



FY2024

Financial Highlights

(Ending March 31, 2025)

Translation Only

NS United Kaiun Kaisha, Ltd.

July 31, 2024

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1. Overview of First Quarter Financial Results

【Consolidated】 [100 mil. yen]	FY2023							FY2024	Changes Y-o-Y
	1Q	2Q	1H	3Q	4Q	2H	Full Year	1Q	
Revenues	554	570	1,124	602	606	1,207	2,331	623	+ 69
Operating Income	58	64	122	50	44	94	216	58	+ 0
International Shipping	55	57	112	40	34	75	187	54	▲ 2
Coastal Shipping	3	7	10	10	10	20	29	5	+ 2
Ordinary Income	79	60	138	36	47	84	222	70	▲ 9
Profit Attributable to Owners of Parent	62	48	110	31	39	70	180	57	▲ 5
Rate(Yen/US\$)	¥135.33	¥142.67	¥139.00	¥149.33	¥147.33	¥148.33	¥143.67	¥153.33	+¥18.00
Bunker Price※ (US\$/MT)	\$538	\$545	\$541	\$555	\$584	\$569	\$555	\$556	+\$19

※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).



1. Overview of First Quarter Financial Results

International Shipping

- In Capesize sector, shipments of iron ore from South America and bauxite from West Africa continued to be strong, pushing up the market. In early May, average charter rates for the five main routes rose to close to \$30,000 per day, and it remained firm without falling below \$20,000 on the back of increased demand for maritime transportation for China.
- The market for Panamax or smaller-sized vessels remained firm since tonnage supply was tightened as vessels avoided the Panama Canal, the Red Sea and the Suez Canal.
- The weakening of Yen against US\$ accelerated under a situation where the gap between the U.S. and Japan's interest rates was unlikely to narrow. Revenue increased by 6.2 billion yen year on year due to firm market conditions and the impact of the exchange rate. On the other hand, profit decreased by 0.2 billion yen at operating income due to an increase in hire rates for vessels arranged from the market and an increase in dollar-denominated expenses such as docking, repairs, etc.

Coastal Shipping

- The volume of transportation for steel products remained almost same level in year-on-year basis. Although a temporary recovery in production volume was seen in the automobile sector, production in the other manufacturing and construction sectors remained sluggish. Steel-making raw material transportation saw a decrease mainly in auxiliary materials such as coal and coke due to decrease in production of crude steel.
- On the other hand, demand in electric utility related cargo, which decreased in the previous fiscal year due to curbs on the operation of coal-fired power plants, recovered during this period.
- Transport volume for tankers was sluggish due to declining domestic demand for LNG and LPG, despite our efforts to operate tankers more efficiently.
- As a result, operating income of the sector was 0.5 billion yen, which increased by 0.2 billion yen year-on-year.

2. Forecasts for FY 2024

【Consolidated】 [100 mil. Yen]	FY2024(Forecast)					Changes Y-o-Y		Previous April Forecast	
	1Q (Result)	2Q (Forecast)	1H (Forecast)	2H (Forecast)	Full year (Forecast)	FY2023 (Result)	Changes	Full year (Forecast)	Changes
Revenues	623	587	1,210	1,070	2,280	2,331	▲ 51	2,010	+ 270
Operating Income	58	58	116	104	220	216	+ 4	180	+ 40
International Shipping	54	53	107	84	191	187	+ 4	153	+ 38
Coastal Shipping	5	5	9	20	29	29	▲ 0	27	+ 2
Ordinary Income	70	44	114	86	200	222	▲ 22	150	+ 50
Profit Attributable to Owners of Parent	57	43	100	80	180	180	+ 0	140	+ 40
Exchange Rate (Yen/US\$)	¥153.33	¥156.00	¥154.67	¥150.00	¥152.33	¥143.67	+ ¥8.66	¥140.00	+ ¥12.33
Bunker Price (US\$/MT)	\$556	\$612	\$584	\$612	\$598	\$555	+ \$43	\$555	+ \$43
Market									
Capesize	\$22,665	\$25,000	\$23,833	\$20,000	\$21,916	\$20,281	+ \$1,635	\$20,000	+ \$1,916
Panamax	\$16,380	\$14,250	\$15,315	\$14,000	\$14,658	\$13,911	+ \$747	\$14,750	-\$93
Handy	\$13,051	\$13,800	\$13,426	\$12,500	\$12,963	\$11,008	+ \$1,955	\$12,250	+ \$713

※ Exchange rate depreciation of 1 yen against US \$ will increase ordinary income by approx. 300million yen for FY2024 (2Q-4Q) .

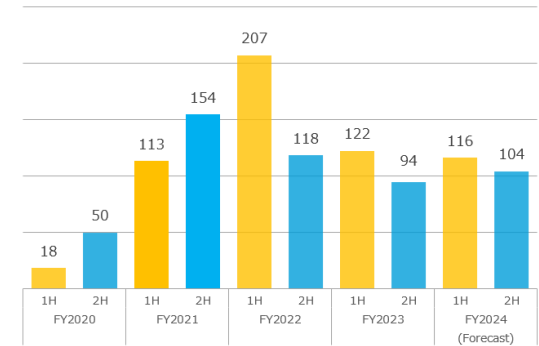
Bunker Oil Price is the average price of all oil types including high sulfur C fuel oil consumed by vessels equipped with desulfurization equipment(Scrubber).

2. Forecasts for FY 2024

Forecast for 1H : Prospects for upward revision due to the weakening yen

- The shipping market is expected to remain firm, supported by transportation demand for iron ore, grain and bauxite. On the other hand, there are concerns that the easing of restrictions on passage through the Panama Canal due to drought could have a negative impact on the market for Panamax or smaller-sized vessels.
- Although exchange rate is volatile at the moment, the yen has weakened against the 140 yen assumed at the beginning of FY 2024, which is expected to give a boost to earnings.
- In addition to dedicated vessels which are our stable earnings base, the free vessels which took advantage of the rising Capesize market boosted earnings, and we forecast upward revisions of 3.6 billion yen in operating income and 5.4 billion yen in ordinary income.

Operating Income (Units : 100 million yen)



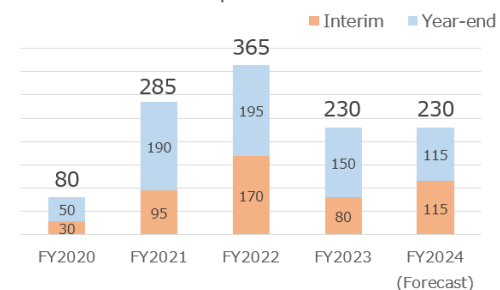
Forecast for full-year : By seeking opportunities for market growth while securing stable earnings, secure earnings at the same level as FY 2023

- Although market conditions are expected to weaken temporarily at the beginning of 2025 due to seasonal factors, the appearance of newbuilding vessels is expected to be limited and the shipping market is expected to remain steady.
- The exchange rate of yen against US\$ for 2H is assumed to be 150 yen/US\$, higher than 1H. While accumulating stable revenues based on long-term voyage contracts, we will assess and respond to the impact of unstable international political situations on the shipping market. Consolidated operating income for FY 2024 is forecast to be 10.4 billion yen in the second half and 22.0 billion yen for the full year. Consolidated net income is forecast to be 18.0 billion yen for the full year. Despite the expected increase in costs and reduced profit opportunities associated with dry dock operation, we expect to maintain the same level of profit as FY 2023.

Dividend forecast : The dividend payout ratio is expected to be approximately 30% for the year.

- Interim dividend : Dividend forecast increased from 65 yen per share to 115 yen per share.
- Year-end dividend : 115 yen per share, annual dividend combined with interim dividend forecast is 230 yen per share.

Dividend per share (Yen)



3. Activities ~To Realize Carbon Neutrality in 2050~

In our medium-term business plan "FORWARD 2030 II Challenge for innovation and further growth with U," which started in FY 2024, we have formulated the "Environmental Roadmap toward Net Zero GHG Emissions by 2050" and set new greenhouse gas(GHG) reduction targets for 2030 to realize a decarbonized society. We will work to achieve the 2030 target by introducing methanol dual fuel vessels, biofuels, etc.

Execution of Memorandum of Understanding for the Construction of Capesize Bulk Carriers Powered by Dual Methanol Fuel

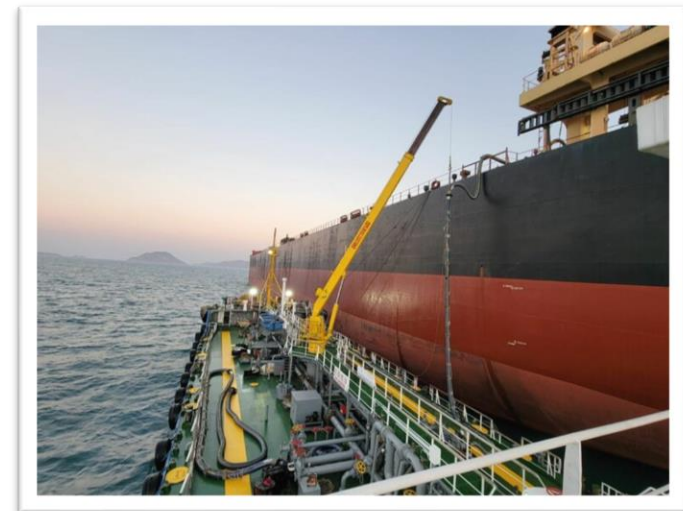
Together with Nippon Shipyard Co., Ltd. (NSY), Imabari Shipbuilding Co., Ltd., and Japan Marine United Corporation, we have executed a Memorandum of Understanding (MOU) for the construction of Capesize bulk carriers using dual methanol fuel, which are next-generation fuel vessels, jointly studied by NSY and NS United.

Methanol is expected to contribute to the GHG emission reduction strategy set forth by the International Maritime Organization (IMO), and is being developed as a marine fuel by maritime industries and fuel producers.

NSU and BHP Conducted Biofuel Trial for Two Consecutive Voyages

In January 2024, NSU, in partnership with BHP Group Ltd, conducted a trial for use of biodiesel-blended marine fuel (biofuel) on a Capesize bulk carrier, UNITED CROWN, owned, and operated by our group. We made progress from previous biofuel trials in respects of increasing the amount of biofuel and verifying its quality in use after being stored on board over two months.

The biodiesel used in the trial: FAME (Fatty acid methyl esters) is made from used cooking oil , and is expected to reduce about 84% of CO2 emissions throughout the lifecycle compared with conventional fossil fuels, since it recycles oil for disposal.



(The vessel on bunkering from the barge)

4. Activities ~Initiatives to Ensure Safe Navigation~

M.V. NSU ULTIMATE Received “Best Quality Ship Award 2023”

The bulk carrier NSU ULTIMATE which is owned, operated, and managed by the NS United Kaiun, was selected for the "Best Quality Ship Award 2023" by the Japan Federation of Pilots' Associations (JFPA). This award was founded in 2003 to commend the vessels of those judged as superior by the JFPA, in order to uplift awareness of vessels' safe navigation and protection of the harbors / marine environment. For the fiscal year 2023, 8 vessels were selected out of about 25,000 candidates, targeted to vessels requested pilots in pilotage districts throughout Japan in September and October.

The criterion of selection were safety awareness of crew members, smooth onboard communication and chain of command, cooperative system to the pilot, navigational facilities, embarkation/disembarkation equipment, and they were comprehensively evaluated



(M.V. NSU ULTIMATE)

Introduction of Hold Cleaning Robot for Our Managed Vessels

Cargo holds that receive various types of cargo must be periodically cleaned in order to load various cargo. This is one of the most important initiatives in bulk carrier operations. However, there are also risks associated with working at heights, because this work is done by human hands by crew members.

In order to conduct hold cleaning safely and efficiently, we have deployed hold cleaning robots provided by CLIIN (Denmark) to some of our managed vessels. By using robots controlled remotely, crews were able to perform hold cleaning safely and efficiently, which is exactly what we expected.

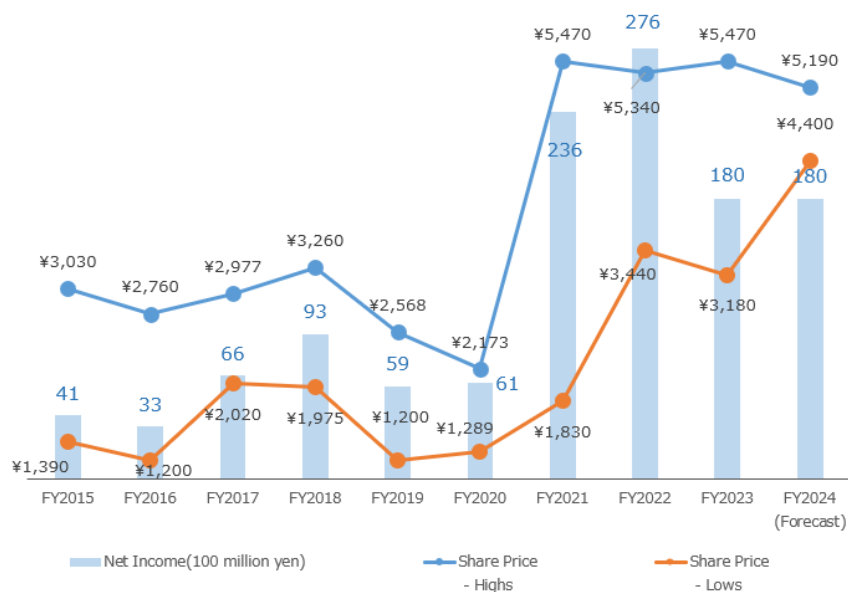
We will continue to verify the latest technology and contribute to improving crew safety and work efficiency.



(Robot that washes high pressure water in the hold of our managed vessel)

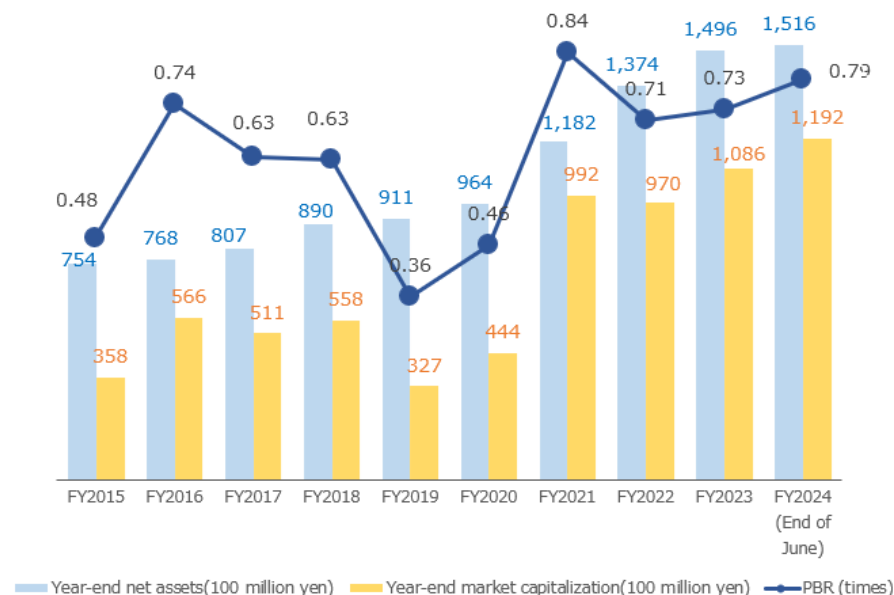
(References) Financial Outlook

Changes in net income and stock prices during the period

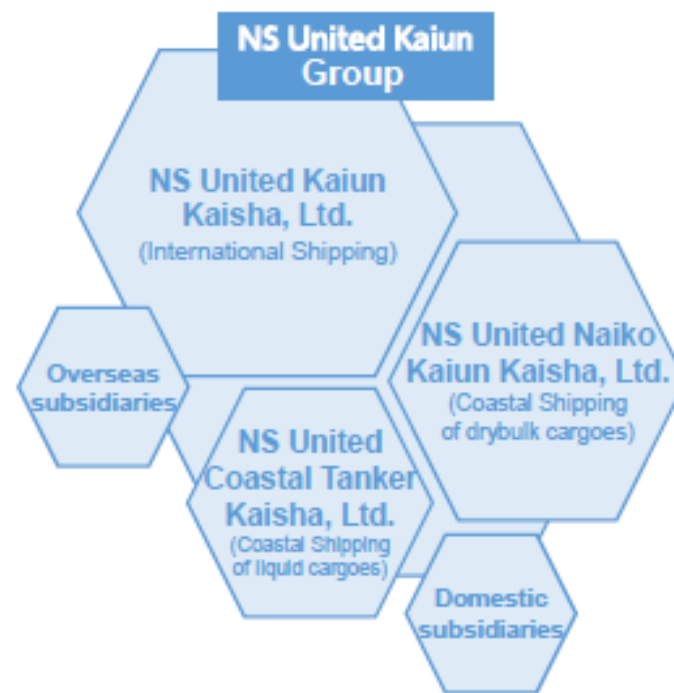
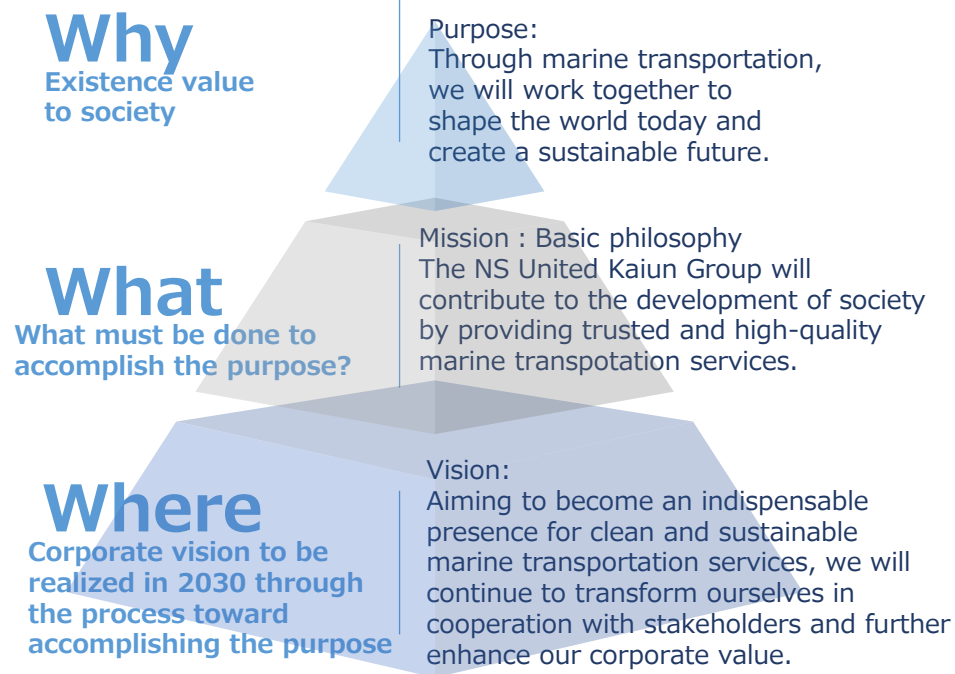


FY 2024
 ※Net income is estimated.
 ※Stock prices are April to June.

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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