Consolidated Financial Results for the Year Ended March 31, 2019
(Japanese GAAP) (Unaudited)

April 26, 2019

Nippon Yusen Kabushiki Kaisha (NYK Line)

Security Code:	9101
Listings:	The First Section of Tokyo and Nagoya Stock Exchanges
URL:	https://www.nyk.com/english/index.htm
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Ordinary General Meeting of Shareholders	June 19, 2019
Start scheduled date of paying Dividends	June 20, 2019
Submit scheduled date of Financial Report	June 19, 2019
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 Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results

(Percentage figures show year on year changes)

	Revenues		Operating profit		Recurring profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2019	1,829,300	-16.2	11,085	-60.2	(2,052)	-	(44,501)	-
Year ended March 31, 2018	2,183,201	13.5	27,824	-	28,016	-	20,167	-

(Note) Comprehensive income:
Year ended March 31, 2019: ¥-60,308 million (-%), Year ended March 31, 2018: ¥33,564 million (-%)

	Profit per share	Profit per share–fully diluted	Profit per share ratio in shareholders' equity	Recurring profit/ total assets	Operating profit/ revenues
	yen	yen	%	%	%
Year ended March 31, 2019	(263.80)	-	-8.6	-0.1	0.6
Year ended March 31, 2018	119.57	-	3.8	1.4	1.3

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates:
Year ended March 31, 2019: ¥-2,538 million, Year ended March 31, 2018: ¥9,935 million

(2) Consolidated Financial Position

	Total assets	Equity	Shareholders' equity ratio	Equity per share
	million yen	million yen	%	yen
Year ended March 31, 2019	2,001,704	521,725	24.4	2,889.26
Year ended March 31, 2018	2,071,636	588,255	26.6	3,272.21

(Reference) Shareholders' equity :
Year ended March 31, 2019: ¥487,432 million, Year ended March 31, 2018: ¥551,887 million

(3) Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2019	45,260	(132,292)	62,715	78,280
Year ended March 31, 2018	89,090	(137,994)	17,587	103,278

2. Dividends

Date of record	Dividend per share					Total dividends paid (Full year)	Payout ratio (Consolidated)	Dividends/ Equity (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2018	-	0.00	-	30.00	-	5,087	25.1	0.9
Year ended March 31, 2019	-	10.00	-	10.00	20.00	3,391	-	0.6
Year ending March 31, 2020 (Forecast)	-	20.00	-	20.00	40.00		26.0	

(Note) On October 1, 2017, NYK Line conducted a reverse stock split at a ratio of 10 ordinary shares to one ordinary share. In consideration of the effect of this reverse stock split, the amount of the year-end dividend per share for the fiscal year ending March 31, 2018, is shown in the table above, while the total dividend per share amount for the full fiscal year is not shown.

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

(Percentage figures show year on year changes)

	Revenues		Operating profit		Recurring profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Cumulative second quarter ending September 30, 2019	856,500	-6.5	14,500	-	17,500	-	9,000	-	53.35
Year ending March 31, 2020	1,730,000	-5.4	38,000	242.8	37,000	-	26,000	-	154.12

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) 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: Yes
3. Changes in accounting estimates: None
4. Restatements: None

(3) Total issued shares (Ordinary shares)

1. Total issued shares (including treasury stock)	As of March 31, 2019	170,055,098	As of March 31, 2018	170,055,098
2. Number of treasury stock	As of March 31, 2019	1,349,732	As of March 31, 2018	1,396,372
3. Average number of shares	Year ended March 31, 2019	168,694,360	Year ended March 31, 2018	168,658,850

(Reference)

Non-consolidated Financial Results for the Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Operating Results

(Percentage figures show year on year changes)

	Revenues		Operating profit		Recurring Profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2019	703,078	-35.4	(23,256)	-	7,663	-81.6	(24,501)	-
Year ended March 31, 2018	1,087,926	14.8	(19,707)	-	41,700	-	59,509	-

	Profit per share	Profit per share-fully diluted
	yen	yen
Year ended March 31, 2019	(145.24)	-
Year ended March 31, 2018	352.83	-

(2) Financial Position

	Total assets	Equity	Shareholders' equity ratio	Equity per share
	million yen	million yen	%	yen
Year ended March 31, 2019	1,365,127	209,298	15.3	1,240.59
Year ended March 31, 2018	1,403,907	261,379	18.6	1,549.72

(Reference) Shareholders' equity:
Year ended March 31, 2019: ¥209,298 million, Year ended March 31, 2018: ¥261,379 million

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

*Assumption for the forecast of consolidated financial results for the year ending March 31, 2019
Foreign exchange rate: (full year) ¥105/US$
Bunker oil price: (full year) US$430MT (for the third and fourth quarter) VLSFO price: US$590/MT

The above forecast is based on currently available information and assumptions that NYK Line deems to be reasonable. NYK Line offers no assurance the forecast will be realized. Actual results may differ from the forecast as a result of various factors. Refer to page 9 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)

1. Review of Operating Results and Financial Position

(1) Review of Operating Results

1) Operating Results for the Fiscal Year 2018

Financial results for the consolidated fiscal accounting year are as follows:

(In billion yen)

	Year Ended March 31,2018	Year Ended March 31,2019	Change	Percentage Change
Revenues	2,183.2	1,829.3	-353.9	-16.2%
Cost and expenses	1,952.4	1,634.1	-318.2	-16.3%
Selling, general and administrative expenses	202.9	184.0	-18.9	-9.3%
Operating Income	27.8	11.0	-16.7	-60.1%
Recurring Profit	28.0	(2.0)	-30.0	-
Profit attributable to owners of parent	20.1	(-44.5)	-64.6	-

Average exchange rate	¥111.19/US$	¥110.67/US$	Yen up ¥0.52/US$
Exchange rate at the end of period	¥106.24/US$	¥110.99/US$	Yen down ¥4.75/US$
Average bunker oil prices	US$341.41/MT	US$442.49/MT	Price up US$101.09/MT

Overview

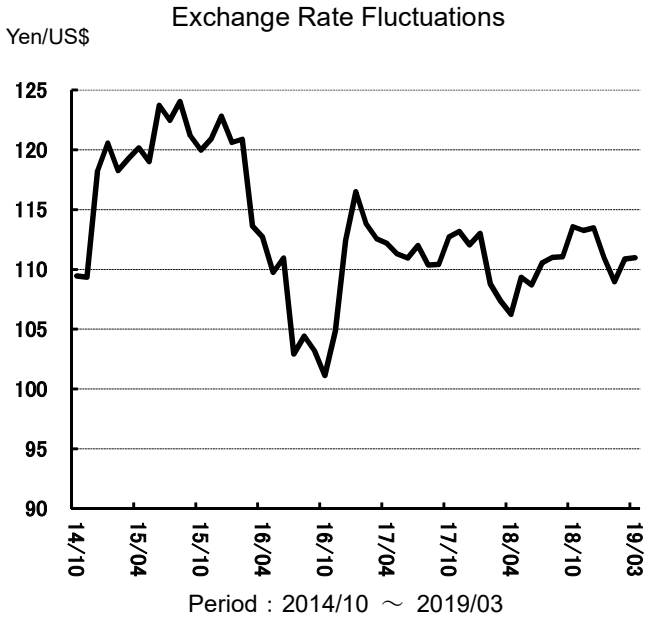
In the container shipping market, the high level of new supply remained ongoing from last year, but spot rates were favorable on the back of strong shipping volumes. In the dry bulk shipping market, the pace of new capacity completion is steadily slowing down, and although shipment volumes of iron ore, coal and grain were firm in the first half, shipping traffic to China was sluggish in the second half, resulting in the market average for the full year being roughly the same as the previous year. In the logistics business, shipment volumes were vigorous, and the business remained strong. On the other hand, crude oil prices were much higher compared to the previous consolidated fiscal year, and bunker prices also increased.

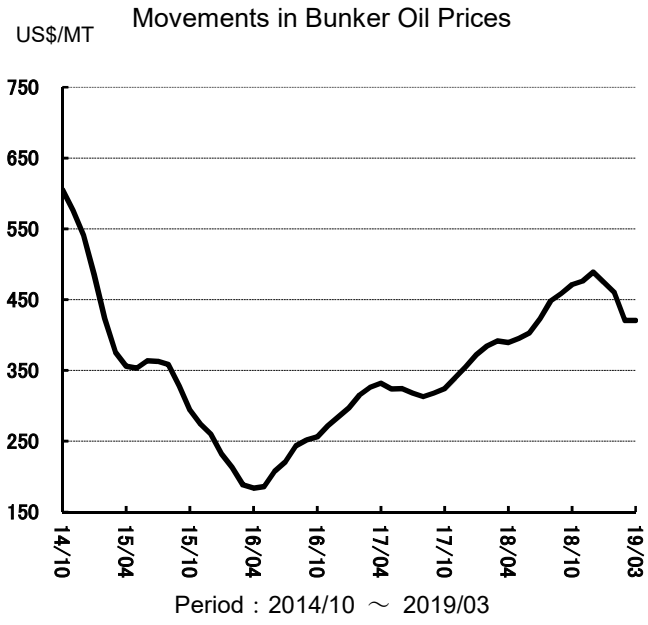
Within this environment, in Bulk Shipping, along with advancing structural reforms in the dry bulk shipping market, profit increased through the accumulation of profit from stable-freight-rate businesses including the LNG and offshore businesses. On the other hand, in the Liner Trade, the new shipping line OCEAN NETWORK EXPRESS PTE. LTD. (“ONE”), which was established with the aim of integrating the container shipping business with those of Kawasaki Kisen Kaisha, Ltd. and Mitsui O.S.K. Lines, Ltd., started offering service from April 1, 2018. However, due to a service disruption that occurred immediately after the start of the business, liftings and slot utilization fell, and although the liftings and slot utilization began to improve from the summer, a loss was recorded. In addition, NYK Line incurred significant one-time costs mainly in the first quarter following the termination of the container shipping business. In the Air Cargo Transportation segment, the company’s consolidated subsidiary Nippon Cargo Airlines Co., Ltd. temporarily grounded all 11 of its aircraft from June in order to confirm the soundness of the aircraft. It was decided that the aircraft operated by the company will be limited to the eight Boeing 747-8F type aircraft. At the end of January of this year, the eighth aircraft was returned to service, but a loss was recorded. Also, an extraordinary gain was recorded following the liquidation of assets including the sale of strategic shareholdings and real estate

owned by the company and the sale of business equity as part of the business portfolio revisions. At the same time, an extraordinary loss was recorded for provisions for contract losses regarding the chartering of containerships, as well as an impairment loss and provisions for contract losses following the fundamental revisions in the dry bulk business, as structural reforms that will contribute to strengthening the business structure from next year forward.

As a result, for fiscal year 2018, revenues of ¥1,829.3 billion, operating profit of ¥11.0 billion, recurring loss of ¥2.0 billion and loss attributable to owners of parent of ¥44.5 billion were recorded.

Changes in the average exchange rate between the U.S. dollar and yen as well as the average bunker oil price are shown in the following table.





Note: Exchange rates and bunker oil prices are our internal figures.

(Overview by Business Segment) (In billion yen)

		Revenues				Recurring profit		
		FY2017	FY2018	Change	Percentage Change	FY 2017	FY 2018	Change
Global Logistics	Liner Trade	691.4	286.3	-405.0	-58.6 %	10.8	(26.4)	-37.2
	Air Cargo Transportation	97.8	56.7	-41.0	-42.0 %	1.8	(15.9)	-17.7
	Logistics	512.3	525.8	13.4	2.6 %	2.3	7.7	5.3
Bulk Shipping		795.6	841.3	45.7	5.8 %	9.6	33.7	24.1
Others	Real Estate	7.9	7.6	-0.3	-4.1 %	2.6	2.7	0.0
	Other	172.3	188.1	15.8	9.2 %	3.1	3.0	-0.0

Liner Trade

In the container shipping division, the newly established shipping line ONE started offering service from April 1, 2018. However, teething problems occurred immediately after the commencement of service in April, resulting in a drop in liftings and slot utilization. The service disruption was resolved in the first quarter, and from July, both liftings and slot utilization greatly improved on the outbound voyages. The higher empty container repositioning costs as a result of the insufficient liftings on the return voyages (North America to Asia and Europe to Asia) placed pressure on the bottom line, but liftings on the return voyages started to recover from the second half. Freight rates were favorable, particularly in the North America trade. Higher bunker prices placed downward pressure on earnings, but synergistic effects of the business integration have emerged steadily as the company continued to work to improve the bottom line by reducing costs.

At NYK Line, higher than expected one-time costs required to terminate the container shipping business occurred mainly in the first quarter, but these costs largely declined from July. The handling volume at container terminals in Japan and overseas increased, and earnings were steady.

As a result of the above, the Liner Trade segment as a whole recorded a loss. Also, revenues greatly declined compared to the previous consolidated fiscal year due to the fact that the revenues of ONE, which is accounted for by the equity method, are no longer included.

Air Cargo Transportation

In the Air Cargo Transportation segment, as a result of the improper maintenance work conducted in the past by the consolidated subsidiary Nippon Cargo Airlines Co., Ltd., a “Business improvement order regarding the securing of air transportation safety” was received on July 20, 2018 from the Minister of Land, Infrastructure, Transport and Tourism. In response to this order, the company submitted improvement measures on August 17. All of the aircraft operated by the company were temporarily grounded from the middle of June in order to confirm the soundness of the aircraft, and it was decided that only the Boeing 747-8F aircraft will continue to be operated. The aircraft were successively returned to service once the soundness was confirmed, and in January of this year, the eighth aircraft was returned to service. Although the volume of cargo transported is gradually recovering, revenues were lower compared to the previous consolidated fiscal year, and a loss was recorded.

Logistics

In the air freight forwarding business, the bottom line significantly improved due in part to the urgent transportation demand for stranded cargo resulting from typhoons in Japan and other factors. In the ocean freight forwarding business, due in part to the last-minute demand from concern over the trade friction between the US and China, shipping volumes were strong particularly in East Asia. In the logistics business, volumes were strong as a result of the robust demand in the US, and volumes were also firm in the Europe. In the coastal transportation business, although the business was affected by typhoons, shipping traffic was firm throughout the year.

As a result of the above, the overall Logistics segment achieved higher profit on higher revenue compared to the previous consolidated fiscal year.

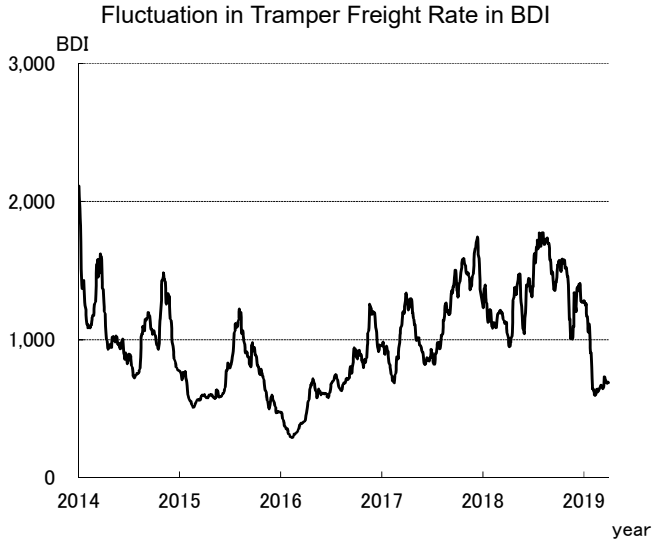
Bulk Shipping

In the automobile transport market, shipping traffic was strong to North America, Europe and within Asia. However, the shipping volumes to resource rich countries remain sluggish, and total finished car shipping volumes declined compared to last year. Under these circumstances, efforts were made to reduce operational costs, such as continuing the slow-steam voyages. In the auto logistics segment, the number of vehicles handled declined due to sluggish finished car markets in some regions, but the company worked to further expand the business, including strengthening the group network and proactively making new logistics proposals.

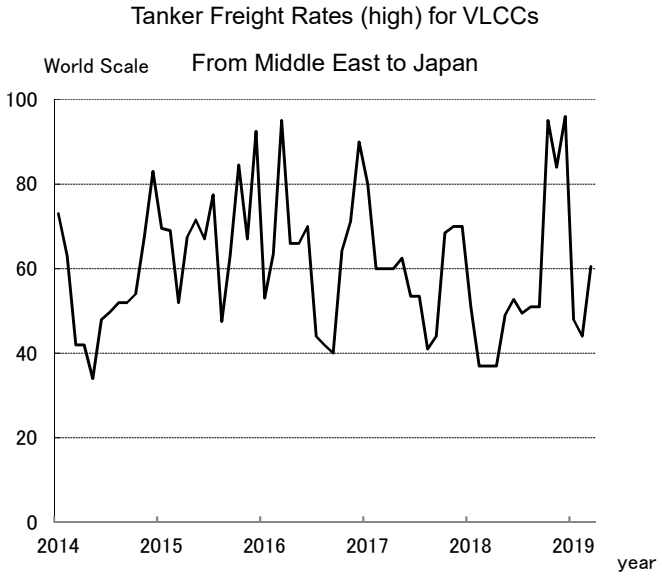
In the dry bulk shipping market, the number of new ships commissioned exceeded the number of ships scrapped, and the excess capacity has not been fundamentally eliminated. Also, cargo volumes of iron ore, coal and grain were firm and the market recovered in the first half, but shipments to China slowed in the second half, and the market deteriorated. Under these circumstances, the NYK Group continued working to secure long-term contracts, as well as to improve the bottom line by reducing costs, such as thoroughly conducting efficient operations, and reducing ballast voyages by finding innovative cargo combinations and ship deployments. In addition, the group moved forward with returning the high cost charted ships early.

In the liquid transport market, for VLCC (very large tankers), the supply and demand balance improved as progress was made in scrapping old ships, and the market improved on the back of vigorous winter shipping volumes. For petrochemical tankers, shipping volumes became more active in the second half of the year. For LPG carriers, although there was strong pressure from the completion of new ships, the volume of shipments from the US to Asia increased. LNG carriers were supported by long-term contracts that generate stable earnings, and the bottom line was firm. In the offshore business, FPSO (floating production, storage and offloading) vessels, drill ships and shuttle tankers operated steadily.

As a result of the above, the overall Bulk Shipping segment achieved higher profit on higher revenue compared to the previous consolidated fiscal year.



Period : 2014/01 ～ 2019/03



Period : 2014/01 ～ 2019/03

Real Estate and Other Businesses

The Real Estate segment was steady, and both revenues and recurring profit were generally unchanged from the previous consolidated fiscal year.

In the Other Business Services segment, a world cruise was conducted in the cruise business, and the passenger occupancy rate increased. However, in the Other Business Service segment overall, profit was on par with the previous consolidated fiscal year.

(2) Review of Change in Financial Position

The total assets as of March 31, 2019 were ¥2,001.7 billion, a decrease of ¥69.9 billion compared to the end of the previous consolidated fiscal year. Total liabilities decreased by ¥3.4 billion compared to the previous consolidated fiscal year to ¥1,479.9 billion. Under equity, retained earnings decreased by ¥51.6 billion, and shareholders'equity, which is the aggregate of shareholders' capital and total accumulated other comprehensive income, was ¥487.4 billion. This amount combined with non-controlling interests of ¥34.2 billion brought total equity to ¥521.7 billion. As a result of these factors, the debt-to-equity ratio rose to 2.15.

(3) Cash Flows

Cash flow from operating activities as of March 31, 2019 was ¥45.2 billion as a result of the loss before income taxes of ¥21.9 billion, non-cash depreciation and amortization of ¥89.7 billion and interest expenses paid of ¥23.9 billion. Cash flow from investment activities was an outflow of ¥132.2 billion due to the investment in ONE and the acquisition and sale of non-current assets, mainly vessels. Cash flow from financing activities was ¥62.7 billion mainly due to the proceeds from long-term loans payable.

As a result of the above factors, the balance of cash and cash equivalents after taking into consideration the exchange rate differences on March 31, 2019 was ¥78.2 billion, down ¥24.9 billion from the beginning of the fiscal year on April 1, 2018.

(4) Consolidated Earnings Outlook

In the fiscal year ending March 31, 2020, revenues will decrease due to the sale of equity in some businesses following portfolio revisions made during the fourth quarter last year, but the business performance in the Liner Trade and Air Cargo Transportation segment is expected to significantly improve. In the Liner Trade, ONE will recover the liftings and slot utilization lost during the service disruption that occurred immediately after the start of operations in fiscal year 2018, and along with optimizing the cargo composition, the company is expected to become profitable. In the Air Cargo Transportation segment, efforts will be made to increase the utilization of the eight Boeing 747-8F aircraft that have been returned to service and increase the volume of cargo transported by the three aircraft leased out to Atlas. In the dry bulk shipping market, the recently low market is expected to recover from the second quarter, and in the liquid transport market, too, due in part to the impact of the response to the environmental regulations, the market is expected to recover in the second half when the peak demand season begins. Also, in the automobile transport market, measures to improve the bottom line, such as rationalizing ship deployment, will be executed, and in the logistics business, efforts will be made to expand the volume of cargo handled in both the air freight forwarding and ocean freight forwarding businesses.

Based on these expectations, profit is forecast to increase on lower revenue in the following consolidated fiscal year.

(In billion yen)

	Revenues	Operating Profit	Recurring Profit	Profit attributable to owners of parent
Fiscal year Ending March 31,2020 (Forecast)	1,730.0	38.0	37.0	26.0
Fiscal year Ended March 31,2019 (Actual)	1,829.3	11.0	(2.0)	(44.5)
Change	-99.3	27.0	39.0	70.5

Assumptions for forecasts: (Full year) Foreign exchange rate: ¥105/US$ Bunker oil price: US$430/MT
(for the third and fourth quarter) VLSFO price: US$590/MT

(5) Basic Policy Concerning Dividends and Planned Dividend Payments

NYK Line has designated the stable return of profits to shareholders as one of the most important management priorities, and generally targeting a dividend payout ratio of 25%, the profit distribution is decided after comprehensively taking into account the business forecast and other factors. At the same time, based on an ongoing minimum dividend that is not affected by the business results, an annual dividend of ¥20 per share has been set as the minimum dividend for the time being. In accordance with this policy, for the current fiscal year (fiscal year ending March 2019), it is planned to issue a year-end dividend of ¥10 per share for a full-year dividend of ¥20 per share. Regarding next year (fiscal year ending March 2020), too, based on this policy, it is currently planned to issue an interim dividend of ¥20 per share and a year-end dividend of ¥20 for a full-year dividend of ¥40.

2. Basic Approach to Selection of Accounting Standards

We currently apply Japanese generally accepted accounting principles to the consolidated financial statements of the NYK Group. We constantly examine application of the optimal accounting standards with a view toward the future while paying due attention to trends surrounding the various accounting standards available to us for selection.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	104,899	79,915
Notes and operating accounts receivable-trade	259,367	219,937
Short-term investment securities	155	140
Inventories	46,598	39,308
Deferred and prepaid expenses	68,758	63,211
Other	87,013	71,909
Allowance for doubtful accounts	(2,194)	(2,299)
Total current assets	564,597	472,123
Non-current assets		
Vessels, property, plant and equipment		
Vessels, net	631,840	620,212
Buildings and structures, net	79,083	84,827
Aircraft, net	47,813	39,692
Machinery, equipment and vehicles, net	27,691	29,310
Equipment, net	5,919	5,729
Land	71,516	68,543
Construction in progress	49,920	44,172
Other, net	4,985	5,372
Total vessels, property, plant and equipment	918,770	897,861
Intangible assets		
Leasehold right	5,144	4,553
Software	6,807	6,562
Goodwill	21,008	16,404
Other	3,972	3,815
Total intangible assets	36,932	31,335
Investments and other assets		
Investment securities	423,246	478,996
Long-term loans receivable	20,819	21,445
Net defined benefit asset	52,971	55,997
Deferred tax assets	8,461	6,361
Other	52,779	44,146
Allowance for doubtful accounts	(7,263)	(6,847)
Total investments and other assets	551,015	600,099
Total non-current assets	1,506,718	1,529,295
Deferred assets	319	285
Total assets	2,071,636	2,001,704

(In million yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	206,205	160,258
Current portion of bonds	30,000	30,000
Short–term loans payable	113,198	196,849
Commercial papers	–	11,000
Income taxes payable	6,803	7,536
Advances received	48,543	39,879
Provision for bonuses	9,271	9,264
Provision for directors' bonuses	368	333
Provision for stock payment	59	734
Provision for losses related to antitrust law	499	–
Provision for losses related to contracts	3,129	4,731
Provision for related to business restructuring	2,241	351
Other	96,638	66,613
Total current liabilities	516,959	527,553
Non-current liabilities		
Bonds payable	145,000	125,000
Long-term loans payable	683,184	663,305
Deferred tax liabilities	52,215	49,540
Net defined benefit liability	18,301	16,837
Provision for directors' retirement benefits	1,958	1,375
Provision for stock payment	479	–
Provision for periodic dry docking of vessels	21,335	20,136
Provision for losses related to contracts	–	30,734
Provision for related to business restructuring	–	1,220
Other	43,945	44,275
Total non-current liabilities	966,420	952,424
Total liabilities	1,483,380	1,479,978
Equity		
Shareholders' capital		
Common stock	144,319	144,319
Capital surplus	35,112	42,894
Retained earnings	345,404	293,719
Treasury stock	(3,801)	(3,715)
Total shareholders' capital	521,035	477,218
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	41,637	23,156
Deferred gain (loss) on hedges	(18,929)	(15,685)
Foreign currency translation adjustments	(3,101)	(9,988)
Remeasurements of defined benefit plans	11,245	12,731
Total accumulated other comprehensive income (loss)	30,851	10,214
Non-controlling interests	36,368	34,293
Total equity	588,255	521,725
Total liabilities and equity	2,071,636	2,001,704

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

(In million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Revenues	2,183,201	1,829,300
Cost and expenses	1,952,401	1,634,188
Gross profit	230,799	195,111
Selling, general and administrative expenses	202,974	184,026
Operating profit	27,824	11,085
Non-operating income		
Interest income	3,478	3,475
Dividend income	7,013	8,473
Equity in earnings of unconsolidated subsidiaries and affiliates	9,935	–
Foreign exchange gains	–	368
Other	5,100	6,522
Total non-operating income	25,527	18,841
Non-operating expenses		
Interest expenses	17,787	24,343
Equity in losses of unconsolidated subsidiaries and affiliates	–	2,538
Foreign exchange losses	3,857	–
Other	3,690	5,097
Total non-operating expenses	25,335	31,978
Recurring Profit (loss)	28,016	(2,052)
Extraordinary income		
Gain on sales of non-current assets	13,861	12,577
Gain on sales of investment securities	11,949	19,474
Gain on sales of shares of subsidiaries and associates	421	17,513
Other	3,241	3,200
Total extraordinary income	29,474	52,766
Extraordinary losses		
Loss on sales of non-current assets	181	674
Impairment loss	916	18,886
Provision for losses related to contracts	–	35,465
Other	14,346	17,670
Total extraordinary losses	15,444	72,697
Profit (loss) before income taxes	42,046	(21,983)
Income taxes - current	17,918	15,869
Income taxes - deferred	(2,636)	3,359
Total income taxes	15,282	19,229
Profit (loss)	26,763	(41,212)
Profit attributable to non-controlling interests	6,596	3,288
Profit (loss) attributable to owners of parent	20,167	(44,501)

(Consolidated Statements of Comprehensive Income)

(In million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit (loss)	26,763	(41,212)
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(7,357)	(16,550)
Deferred gain (loss) on hedges	5,008	(2,810)
Foreign currency translation adjustments	5,828	(5,574)
Remeasurements of defined benefit plans	4,142	1,390
Share of other comprehensive income of associates accounted for using equity method	(820)	4,449
Total other comprehensive income	6,800	(19,095)
Comprehensive income	33,564	(60,308)
(Breakdown)		
Comprehensive income attributable to owners of parent	26,938	(63,307)
Comprehensive income attributable to non-controlling interests	6,625	2,999

(3) Consolidated Statements of Changes in Equity

(Year ended March 31,2018)

(In million yen)

	Shareholders' capital				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital
Balance at the beginning of current period	144,319	155,461	202,488	(3,814)	498,455
Changes of items during the period					
Transfer to retained earnings from capital surplus		(122,500)	122,500		–
Profit attributable to owners of parent			20,167		20,167
Purchase of treasury stock				(23)	(23)
Disposal of treasury stock		(2)		36	33
Change in equity of parent related to transactions with non-controlling shareholders		2,153			2,153
Adjustments due to change in the fiscal period of consolidated subsidiaries			(35)		(35)
Change of scope of consolidation			88		88
Change of scope of equity method			202		202
Other			(6)	0	(6)
Net change of items other than shareholders' capital					
Total changes of items during the period	–	(120,348)	142,916	13	22,580
Balance at the end of current period	144,319	35,112	345,404	(3,801)	521,035

	Accumulated other comprehensive income					Non-controlling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	48,860	(27,284)	(4,816)	7,255	24,015	69,464	591,936
Changes of items during the period							
Transfer to retained earnings from capital surplus							–
Profit attributable to owners of parent							20,167
Purchase of treasury stock							(23)
Disposal of treasury stock							33
Change in equity of parent related to transactions with non-controlling shareholders							2,153
Adjustments due to change in the fiscal period of consolidated subsidiaries							(35)
Change of scope of consolidation							88
Change of scope of equity method							202
Other							(6)
Net change of items other than shareholders' capital	(7,223)	8,355	1,714	3,989	6,835	(33,096)	(26,261)
Total changes of items during the period	(7,223)	8,355	1,714	3,989	6,835	(33,096)	(3,680)
Balance at the end of current period	41,637	(18,929)	(3,101)	11,245	30,851	36,368	588,255

(Year ended March 31,2019)

(In million yen)

	Shareholders' capital				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital
Balance at the beginning of current period	144,319	35,112	345,404	(3,801)	521,035
Cumulative effects of changes in accounting policies					
Restated balance	144,319	35,112	345,404	(3,801)	521,035
Changes of items during the period					
Transfer to retained earnings from capital surplus			(6,783)		(6,783)
Loss attributable to owners of parent			(44,501)		(44,501)
Purchase of treasury stock				(13)	(13)
Disposal of treasury stock		(1)		99	98
Change in equity of parent related to transactions with non-controlling shareholders		7,783			7,783
Adjustments due to change in the fiscal period of consolidated subsidiaries			26		26
Change of scope of consolidation			(290)		(290)
Change of scope of equity method			(22)		(22)
Decrease by merger			(108)		(108)
Other			(4)	(0)	(4)
Net change of items other than shareholders' capital					
Total changes of items during the period	—	7,781	(51,685)	85	(43,817)
Balance at the end of current period	144,319	42,894	293,719	(3,715)	477,218

	Accumulated other comprehensive income					Non-controlling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	41,637	(18,929)	(3,101)	11,245	30,851	36,368	588,255
Cumulative effects of changes in accounting policies	(1,822)				(1,822)	45	(1,777)
Restated balance	39,814	(18,929)	(3,101)	11,245	29,028	36,414	586,478
Changes of items during the period							
Transfer to retained earnings from capital surplus							(6,783)
Loss attributable to owners of parent							(44,501)
Purchase of treasury stock							(13)
Disposal of treasury stock							98
Change in equity of parent related to transactions with non-controlling shareholders							7,783
Adjustments due to change in the fiscal period of consolidated subsidiaries							26
Change of scope of consolidation							(290)
Change of scope of equity method							(22)
Decrease by merger							(108)
Other							(4)
Net change of items other than shareholders' capital	(16,657)	3,244	(6,886)	1,485	(18,813)	(2,120)	(20,934)
Total changes of items during the period	(16,657)	3,244	(6,886)	1,485	(18,813)	(2,120)	(64,752)
Balance at the end of current period	23,156	(15,685)	(9,988)	12,731	10,214	34,293	521,725

(4) Consolidated Statements of Cash Flows

(In million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	42,046	(21,983)
Depreciation and amortization	87,839	89,713
Impairment loss	916	18,886
Losses related to antitrust law	3,100	–
Provision for losses related to contracts	–	35,465
Losses related to business restructuring	6,985	925
Loss (gain) on sales and retirement of vessels, property, plant and equipment and intangible assets	(13,086)	(11,259)
Loss (gain) on sales of short-term and long-term investment securities	(12,301)	(36,515)
Loss (gain) on valuation of short-term and long-term investment securities	116	812
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(9,935)	2,538
Interest and dividend income	(10,491)	(11,949)
Interest expenses	17,787	24,343
Foreign exchange losses (gains)	5,359	(7,944)
Decrease (increase) in notes and accounts receivable - trade	(7,731)	32,476
Decrease (increase) in inventories	(5,538)	7,788
Increase (decrease) in notes and accounts payable - trade	7,854	(43,775)
Other, net	(6,802)	2,144
Subtotal	106,119	81,666
Interest and dividend income received	23,640	22,028
Interest expenses paid	(17,422)	(23,994)
Paid expenses related to antitrust law	(2,975)	(18,997)
Income taxes (paid) refund	(20,270)	(15,442)
Net cash provided by (used in) operating activities	89,090	45,260
Net cash provided by (used in) investing activities		
Purchase of securities	(53)	(84)
Proceeds from sales and redemption of securities	-	100
Purchase of vessels, property, plant and equipment and intangible assets	(199,240)	(169,614)
Proceeds from sales of vessels, property, plant and equipment and intangible assets	70,984	85,356
Purchase of investment securities	(43,368)	(100,799)
Proceeds from sales and redemption of investment securities	27,058	36,855
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(8,123)	(2,756)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(222)	(948)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	11,414
Payments of loans receivable	(3,799)	(5,844)
Collection of loans receivable	14,455	8,410
Other, net	4,313	5,618
Net cash provided by (used in) investing activities	(137,994)	(132,292)

(In million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(227)	97,487
Net increase (decrease) in commercial papers	-	11,000
Proceeds from long-term loans payable	126,553	112,236
Repayments of long-term loans payable	(97,596)	(139,028)
Proceeds from issuance of bonds	29,852	9,937
Redemption of bonds	–	(30,000)
Purchase of treasury stock	(23)	(13)
Proceeds from sales of treasury stock	35	106
Cash dividends paid to shareholders	–	(6,783)
Cash dividends paid to non-controlling interests	(10,253)	(4,965)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(29,748)	(1,565)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	12,846
Other, net	(1,004)	1,457
Net cash provided by (used in) financing activities	17,587	62,715
Effect of exchange rate change on cash and cash equivalents	(3,029)	(1,201)
Net increase (decrease) in cash and cash equivalents	(34,345)	(25,519)
Cash and cash equivalents at beginning of period	137,444	103,278
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	132	486
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	6
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	47	28
Cash and cash equivalents at end of period	103,278	78,280