



FY 2022

(Ending March 31, 2023)

**Financial Highlights
for Third Quarter**

NS United Kaiun Kaisha, Ltd.

January 31, 2023

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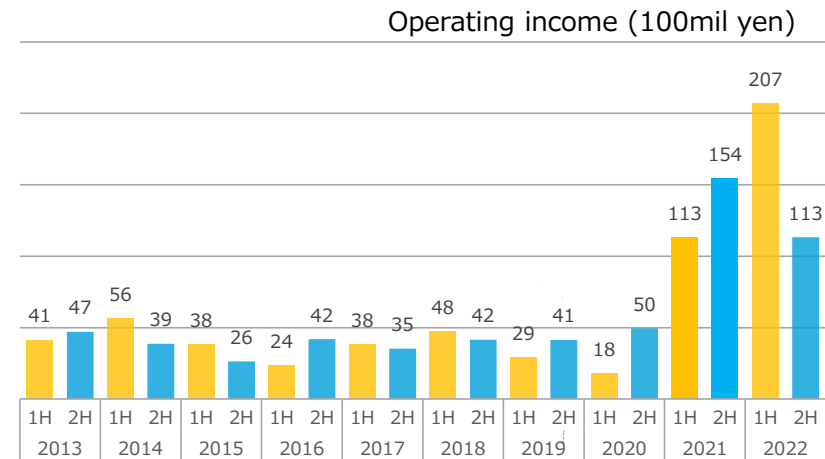
1. Highlights of Results in FY2022

Earnings forecast: Revised upward the forecast for net income to 27 billion yen, marking the second consecutive year of record income

[100 mil. yen] (Consolidated)	Revenues	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Previous forecast	2,170	290	300	260
Revised forecast (ROE)	2,450	320	320	270 (21.2%)
Result of previous fiscal year (FY2021)	1,959	267	266	236

*Exchange rate assumptions (year-end):

Previous forecast of 135 yen, revised forecast of 125 yen.



Dividend forecast: Year-end dividend is expected to be 185 yen per share (355 yen for the full year)

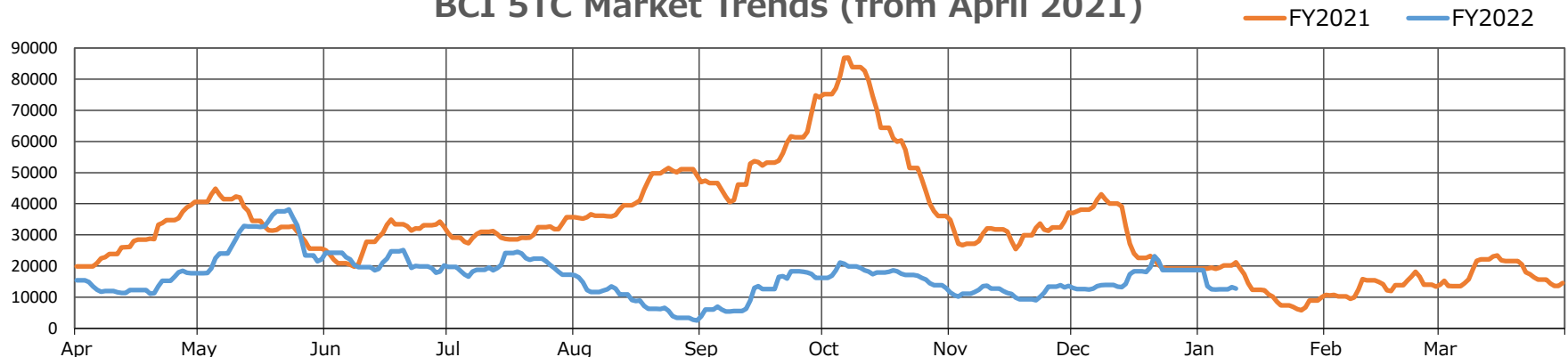
[yen]	Annual Dividend		
	2nd Quarter	Year-end	Total
Previous forecast	170	170	340
Revised forecast	170	185	355

Result of previous fiscal year (FY2021)	95	190	285
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2. Overview of Third Quarter Financial Results

(Consolidated) [100 mil. yen]	FY2021						FY2022				Changes Y-o-Y
	1Q	2Q	3Q	1Q-3Q	4Q	Full year	1Q	2Q	3Q	1Q-3Q	
Revenues	428	469	547	1,444	515	1,959	623	685	660	1,969	+ 524
Operating Income	47	66	88	201	66	267	112	95	93	300	+ 99
International Shipping	45	62	83	190	59	249	113	91	83	287	+ 97
Coastal Shipping	2	4	5	11	7	18	▲ 1	4	10	13	+ 2
Ordinary Income	41	63	91	196	70	266	131	110	73	314	+ 118
Profit Attributable to Owners of Parent	36	52	71	158	78	236	105	89	59	254	+ 95

BCI 5TC Market Trends (from April 2021)



2. Overview of Third Quarter Financial Results

International Shipping Amid sluggish marine transportation demand due to accelerating global inflation and the stagnation of the Chinese economy due to the zero-Covid policy, the supply of transport capacity increased moderately due to the reduction of long-term demurrage caused by the easing of the quarantine system. Although the shipping market declined compared to the previous year, operating income increased by approximately 9,700 million yen year on year, supported by stable earnings from medium- to long-term contracts and the depreciation of yen.

Dry Bulk : While the large vessel (cape-size) market fluctuated widely, the small- and medium-sized vessel market remained relatively stable due to the tightening of supply and demand caused by the long-distance transportation of coal and grain in the context of the situation in Russia and Ukraine.

Tanker : The market for large LPG tankers declined in the summer due to the easing of vessel supply and demand, but it turned upward around early autumn in anticipation of the winter demand season in the northern hemisphere, resulting in a generally firm market.

Coastal Shipping The volume of steel-related and electric power-related cargo transportation decreased year on year due to a decrease in domestic crude steel production and lower operating rates at thermal power plants, but overall dry bulk remained flat due to an increase in the volume of cement-related cargo transportation. The volume of tanker transportation increased due to the start of full-scale transportation on new routes. As a result, operating income in the coastal shipping segment increased by approximately 200 million yen year on year.

As a result, our consolidated financial results for the third quarter were operating income of 30 billion yen (up 9.9 billion yen year on year), ordinary income of 31.4 billion yen (up 11.8 billion yen year on year) and net income of 25.4 billion yen (up 9.5 billion yen year on year).

3. Forecasts for FY2022

(Consolidated) [100 mil. yen]	FY2021	FY2022			FY2022		
	Full year (Result)	1H (Result)	2H (Forecast)	Full year	1H (Result)	2H (Forecast)	Full year
Revenues	1,959	1,308	862	2,170	1,308	1,142	2,450
Operating Income	267	207	83	290	207	113	320
Ordinary Income	266	241	59	300	241	79	320
Profit Attributable to Owners of Parent	236	194	66	260	194	76	270

	FY2021	FY2021			FY2022		
	Full year	1H	2H	Full year	1H (Result)	2H (Forecast)	Full year
Exchange Rate	¥111.50	¥130.83	¥135.00	¥132.92	¥130.83	¥136.33	¥133.58
Bunker Price (Average of all oil types)	\$500	\$705	\$660	\$683	\$705	\$560	\$633
Market Capesize	\$32,733	\$17,520	\$15,000	\$16,260	\$17,520	\$12,000	\$14,760
Panamax	\$28,089	\$21,743	\$16,000	\$18,872	\$21,743	\$14,000	\$17,872
Small Handy	\$27,585	\$22,995	\$15,500	\$19,248	\$22,995	\$11,000	\$16,998

*The exchange rate is about 200 million yen per 1 yen weaker, and ordinary profit increases in the fourth quarter.

Fuel oil prices are the average prices of all oil types, including high-sulfur C heavy oil, consumed by ships equipped with desulfurization equipment.

4Q (Forecast)	
Exchange Rate	¥128.33
Bunker Price	\$520
Market Capesize	\$9,500
Panamax	\$12,000
Small Handy	\$7,500

3 . Forecasts for FY2022

Earnings forecast: Higher than last year and record highest earnings

- Since January, the dry bulk market has softened every year due to seasonal factors such as the stagnation of iron ore exports from Brazil during the rainy season. However, our company has become more resilient to market declines as it has focused on expanding its stable earnings base, particularly for large (cape-size) vessels, and has also made progress in acquiring medium- to small-size transport contracts.
- In our earnings forecast announced at the end of October last year, we assumed an average exchange rate of 135 yen during the second half of the fiscal year and 135 yen at the end of the fiscal year. In this earnings forecast, we revised our exchange rate assumptions to an average of 128 yen during the fourth quarter and 125 yen at the end of the fiscal year in light of the recent trend toward a stronger yen. However, due to the yen's depreciation in the third quarter (October-December), the average exchange rate for the second half of the fiscal year is 136 yen, slightly weaker than the assumed exchange rate in the previous forecast.
- As a result, consolidated net income for FY2022 is expected to reach a record high of 27 billion, marking the second consecutive year of record high net income. (Revised upward from the previous forecast of 26 billion yen)

Dividend forecast: Year-end dividend forecast is 185 yen per share (355 yen for the full year)

- The Company has positioned the shareholder returns as an essential management policy and has paid an interim dividend since fiscal 2018. In fiscal 2022, the Company paid an interim dividend of 170 yen per share. Based on our full-year earnings forecast, we now forecast a year-end dividend of 185 yen per share instead of the previous forecast of 170 yen.

4 . Activities

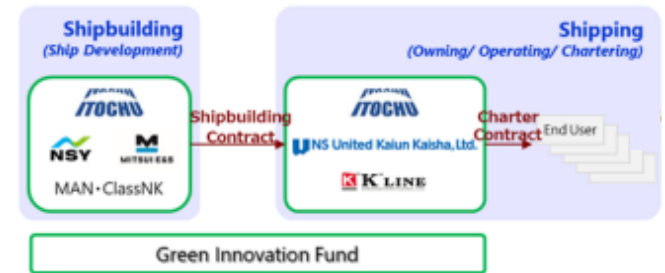
Jointly Obtained AiP for Ammonia-Fueled Bulk Carrier

The Company, together with related companies, has obtained an Approval in Principle (“AiP”) from a Classification Society, Nippon Kaiji Kyokai (“ClassNK”) for the design of an ammonia-fueled bulk carrier of 208,000 deadweight ton (“the Vessel”).

The acquisition of the AiP is a key milestone for the implementation of ammonia-fueled ships, a new challenge for the maritime industry, and also an important step toward our environmental goal of “GHG Net zero by 2050”. We will proceed with the development of the Vessel based on the basic design for which the AiP has been obtained, and aim to take a delivery of the Vessel and begin its social implementation in 2026.



(Image of Ammonia-fueled ship)



Conducted the Third Biofuel Trial on the Raw Material Career



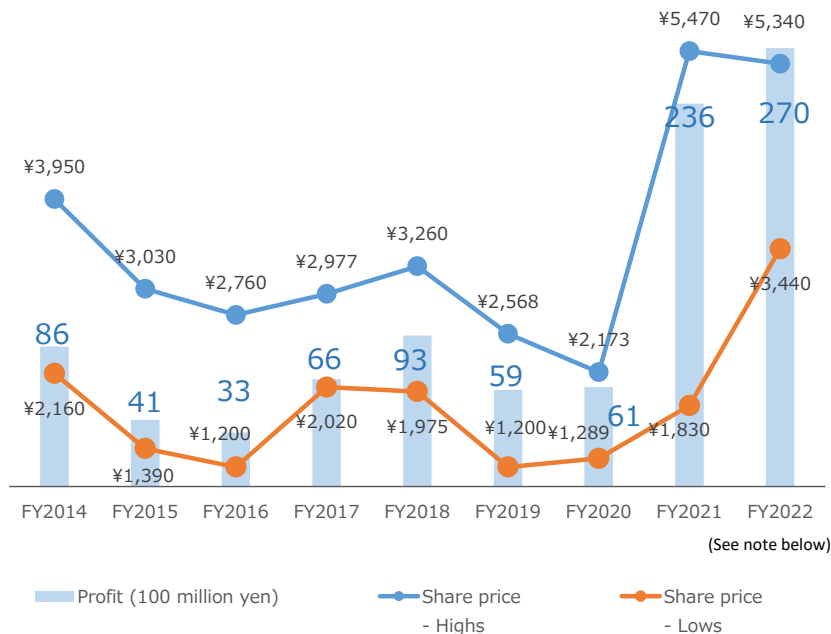
(M.V. RISING WIND)

The Company with the support of Tata Steel Limited as charterer, conducted the third trial for use of biodiesel-blended marine fuel (biofuel) on a panamax bulk carrier, RISING WIND, owned, operated, and managed by our group. In December 2022, the vessel was supplied with biofuel at the port of Singapore, and the trial was conducted on the way to the discharging port of Paradip, India.

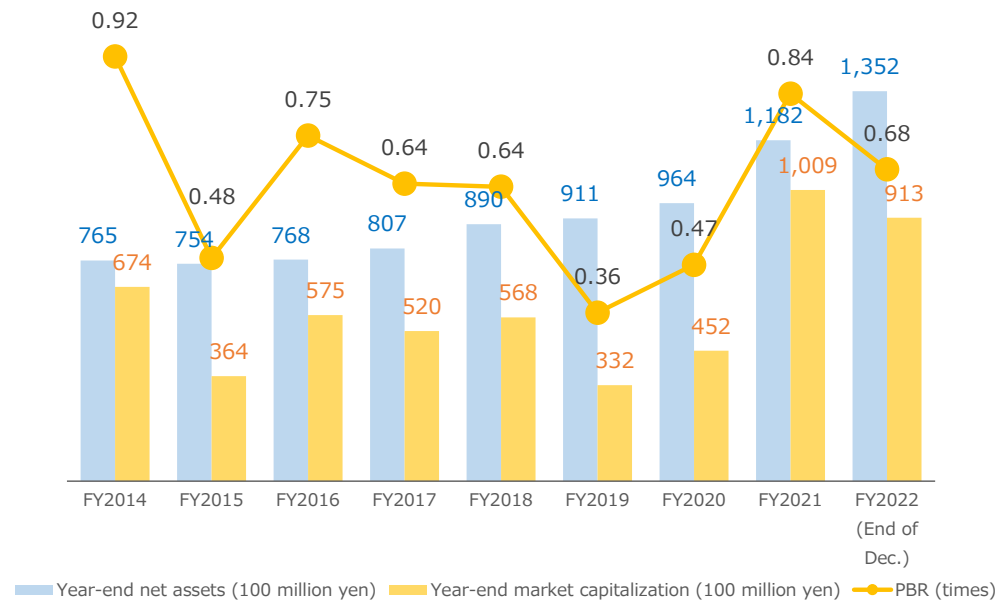
The biodiesel used in the trial is made from used cooking oil, and is expected to reduce CO2 emissions throughout the lifecycle compared with conventional fossil fuels, since it recycles oil for disposal. The biodiesel is certified for its sustainability and traceability by International Sustainability & Carbon Certification (ISCC).

(Reference) Financial Outlook

2022 net earnings and stock price fluctuations during the year



End of year net assets and aggregate market value



Note: Net income is forecast, stock prices are April-December results.

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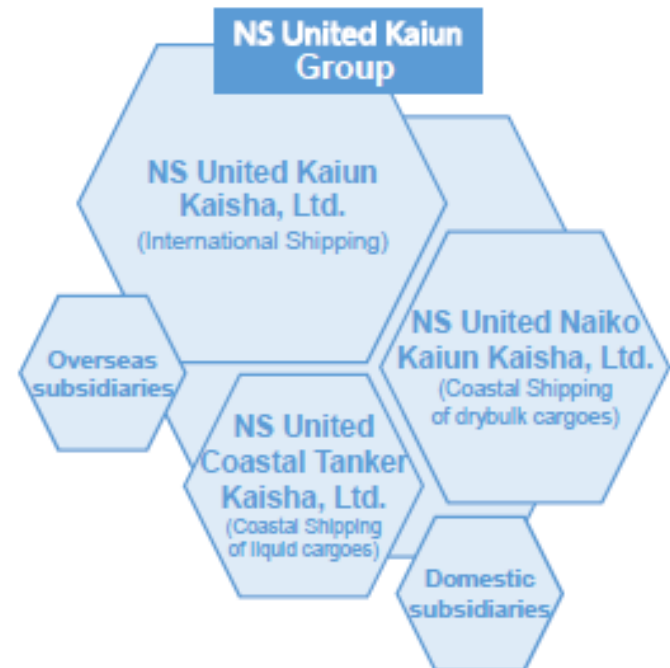
The NS United Kaiun Group will contribute to the development of society by providing trusted and high-quality marine transportation service.

(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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