
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(5,826)	(6,807)
Loss (gain) on sales of short-term and long-term investment securities	514	(28,800)
Loss (gain) on valuation of short-term and long-term investment securities	10	37
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(9,215)	(7,248)
Interest and dividend income	(4,210)	(4,734)
Interest expenses	8,867	8,493
Foreign exchange losses (gains)	(2,107)	(3,010)
Decrease (increase) in notes and accounts receivable - trade	(20,510)	19,659
Decrease (increase) in inventories	2,157	8,342
Increase (decrease) in notes and accounts payable - trade	2,979	(7,067)
Other, net	16,503	(5,965)
Subtotal	69,152	103,243
Interest and dividend income received	8,617	9,646
Interest expenses paid	(8,929)	(8,543)
Paid expenses related to antitrust law	(13,875)	(1,535)
Income taxes (paid) refund	(8,561)	(31,967)
Net cash provided by (used in) operating activities	46,403	70,843
Net cash provided by (used in) investing activities		
Purchase of vessels, property, plant and equipment and intangible assets	(80,366)	(56,247)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	50,684	38,149
Purchase of investment securities	(17,801)	(26,382)
Proceeds from sales and redemption of investment securities	5,228	4,919
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(66)	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(1,072)	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	9,763
Payments of loans receivable	(9,077)	(14,830)
Collection of loans receivable	17,364	21,569
Other, net	695	(885)
Net cash provided by (used in) investing activities	(34,411)	(23,944)

(In million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,816)	(2,072)
Proceeds from long-term loans payable	9,695	19,525
Repayments of long-term loans payable	(71,126)	(47,868)
Proceeds from stock issuance to non-controlling shareholders	—	85
Purchase of treasury stock	(17)	(17)
Proceeds from sales of treasury stock	0	0
Cash dividends paid to shareholders	(5,088)	(8,480)
Cash dividends paid to non-controlling shareholders	(1,373)	(776)
Other, net	(1,896)	(1,919)
Net cash provided by (used in) financing activities	(72,623)	(41,522)
Effect of exchange rate change on cash and cash equivalents	2,348	(3,649)
Net increase (decrease) in cash and cash equivalents	(58,282)	1,726
Cash and cash equivalents at beginning of period	349,723	327,243
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	334	199
Increase in cash and cash equivalents resulting from merger with non-consolidated subsidiaries	71	—
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	—	32
Cash and cash equivalents at end of period	291,847	329,201

(4) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

The second quarter of this fiscal year (April 1, 2015 – September 30, 2015)
Not applicable

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

The second quarter of this fiscal year (April 1, 2015 – September 30, 2015)
Not applicable

(Segment Information and Others)

[Segment Information]

Ⅰ. Six months ended September 30, 2014 (April 1, 2014 – September 30, 2014)

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	338,410	43,386	224,853	497,685	4,193	70,567	1,179,098	-	1,179,098
(2) Inter-segment revenues	5,652	2,926	1,694	241	630	44,742	55,888	(55,888)	-
Total	344,063	46,313	226,548	497,927	4,823	115,310	1,234,987	(55,888)	1,179,098
Segment income (loss)	4,941	(3,343)	4,264	27,476	1,817	2,445	37,600	(861)	36,738

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments -1 million yen and other cooperate expenses -860 million yen. The general and administrative 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.

Ⅱ. Six months ended September 30, 2015 (April 1, 2015 – September 30, 2015)

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	371,099	45,502	247,798	482,753	4,229	46,913	1,198,297	-	1,198,297
(2) Inter-segment revenues	7,184	3,429	1,729	431	593	29,593	42,962	(42,962)	-
Total	378,283	48,932	249,527	483,185	4,823	76,507	1,241,260	(42,962)	1,198,297
Segment income (loss)	7,850	988	6,040	27,228	1,735	49	43,892	(1,180)	42,711

(Notes)

1. Adjustments of segment income (loss) are internal exchanges or transfer to other amount among segments -95 million yen and other cooperate expenses -1,085 million yen. The general and administrative 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. Changes in Reportable segments

In the first quarter of the consolidated fiscal year, CRYSTAL CRUISES, LLC, one of the main subsidiaries comprising the Cruises Business, was sold and the Cruises Business was incorporated into the Other Business Services category.
Furthermore, second quarter consolidated results of previous fiscal year's segment information was created based on the segmentation method after this change.

4. Other Information

(1) Quarterly Operating Results

Year ending March 31, 2016

(In million yen)

	Apr 1, 2015 – Jun 30, 2015 1Q	Jul 1, 2015 – Sep 30, 2015 2Q	Oct 1, 2015 – Dec 31, 2015 3Q	Jan 1,2016 – Mar 31, 2016 4Q
Revenues	588,703	609,594		
Operating income	17,461	21,161		
Recurring profit	21,500	21,211		
Net income attributable to owners of the parent company for the quarter	43,067	11,701		
Net income per share attributable to owners of the parent company	¥25.39	¥6.90		
Net income per share attributable to owners of the parent company -fully diluted	¥25.39	¥6.90		
Total assets	2,569,153	2,497,933		
Equity	932,372	912,967		
Equity per share	¥506.95	¥495.94		

Year ended March 31, 2015

(In million yen)

	Apr 1, 2014 – Jun 30, 2014 1Q	Jul 1, 2014 – Sep 30, 2014 2Q	Oct 1, 2014 – Dec 31, 2014 3Q	Jan 1,2015 – Mar 31, 2015 4Q
Revenues	582,377	596,721	603,760	618,961
Operating income	11,572	16,323	13,016	25,279
Recurring profit	12,002	24,736	24,838	22,433
Net income attributable to owners of the parent company for the quarter	10,222	9,780	8,454	19,133
Net income per share attributable to owners of the parent company	¥6.03	¥5.77	¥4.98	¥11.28
Net income per share attributable to owners of the parent company -fully diluted	¥6.03	¥5.76	¥4.98	¥11.28
Total assets	2,494,600	2,531,546	2,610,735	2,569,828
Equity	776,489	802,216	826,137	880,923
Equity per share	¥426.52	¥440.13	¥452.21	¥477.79

Note The above operating results (revenue, operating profit, recurring profit and net income attributable to owners of the parent company) 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, 2014	Six months ended September 30, 2015	Change	Year ended March 31, 2015
Average exchange rate during the period	¥102.52/US$	¥121.76/US$	Yen down ¥19.24/US$	¥109.19/US$
Exchange rate at the end of the period	¥109.45/US$	¥119.96/US$	Yen down ¥10.51/US$	¥120.17/US$

(3) Bunker Oil Prices Information

	Six months ended September 30, 2014	Six months ended September 30, 2015	Change	Year ended March 31, 2015
Average bunker oil prices	US$613.50/MT	US$353.70/MT	Price down US$259.80/MT	US$557.28/MT

(4) Balance of Interest-Bearing Debt

(In million yen)

	As of March 31, 2015	As of September 30, 2015	Change	As of September 30, 2014
Loans	888,399	855,366	-33,032	942,901
Corporate bonds	195,445	195,445	―	235,445
Leases liabilities	14,512	13,634	-878	14,990
Total	1,098,357	1,064,445	-33,911	1,193,336