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July 31, 2024

FINANCIAL HIGHLIGHTS for the 1st quarter of the Fiscal Year Ending March 2025 (Under Japanese GAAP)

Company name: NS UNITED KAIUN KAISHA, LTD.
Listing: Tokyo Stock Exchange (TSE) Prime Market
Securities code: 9110 URL: <https://www.nsuship.co.jp>
Representative: Kazuma Yamanaka, President and Representative Director
Inquiries: Hirokazu Sone, Group Manager, Finance and Accounting Group Phone: 81-3-6895-6407
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Financial Results Presentation Held: No

(Amounts are rounded to the nearest million yen.)

1. Consolidated Operating Performance for the 1st quarter of the Fiscal Year Ending March 2025 (from April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Cumulative)

(Million yen)

(Percentages indicate year-on-year changes.)

	Revenues		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
For the 1st quarter of the fiscal year ending March 2025	62,344	12.5%	5,848	0.3%	6,978	(11.2)%	5,697	(8.6)%
For the 1st quarter of the fiscal year ended March 2024	55,404	(11.1)%	5,831	(47.9)%	7,856	(40.1)%	6,234	(40.6)%

(Reference) Comprehensive Income

For the 1st quarter of the fiscal year ending March, 2025: 5,545 million yen (9.9)%

For the 1st quarter of the fiscal year ended March, 2024: 6,155 million yen (40.4)%

(Yen)

	Profit per Share	Diluted Net Income per Share
For the 1st quarter of the fiscal year ending March 2025	241.75	-
For the 1st quarter of the fiscal year ended March 2024	264.55	-

(2) Consolidated Financial Position

(Million yen)

	Total Assets	Net Assets	Equity Ratio
For the 1st quarter of the fiscal year ending March 2025	285,544	151,594	53.1%
For the fiscal year ended March 2024	286,344	149,584	52.2%

(Reference) Equity Capital

For the 1st quarter of the fiscal year ending March 2025 : 151,594 million yen

For the fiscal year ended March 2024: 149,584 million yen

2. Cash Dividends

(Yen)

	Annual Dividends per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-end	For Full Year
For the fiscal year ended March, 2024	-	80.00	-	150.00	230.00
For the fiscal year ending March, 2025	-				
For the Fiscal year ending March, 2025 (Forecast)		115.00	-	115.00	230.00

(Note) Revision to quarterly dividend distribution forecast : Yes

3. Forecast of Consolidated Operating Performance for Fiscal Year Ending March 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

(Percentages indicate year-on-year changes.)

	Revenues		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
For half	121,000	7.7%	11,600	(4.9)%	11,400	(17.6)%	10,000	(9.0)%	424.35
For full year	228,000	(2.2)%	22,000	1.8%	20,000	(9.8)%	18,000	0.1%	763.82

(Note) Revision to quarterly operating performance forecast: Yes

Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Particular accounting methods used for preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - i. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - ii. Changes in accounting policies due to other reasons: None
 - iii. Changes in accounting estimates: None
 - iv. Restatement: None
- (4) Number of issued shares (common shares)
 - i. Total number of issued shares at the end of the period (including treasury shares)

For the 1st quarter of the fiscal year ending March 2025:	23,970,679 shares
For the fiscal year ended March 2024:	23,970,679 shares
 - ii. Number of treasury shares at the end of the period

For the 1st quarter of the fiscal year ending March 2025:	404,964 shares
For the fiscal year ended March 2024:	404,939 shares
 - iii. Average number of shares outstanding during the period (cumulative for the quarter)

For the 1st quarter of the fiscal year ending March 2025:	23,565,734 shares
For the 1st quarter of the fiscal year ended March 2024:	23,565,990 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Proper use of financial results forecast and other special matters

The forward-looking statements including the financial results forecast contained herein are based on information currently available to the Company, as well as certain assumptions deemed reasonable by the Company. As such, the Company does not intend to guarantee the achievement of the forecast. In addition, actual results may differ significantly from the forecast due to various factors. For preconditions for the financial results forecast and precautions when using the financial results forecast, please see “1. Qualitative Information on Quarterly Results (3) Explanation of Consolidated Earnings Forecast and Future Outlook” on page 3 of the attachments. Please also refer to the “Revision of Operating Performance Forecasts and Dividend Distribution Forecast” separately disclosed on July 31.

(Supplementary material on financial results)

Supplementary material for quarterly financial results will be posted on the Company’s website, July 31, 2024.

1. Information on Quarterly Results

(1) Explanation of Operating Results

	Previous consolidated Three months ended (from April 1, 2023 to June 30, 2023)	Consolidated Three months ended (from April 1, 2024 to June 30, 2024)	Amount Change (Percentage change)
Revenues	55,404	62,344	6,940 12.5%
Operating Profit	5,831	5,848	18 0.3%
Ordinary Profit	7,856	6,978	(878) (11.2)%
Profit Attributable to Owners of Parent	6,234	5,697	(537) (8.6)%

Exchange rate (¥/US\$) (3 month average)	135.33	153.33	18.00 13.3%
Bunker price* (US\$/MT) (3 month average)	538	556	19 3.5%

*Average price for all the major fuel grades including Very Low Sulfur Fuel Oil

For the three-month period from April 1, 2024 to June 30, 2024, revenue was 62,344 million yen (up 6,940 million yen year-on-year), operating income was 5,848 million yen (up 18 million yen year-on-year), ordinary income was 6,978 million yen (down 878 million yen year-on-year) Net income attributable to owners of the parent was 5,697 million yen (down 537 million yen year-on-year).

In the International Shipping business during the three months ended June 30, 2024, in the dry bulk carrier, average charter rates for all vessel types were higher than in the same period of the previous year due to strong shipments of steel-making raw material, in addition to the restriction on the passage of the Panama Canal caused by drought and concerns on the passage of the Red Sea and Suez Canal in the background of the instability in the Middle East.

The market for Capesize bulk carriers (180,000 DWT type) was supported by strong shipments of iron ore from South America and bauxite from West Africa, and average charter rates for the five main routes has remained above \$20,000 per day since mid-May. For Panamax or smaller-sized vessels (20,000-80,000 DWT type), the market remained relatively firm due to tight supply and demand because of disruptions in passage through Panama and Suez Canals and continued circumvention of both canals.

The market for VLGCs (Very Large Gas Carriers) remained at a high level due to steady cargo movements both out of the U.S. and the Middle East.

Under these circumstances, although the yen's depreciation, which progressed during the period, boosted earnings, profits declined compared with the same period of the previous year due to an increase of burden from foreign-currency-based costs such as docking, repair and hire for vessels arranged from the market.

In the coastal shipping business, with respect to dry bulk, in steel products, although a moderate recovery in production volume was temporarily observed in the automobile sector, transportation volume was almost at the same level year-on-year due to sluggish sales in the construction sector and manufacturing sectors excluding automobile sector. Transport volume for tankers was sluggish due to declining domestic demand for LNG and LPG.

Under these circumstances, the coastal shipping business posted higher revenues and profits compared to the same period of the previous year due to our efforts to operate vessels more efficiently.

Marine transportation services comprise almost the entire business of the Company's group, with the international shipping business accounting for approximately 90% of consolidated revenues and the coastal shipping business accounting for approximately 10%.

(2) Explanation about Financial Position

Total assets amounted to 285,544 million yen at the end of the first quarter of the current fiscal year, down 799 million yen from the end of the previous fiscal year. Of this amount, current assets increased by 3,740 million yen due to an increase in cash and deposits and other factors. Non-current assets decreased 4,540 million yen mainly due to a decrease in vessels.

Total liabilities decreased 2,809 million yen to 133,950 million yen. Current liabilities decreased 5,561 million yen mainly due to a decrease in short-term borrowings. Long-term liabilities increased 2,752 million yen mainly due to an increase in long-term borrowings.

Total net assets increased 2,010 million yen from the end of the previous consolidated fiscal year to 151,594 million yen, mainly due to an increase in retained earnings resulting from net income attributable to parent company shareholders for the quarter, net of dividends paid.

(3) Explanation of Consolidated Earnings Forecast and Future Outlook

Forecast of Consolidated Operating Performance for Fiscal Year Ending March 2025

(Million yen)

	Second Quarter Consolidated Cumulative Period				Full Fiscal Year			
	Initial Forecast	Current forecast	Amount Change	Percentage change	Initial Forecast	Current forecast	Amount Change	Percentage change
Revenues	100,000	121,000	21,000	21.0%	201,000	228,000	27,000	13.4%
Operating Profit	8,000	11,600	3,600	45.0%	18,000	22,000	4,000	22.2%
Ordinary Profit	6,000	11,400	5,400	90.0%	15,000	20,000	5,000	33.3%
Profit Attributable to Owners of Parent	5,000	10,000	5,000	100.0%	14,000	18,000	4,000	28.6%

The assumptions used in this forecast are as follows:

	First Half	Second Half
Exchange rate	¥154.67/ US\$	¥150.00/ US\$
Bunker price*	US\$584/MT	US\$612/MT

*Average price for all the major fuel grades including Very Low Sulfur Fuel Oil

In the dry bulk market in the second quarter and beyond, shipments of iron ore and grain from South America and bauxite from West Africa are expected to remain firm. On the supply side, confusion in the Red Sea and the Suez Canal due to the continuing instability in the Middle East is expected to tighten the shipping tonnage supply. On the other hand, the easing of traffic restrictions in the Panama Canal due to the improvement of drought conditions is expected to exert downward pressure on the market.

In light of our first quarter consolidated operating results and the business environment surrounding us from the second quarter onward, we have revised our consolidated earnings forecasts for the first half and full year of the fiscal year ending March, 2025, which we announced on April 30, 2024, as described above. The Company's assumptions for the exchange rate of the yen against the U.S. dollar is expected to average 154.67 yen for the first half and 150.00 yen for the second half of the

fiscal year. The Company also expects average fuel oil prices (all grades) to be \$584 per metric ton in the first half and \$612 per metric ton in the second half.

The Company has positioned returning of profits to shareholders as one of its important management policies. The Company's basic policy is to maintain sustainable dividend distribution in accordance with the Company's performance while securing internal reserves necessary to achieve stable corporate growth and to respond to changes in the business environment in the future. The Company will consider further strengthening shareholder returns based on a dividend payout ratio of 30% of consolidated business results.

For the fiscal year ending March, 2025, we forecast an annual dividend of 230 yen per share, consisting of an interim dividend of 115 yen per share and a year-end dividend of 115 yen per share, based on the above revised earnings forecast.

Please also refer to the "Notice Concerning Revision of Earnings Forecast and Dividend Forecast" separately disclosed on July 31.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

	(Millions of yen)	
	Previous fiscal year (March 31, 2024)	First quarter consolidated accounting period (June 30, 2024)
Assets		
Current assets		
Cash and deposits	37,069	41,470
Trade receivables and contract assets	35,648	35,404
Securities	10,000	9,998
Inventories	13,929	13,974
Prepaid expenses	5,840	5,893
Other current assets	4,450	3,937
Allowance for doubtful accounts	△6	△6
Total current assets	106,930	110,670
Non-current assets		
Property, plant and equipment		
Vessels, net	164,057	161,170
Buildings, net	259	254
Land	397	397
Construction in progress	1,912	313
Other tangible fixed assets, net	304	335
Total property, plant and equipment	166,929	162,468
Intangible assets	1,351	1,268
Investments and other assets		
Investment securities	5,642	5,582
Long-term loans receivable	9	9
Deferred tax assets	3,255	3,308
Retirement benefit asset	1,673	1,685
Other long-term assets	555	555
Total investments and other assets	11,134	11,139
Total non-current assets	179,414	174,875
Total assets	286,344	285,544

(Millions of yen)

	Previous fiscal year (March 31, 2024)	First quarter consolidated accounting period (June 30, 2024)
Liabilities		
Current liabilities		
Trade notes and accounts payable	14,538	14,311
Short-term borrowings	21,278	16,688
Accounts payable - other	881	577
Accrued expenses	309	350
Income taxes payable	1,850	1,499
Contract liabilities	6,075	6,862
Provision for bonuses	699	179
Provision for bonuses for directors (and other officers)	80	8
Other current liabilities	6,719	6,394
Total current liabilities	52,430	46,869
Non-current liabilities		
Long-term borrowings	75,817	78,392
Deferred tax liabilities	971	986
Provision for special repairs	7,379	7,523
Retirement benefit liability	163	181
Total non-current liabilities	84,330	87,082
Total liabilities	136,759	133,950
Net assets		
Shareholders' equity		
Share capital	10,300	10,300
Capital surplus	17,181	17,181
Retained earnings	121,150	123,313
Treasury shares	△998	△998
Total shareholders' equity	147,633	149,795
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,445	2,364
Deferred gains or losses on hedges	△194	△176
Foreign currency translation adjustment	△226	△313
Remeasurements of defined benefit plans	△75	△76
Total accumulated other comprehensive income	1,951	1,799
Total net assets	149,584	151,594
Total liabilities and net assets	286,344	285,544

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statements of Income (Consolidated Three months ended)

(Million yen)

	Previous consolidated Three months ended (April 1, 2023 to June 30, 2023)	Consolidated Three months ended (April 1, 2024 to June 30, 2024)
Revenues		
Shipping business revenue and other operating revenue	55,404	62,344
Cost and expenses		
Shipping business expenses and other operating expenses	47,697	54,643
Gross profit	7,706	7,701
General and administrative expenses	1,876	1,853
Operating profit	5,831	5,848
Non-operating income		
Interest income	5	3
Dividend income	123	121
Share of profit of entities accounted for using equity method	11	5
Foreign exchange gains	2,032	1,355
Other	170	128
Total non-operating income	2,342	1,612
Non-operating expenses		
Interest expenses	312	450
Other	5	32
Total non-operating expenses	316	482
Ordinary profit	7,856	6,978
Extraordinary income		
Gain on sales of non-current assets	12	177
Gain on sales of investment securities	59	—
Total extraordinary income	71	177
Profit before income taxes	7,927	7,155
Income taxes	1,693	1,458
Profit	6,234	5,697
Profit attributable to owners of parent	6,234	5,697

Consolidated Comprehensive Income (Consolidated Three months ended)

(Million yen)

	Previous consolidated Three months ended (April 1, 2023 to June 30, 2023)	Consolidated Three months ended (April 1, 2024 to June 30, 2024)
Profit	6,234	5,697
Other comprehensive income		
Valuation difference on available-for-sale securities	△29	△81
Deferred gains or losses on hedges	112	18
Foreign currency translation adjustment	△133	△124
Remeasurements of defined benefit plans, net of tax	△36	△2
Share of other comprehensive income of entities accounted for using equity method	7	37
Total other comprehensive income	△79	△152
Comprehensive income	6,155	5,545
Comprehensive income attributable to owners of parent	6,155	5,545

(3) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

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

Not applicable

(Notes to Changes of Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. have been adopted from the beginning of the first quarter ended June 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter ended June 30, 2024. This change in accounting policies was applied retrospectively. Hence, the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year.

(Notes on the Quarterly Consolidated Cash Flow Statement)

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2024. Depreciation for the three months ended June 30, 2024 is as follows:

	Previous consolidated Three months ended (From April 1, 2023 to June 30, 2023)	Consolidated Three months ended (From April 1, 2024 to June 30, 2024)
Depreciation	4,455 million yen	4,575 million yen

(Segment Information)

I Previous consolidated Three months ended (April 1, 2023 – June 30, 2023)

Information on the amounts of revenues, profit or loss, assets and other items by reportable segment, and information on disaggregation of revenue

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Carrying amounts on the consolidated financial statements (Note 3)
	International shipping business	Coastal shipping business	Total				
Revenues							
Revenues from contacts with customers	48,674	6,730	55,404	–	55,404	–	55,404
Revenues from external customers	48,674	6,730	55,404	–	55,404	–	55,404
Transactions with other segments	–	2	2	93	95	(95)	–
Total	48,674	6,732	55,406	93	55,499	(95)	55,404
Segment profit or loss	5,546	298	5,844	(14)	5,830	1	5,831

(Notes)1. The "Others" segment includes information services and other services.

2. The adjustment of 1 million yen for segment profit is elimination of intersegment transactions.

3. Segment profit is reconciled to operating profit recorded in the consolidated statement of income.

II Consolidated Three months ended (April 1, 2024 – June 30, 2024)

Information on the amounts of revenues, profit or loss, assets and other items by reportable segment, and information on disaggregation of revenue

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Carrying amounts on the consolidated financial statements (Note 3)
	International shipping business	Coastal shipping business	Total				
Revenues							
Revenues from contacts with customers	54,873	7,471	62,344	–	62,344	–	62,344
Revenues from external customers	54,873	7,471	62,344	–	62,344	–	62,344
Transactions with other segments	–	3	3	100	103	△103	–
Total	54,873	7,474	62,347	100	62,447	△103	62,344
Segment profit	5,394	453	5,847	0	5,847	1	5,848

(Notes)1. The "Others" segment includes information services and other services.

2. The adjustment of 1 million yen for segment profit is elimination of intersegment transactions.

3. Segment profit is reconciled to operating profit recorded in the consolidated statement of income.