



FY2024

(Ending March 31, 2025)

Financial Highlights
for First Half

Translation Only

NS United Kaiun Kaisha, Ltd.

October 31, 2024

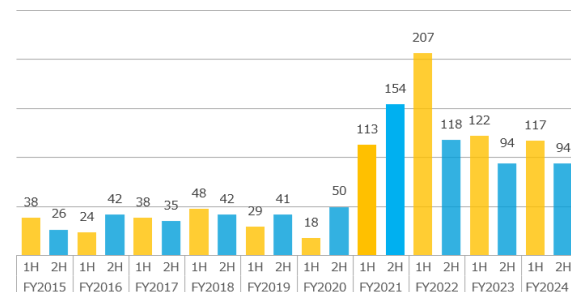
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1. Highlights of Financial Results in FY2024

【100 million yen】 (Consolidated)	Revenues	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent
1H Result	1,287	117	101	92
Full year forecast (ROE)	2,340	211	193	180 (11.6%)

Operating Profit (Units : 100 million yen)



First half results : Operating income of 11.7 billion yen supported by the solid market condition

- The dry bulk market was solid due to tightened tonnage supply caused by diversions from Red Sea and Suez Canal, in addition to longer trading distances of steel-making raw material and grain.
- In addition to stable profit from long-term freight contracts, free tonnage contributed to an increase in revenues under solid market condition.
- On the other hand, expenses such as docking and repairs increased. Operating profit was 11.7 billion yen, in line with the previous forecast in July 2024.

Forecast for full-year : Expect to secure the same level of profit as previously announced, with ROE expected to exceed 10% for the fourth consecutive period

- In the international shipping segment, expenses are expected to increase due to the timing of docking of owned vessels, while profits are expected to be on an upward trend in the coastal shipping segment. Overall, operating profit is expected to be maintained at the same level as FY 2023.
- While dry bulk market is expected to weaken because of seasonal factors from the beginning of CY 2025, we expect to build stable profits through medium to long-term contracts and full-year ROE is expected to exceed 10% for the fourth consecutive year.

Dividend forecast : Annual dividend is expected to be 230 yen per share, same as the previous forecast, with the dividend payout ratio of approximately 30%

- Interim dividend : 115 yen per share as previously announced.
- Year-end dividend : 115 yen per share as previously announced. Annual dividend combined with interim dividend forecast is 230 yen per share.

2. Overview of First Half Financial Results

International Shipping

- In Capesize sector, shipments of iron ore from Brazil and bauxite from West Africa continued to be strong, pushing up the market. The market for Panamax or smaller-sized vessels remained firm since tonnage supply was tightened as vessels avoided the Panama Canal in the beginning of the fiscal year, and as deviation from the Red Sea and the Suez Canal continued during the period.
- Although the number of working days was higher and revenue increased year-on-year due to weakening of yen, operating profit declined due to an increase in expenses such as docking, repairs, etc. In addition, non-operating expenses occurred due to the impact of foreign exchange losses caused by the yen's appreciation compared to the end of FY 2023.

Coastal Shipping

- Although a temporary recovery in production volume was seen in the automobile sector, production in the other manufacturing and construction sectors remained sluggish. The volume of transportation volume declined in year-on-year basis. Revenues brought by new-building vessel and spot transportation demand contributed to increase in operating profit by 0.6 billion yen year-on-year.

[Consolidated] (100 million yen)	FY 2024			FY 2023		Previous July Forecast	
	1Q	2Q	1H	1H	Changes	1H Forecast	Changes
Revenues	623	664	1,287	1,124	+ 164	1,210	+ 77
Operating Profit	58	59	117	122	▲ 5	116	+ 1
International Shipping	54	47	101	112	▲ 11	107	▲ 5
Coastal Shipping	5	11	16	10	+ 6	9	+ 7
Ordinary Profit	70	31	101	138	▲ 37	114	▲ 13
Profit Attributable to Owners of Parent	57	35	92	110	▲ 18	100	▲ 8
Exchange Rate (Yen/US\$)	¥153.33	¥153.67	¥153.50	¥139.00	+ ¥14.50	¥154.67	▲ ¥1.17
Bunker Price※ (US\$/MT)	\$556	\$617	\$587	\$541	+ \$46	\$584	+ \$3
Market							
Capesize	\$22,665	\$24,909	\$23,813	\$14,449	+\$9,364	\$23,833	▲\$20
Panamax	\$16,380	\$13,940	\$15,131	\$12,063	+\$3,068	\$15,315	▲\$184
Handy	\$13,051	\$13,321	\$13,189	\$9,614	+\$3,575	\$13,426	▲\$237

※ Bunker Oil Price is the average price of all oil types including high sulfur C fuel oil consumed by vessels equipped with desulfurization equipment(Scrubber).

3. Forecasts for FY2024

Outlook for full year : Secure the same level of profit as FY 2023 by accumulating stable earnings.

- In the international shipping segment, we are always preparing for uncertainties such as international political situation and Chinese economic trends by building a fleet portfolio that is resilient to market fluctuations. We expect to maintain stable profit through medium to long-term freight contracts including dedicated vessels.
- As for coastal shipping, we expect to increase profit by capturing spot transportation demand and by improving operation efficiency.
- We are planning to sell some old vessels as originally planned. As a result, we expect to secure the same level of net profit as the previous fiscal year.

【Consolidated】 (100 million yen)	FY 2024(Forecast)			FY 2023		Previous Forecast	
	1H (Result)	2H (Forecast)	Full year (Forecast)	Full year (Result)	Changes Y-o-Y	Full year (Forecast)	Changes
Revenues	1,287	1,053	2,340	2,331	+ 9	2,280	+ 60
Operating Profit	117	94	211	216	▲ 5	220	▲ 9
International Shipping	101	75	176	187	▲ 10	191	▲ 15
Coastal Shipping	16	19	35	29	+ 5	29	+ 6
Ordinary Profit	101	92	193	222	▲ 29	200	▲ 7
Profit Attributable to Owners of Parent	92	88	180	180	+ 0	180	+ 0
Exchange Rate (Yen/US\$)	¥153.50	¥145.00	¥149.25	¥143.67	+ ¥5.58	¥152.33	▲ ¥3.08
Bunker Price※ (US\$/MT)	\$587	\$563	\$575	\$555	+ \$19	\$598	▲ \$23
Market Capesize	\$23,813	\$20,000	\$21,907	\$20,281	+ \$1,626	\$21,916	▲ \$10
Panamax	\$15,131	\$14,000	\$14,566	\$13,911	+ \$655	\$14,658	▲ \$92
Handy	\$13,189	\$12,500	\$12,845	\$11,008	+ \$1,837	\$12,963	▲ \$118

※ Exchange rate depreciation of 1 yen against US \$ will increase ordinary income by approx. 0.2 billion yen for 2H.

Bunker Oil Price is the average price of all oil types including high sulfur C fuel oil consumed by vessels equipped with desulfurization equipment(Scrubber).

4. Market Forecast for FY2024

For the second half of FY 2024, although transportation of grain and bauxite is expected to support shipping market, we should pay attention on market drop after new year caused by seasonal factors and the condition of Chinese economy which has a large influence on iron ore and coal transportation demand.

Marine Transportation Demand Forecast

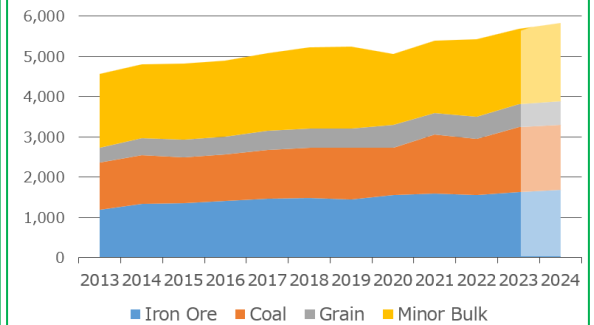
Iron Ore : Despite the concerns about a slowdown in the Chinese economy, the country's iron ore import was steady in 1H. For 2H, attention is focused on the government stimulus measures' influence on Chinese steel production. In India, steel production is expected to be steady, which is assumed to support iron ore transportation demand.

Coal : Chinese steam coal import is declining due to an increase in hydroelectric power generation due to a recovery in rainfall. In India, demand for steel production and electric power is strong, and demand for coal is expected to be firm.

Grain : Plentiful harvest of corn and soybeans are expected in the US, and shipments of grain from the US is expected to support the market of Panamax or smaller-sized vessels. On the other hand, transportation from South America to China is weak for now.

Minor Bulk : China's bauxite import will increase. Exports from Guinea will increase, and longer transport distances are expected as the country will enter dry season from November.

Demand for Maritime transportation (1 million ton)



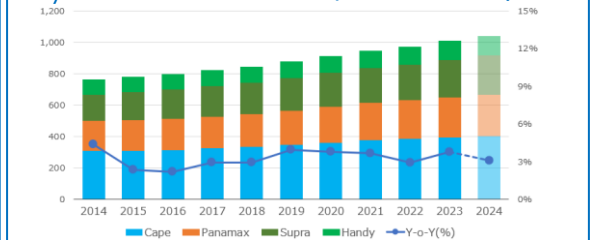
Research by our company

Dry Bulk Transport Capacity Forecast

Deliveries of new-building dry bulk vessels remain at historically low levels, as vessel prices are high due to high materials and labor costs and as shipowners are carefully assessing which next-generation fuel will be mainstream. Under the circumstances, it is also concerned that pace of scrap would decline.

The restriction on transits through Panama Canal caused by drought, which supported trading distances, was eased. On the other hand, diversions away from Red Sea and Suez Canal seem to continue, which would support dry bulk market.

Dry bulk volume forecast (1 million DWT)



Research by our company

2H FY2024 Futures Indicators at Present

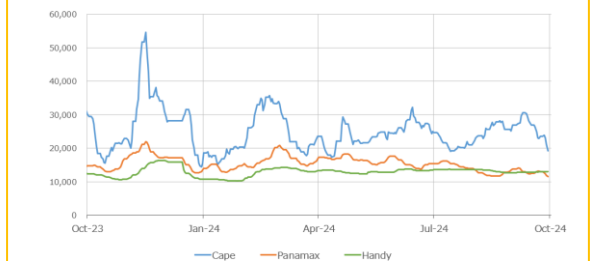
Vessel type	FY 2024 2H Average
Capesize	\$18,600
Panamax	\$12,000
Handysize	\$11,600

Calculated from the futures index as of October 18

While cargo volumes for each vessel type remain steady, tonnage supplies are increasing due to easing of passage through Panama Canal and futures index are relatively weak.

As of now, the FY 2024 futures index are slightly under the market assumptions of our earnings forecasts.

Market trends by type (\$/day) Source : Baltic Exchange



5 .Activities

NSU to install Rotor Sails to Valemax VLOC

NS United Kaiun Kaisha, Ltd.(NSU) and Vale International SA(Vale) have reached an agreement to install rotor sails(H:35m x D:5m x 5 units) manufactured by Anemoi Marine Technologies Ltd. on 400,000 dwt-type VLOC NSU TUBARAO, which has been engaged in a long-term contract between NSU and Vale. The installation of the rotor sails on the ship is scheduled around September 2025

A rotor sail is a device to obtain propulsion by using the pressure difference generated around a cylinder by rotating a cylindrical sail installed on the deck. It is expected to reduce fuel consumption and CO2 emissions from the Ship by approximately 6~12%. We will accelerate initiatives to conserve environment in coordination with partners to realize carbon neutrality.



(Image of Installed Rotor Sails)

Continuous Selection as Constituent of the “JPX-Nikkei Index 400” and “JPX-Nikkei Mid and Small Cap Index”

We have been continuously selected again this year as a constituent stock of the “JPX-Nikkei Index 400” and “JPX-Nikkei Mid and Small Cap Index” which are stock price indices calculated jointly by JPX Research Institute and Nihon Keizai Shimbun, Inc. (Nikkei).

“JPX-Nikkei Index 400” and “JPX-Nikkei Mid and Small Cap Index” are stock indices consisting of companies that are highly attractive to investors which meet the requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives.

We will continue to strive to further enhance our corporate value to meet the expectations of our shareholders and investors.

Credit rating(A-) obtained from Japan Credit Rating Agency, Ltd.

We continuously obtained credit rating from Japan Credit Rating Agency, Ltd.(JCR). The long-term issuer rating is Single A-minus with a stable outlook(the same as previous year).

In the rating, solid business foundation based on long-term stable profitability and a solid financial base constructed by implementing strategies of the previous medium-term business plan “FORWARD 2030” are evaluated.

We will continue to make efforts to disclose information to stakeholders in a more transparent manner, including evaluations by third-party organizations.

6. The Progress of Medium-term Business Plan

Business Strategies and Growth Strategies

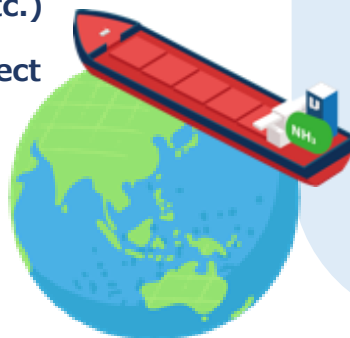
Extending the Domains of New Growing Business

- Execution of Memorandum of Understanding for Joint Development of Ammonia-Fueled Bulk Carries among 6 parties

Together with Nihon Shipyard Co., Ltd., MAN Energy Solutions, Mitsui E&S Co., Ltd., Kawasaki Kisen Kaisha, Ltd., and Itochu Corporation, we have executed a Memorandum of Understanding for joint development in order to commercialize ammonia fueled ships. We will proceed with the development of the Ammonia-fueled engines and ships based on this MOU and aim to begin its social implementation.

<Coastal Shipping>

- Propose services and expand fleet to capture transportation demand associated with decarbonization(steel scrap etc.)
- LNG bunkering vessel joint project
The vessel is under construction



Deepening the Domains of Existing Core Businesses

- Execution of Memorandum of Understanding for the Construction of Cape-size Bulk Carriers Powered by Dual Methanol Fuel

Together with Nihon Shipyard Co., Ltd., Imabari Shipbuilding Co., Ltd. and Japan Marine United Corporation, we have executed a Memorandum of Understanding for the construction of Cape-size bulk carriers using dual methanol fuel, which are next-generation fuel vessels (Deliveries are scheduled in 2027 and later) .



- Development in Asia

We have opened a representative office in Bangkok, Thailand on April 1, 2024.

- NSU and BHP conducted Biofuel Trial for Two Consecutive Voyages

In partnership with BHP Group Ltd., we conducted a trial for use of biodiesel-blended marine fuel(biofuel) on a capesize bulk carrier, UNITED CROWN. The vessel was supplied with biofuel at the port of Hong Kong, and the trial was conducted on the way to the discharging port for two consecutive voyages.

6.The Progress of Medium-term Business Plan

Initiatives to Support Business Strategies



Human Capital Strategy

● Human resource development and promotion of active engagement of female

- Developing new human resources management system, in which challenging goals and skill development of employees are focused on.

- Promoting recruitment of female seafarers (Coastal Shipping)

● Promotion of human rights due diligence and well-being

- Formulating a policy regarding human-rights and holding seminars for employees

- Improving FTSE score



Sustainable Shipping Strategy

● Pursuit of Safe Navigation

- Annual inspections for all the owned vessels

● Securing and developing seafarers

- Mid-career recruitment of seafarers
- Enhancing and actively conducting recruit sessions

● Installment of rotor sails to VLOC



Governance Enhancement

● Deepening internal control

● Strengthening Compliance Systems

● Thorough risk management and information management

- Review and strengthen BCP

● Checking progress of Environmental Road Map

- Monitoring GHG emissions, promoting slow steaming operations and introducing fuel-saving devices to the vessels

Digital Transformation(DX) Strategy

● Promotion of DX for vessel management

- Construction of infrastructure in the vessels by introducing Starlink to all the owned vessels and enhancing Local Area Network in the workplace

- Introduction and trial for navigation support systems

- Installment of hold cleaning robot

● Investment to improve operational efficiency

- Trial of generative AI as an internal infrastructure

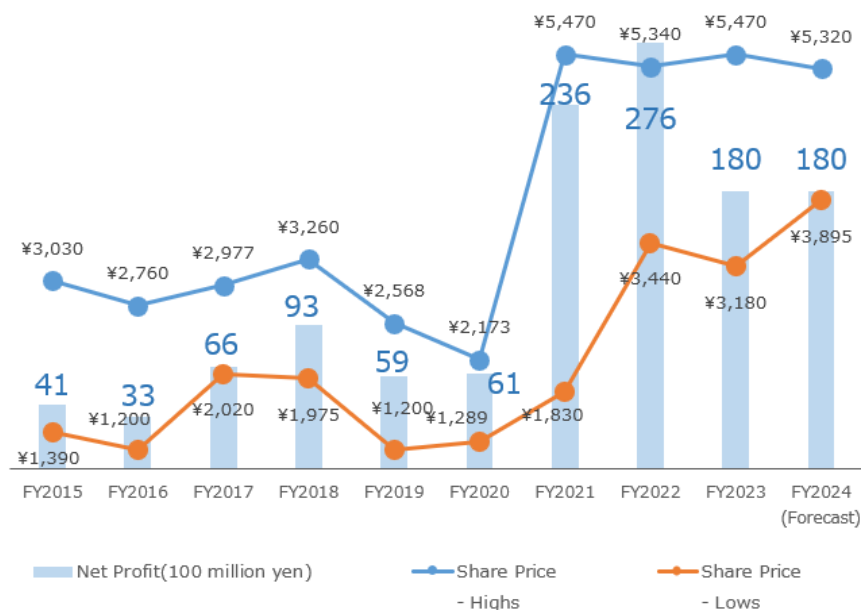
- Conduct research on IT/DX issues to improve operational efficiency

● Development of digital-core human resources

- Expanded participation in external DX seminars and preparation of training system for development of digital-core human resources

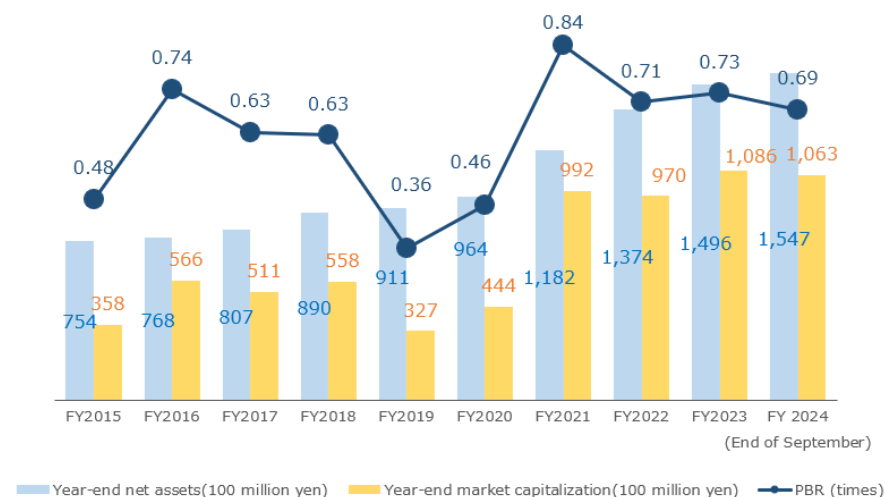
(References) Financial Outlook

Changes in net profit and stock prices during the period

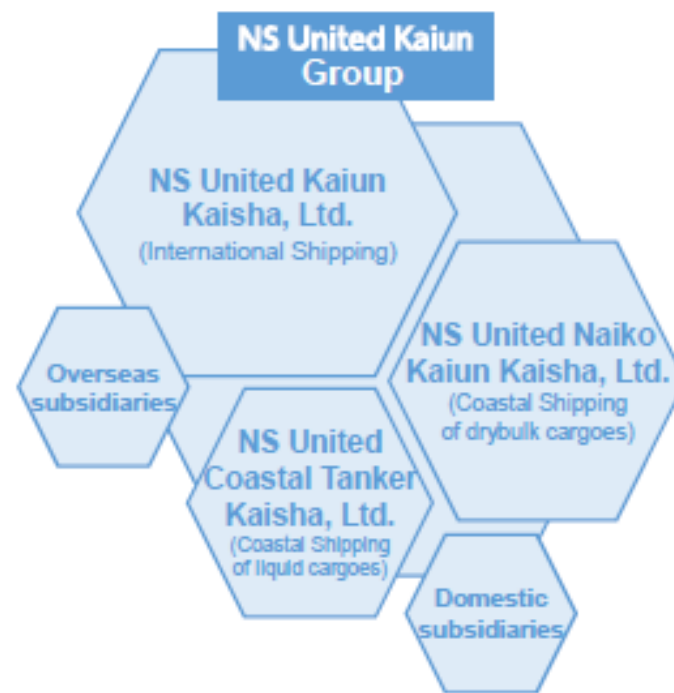
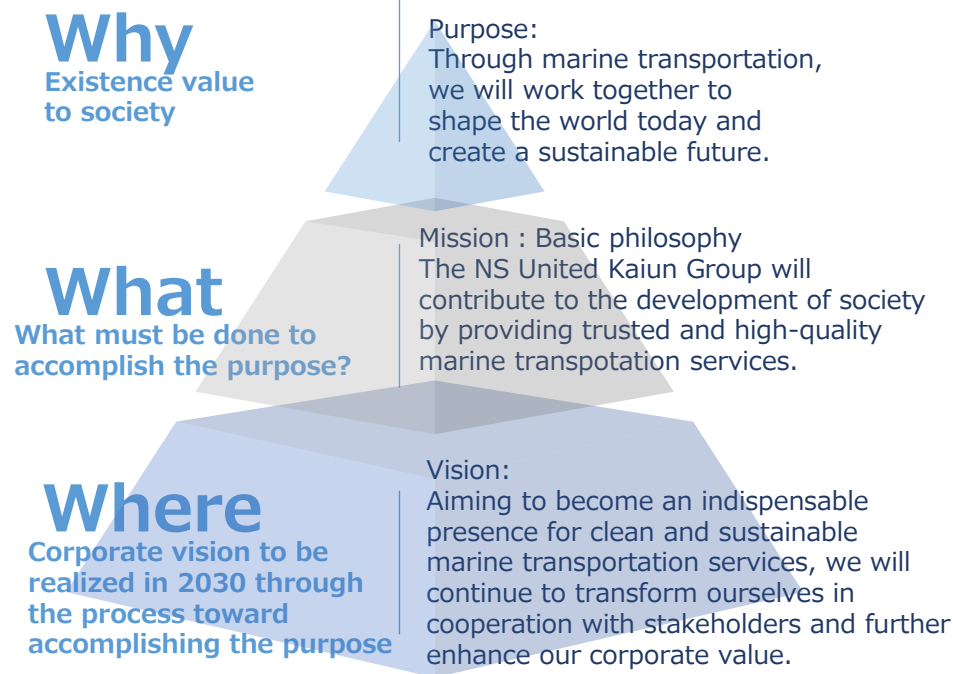


FY 2024
 ※Net profit is estimated.
 ※Stock prices are April to September.

Net assets and market capitalization



NS United Kaiun Kaisha, Ltd.



(Note)
The forward-looking statements, including results forecasts, in this material are based on information available on the date of publication of this material. The actual results may differ depending on a variety of factors.

(Note)
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