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April 28, 2023

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (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: Kazuo Tanimizu, President and Representative Director  
 Inquiries: Katsutoshi Kobayashi, Group Leader, Finance and Accounting Group Phone: 81-3-6895-6407  
 Scheduled date of annual general meeting of shareholders: June 28, 2023  
 Scheduled date to commence dividend payments: June 29, 2023  
 Scheduled date to file annual securities report: June 28, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: No

(Amounts are rounded to the nearest million yen.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated Operating Results

(Million yen)

(Percentages indicate year-on-year changes.)

	Revenues		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
Fiscal year ended March 31, 2023	250,825	28.0%	32,487	21.6%	33,444	25.7%	27,603	17.0%
Fiscal year ended March 31, 2022	195,941	41.5%	26,711	296.5%	26,606	380.9%	23,582	284.6%

(Reference) Comprehensive Income

For the fiscal year ended March 31, 2023: 27,702 million yen (10.0%)

For the fiscal year ended March 31, 2022: 25,190 million yen (269.1%)

(Yen)

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Return on Ordinary Income to Total Assets	Ratio of Operating Income to Revenues
Fiscal year ended March 31, 2023	1,171.29	–	21.6%	12.1%	13.0%
Fiscal year ended March 31, 2022	1,000.67	–	22.0%	9.8%	13.6%

(Reference) Share of Profit of Entities Accounted for Using Equity Method

For the fiscal year ended March 31, 2023: 12 million yen

For the fiscal year ended March 31, 2022: 5 million yen

#### (2) Consolidated Financial Position

(Million yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2023	275,784	137,405	49.8%	5,830.65
As of March 31, 2022	274,871	118,189	43.0%	5,015.17

(Reference) Equity

As of March 31, 2023: 137,405 million yen

As of March 31, 2022: 118,189 million yen

### (3) Consolidated Cash Flows

(Million yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal year ended March 31, 2023	42,930	(1,958)	(32,392)	40,264
Fiscal year ended March 31, 2022	32,881	139	(29,915)	31,215

### 2. Cash Dividends

(Yen)

	Annual Dividends per Share					Total Cash Dividends (Total) (Million yen)	Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Year-end	For Full Year			
Fiscal year ended March 31, 2022	-	95.00	-	190.00	285.00	6,716	28.5%	6.3%
Fiscal year ended March 31, 2023	-	170.00	-	195.00	365.00	8,602	31.2%	6.7%
Fiscal year ending March 31, 2024 (Forecast)	-	65.00	-	-	-		-	

(Note) The Company's Articles of Incorporation stipulate that the second quarter-end and the fiscal year-end are dividend record dates. At present, the forecast amount of year-end dividend and the amount of annual dividends for the fiscal year ending March 31, 2024 have yet to be determined.

### 3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

(Percentages indicate year-on-year changes.)

	Revenues		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share
		(%)		(%)		(%)		(%)	
First half	89,000	(32.0)%	7,400	(64.2)%	6,500	(73.1)%	4,900	(74.8)%	207.93
For full year	179,000	(28.6)%	14,700	(54.8)%	13,200	(60.5)%	11,000	(60.1)%	466.77

#### Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  - i. Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - ii. Changes in accounting policies due to other reasons: None
  - iii. Changes in accounting estimates: None
  - iv. Restatement: None
- (3) Number of issued shares (common shares)
  - i. Total number of issued shares at the end of the period (including treasury shares)
    - As of March 31, 2023: 23,970,679 shares
    - As of March 31, 2022: 23,970,679 shares
  - ii. Number of treasury shares at the end of the period
    - As of March 31, 2023: 404,688 shares

- As of March 31, 2022: 404,351 shares
- iii. Average number of shares outstanding during the period:
- Fiscal year ended March 31, 2023: 23,566,186 shares
- Fiscal year ended March 31, 2022: 23,566,487 shares

**[Reference] Overview of Non-consolidated Financial Results**

**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

(1) Non-consolidated Operating Results

(Million yen)

(Percentages indicate year-on-year changes.)

	Revenues		Operating Income		Ordinary Income		Net Income	
Fiscal year ended March 31, 2023	224,381	30.0%	31,335	37.2%	40,145	30.3%	32,390	18.0%
Fiscal year ended March 31, 2022	172,556	46.2%	22,834	395.4%	30,807	314.0%	27,461	519.0%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal year ended March 31, 2023	1,374.44	—
Fiscal year ended March 31, 2022	1,165.25	—

(2) Non-consolidated Financial Position

(Million yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2023	175,900	126,387	71.9%	5,363.12
As of March 31, 2022	159,114	102,636	64.5%	4,355.22

(Reference) Equity

As of March 31, 2023: 126,387 million yen

As of March 31, 2022: 102,636 million yen

\* Financial results reports are outside the scope of audit by certified public accountants or an audit corporation.

\* 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 “Overview of Operating Results, etc.” on page 2 of the attachments.

(Supplementary material on financial results)

The supplementary material on financial results will be posted on the Company’s website on Friday, April 28, 2023.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

1) Overview of the fiscal year under review

(Million yen)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)	Amount Change (Percentage change)
Revenues	195,941	250,825	54,885 (28.0%)
Operating Income	26,711	32,487	5,776 (21.6%)
Ordinary Income	26,606	33,444	6,837 (25.7%)
Profit Attributable to Owners of Parent	23,582	27,603	4,020 (17.0%)

Exchange rate (¥/US\$) (12 month average)	111.50	134.67	23.17 (20.8%)
Bunker price* (US\$/MT) (12 month average)	500	655	155 (31.0%)

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

Consolidated financial results for the fiscal year ended March 31, 2023 were as follows: revenues of 250,825 million yen (up 28.0% year on year), operating income of 32,487 million yen (up 21.6% year on year), ordinary income of 33,444 million yen (up 25.7% year on year), and profit attributable to owners of parent of 27,603 million yen (up 17.0% year on year).

During the fiscal year under review, the tempo of the global economy slowed owing to China's zero-COVID policy as well as increasing uncertainty due to inflation caused by high resource prices worldwide and a shift toward tighter monetary policy by various countries in response to the inflation. In these circumstances, the Company was able to achieve record profit for the second consecutive year, supported by stable earnings from long-term contracts and the progressive depreciation of the yen during the fiscal year under review.

In the international shipping business, although the dry bulk market was robust in the first half of the fiscal year under review, the market trended downward for all vessel types in the second half of the fiscal year under review, as the shipping tonnage supply-demand balance eased against the backdrop of the stagnant Chinese economy because of the zero-COVID policy and the elimination of demurrage, reflecting the relaxation of quarantine control concerning COVID-19 at ports. The cape-size bulk carrier (180,000 dwt) market was robust at the beginning of the fiscal year under review, reflecting expectations of a recovery of the global economy, with the average daily charter rate for the five major routes reaching the upper 30,000-dollar range by late May. However, the market softened from the summer onward because cargo movements became stagnant. Furthermore, even at the beginning of 2023 and thereafter when China's zero-COVID policy was lifted, the market remained sluggish because of a delay in shipments, coinciding with the rainy season in Brazil, where much iron ore is loaded. The market for Panamax and medium and small bulk carriers (20,000-80,000 dwt) was robust in the first half of the fiscal year under review, reflecting increased ton-miles due to diversified patterns of coal transportation to Europe against the backdrop of the Russo-Ukrainian conflict and India's increased coal imports. However, the market softened in the second half, reflecting the easing of the shipping tonnage supply-demand balance caused by delays in grain shipments due to bad weather in South America, in addition to a decline in demand for coal and grains due to the slowdown of the Chinese economy. On the other hand, the market for VLGCs (large LPG carriers) remained firm, as an increase in LPG exports from the United States tightened the shipping tonnage supply-demand balance.

In the coastal shipping business, regarding steel-related cargo, whereas the shipping volume of steel products fell short of the initial targets because of a slowdown in automobile production due to prolonged semiconductor shortages, the

shipping volume of raw materials was robust and exceeded the initial targets. Meanwhile, cement-related cargo shipping volume exceeded the initial targets, supported by robust operation of dedicated vessels, but electricity-related cargo shipping volume fell short of the initial targets against the backdrop of the decline in the operating rate of thermal power plants. For tankers, while the full-fledged start of marine transportation on new routes contributed to an increase in LNG shipping volume, LPG shipping volume was sluggish because of a decline in domestic demand.

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

## 2) Outlook for the fiscal year ending March 31, 2024

Regarding the business environment for the fiscal year ending March 31, 2024, while the special factor, that is, strict quarantine controls at ports that caused a tight shipping tonnage supply-demand balance, is expected to diminish, recovery of the Chinese economy, which had been stagnant due to the zero-COVID policy, is expected to lead to an increase in marine cargo movements. Moreover, newbuilding orders will be restrained in view of the uncertainty over environmentally friendly vessels and persistently high prices of vessels, and the start of application of environmental regulations, such as the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII), in 2023, will facilitate slow steaming and removal of aged vessels with low fuel efficiency. These factors are expected to curb shipping tonnage supply and support the market. However, there are concerns that prolonged inflation worldwide and a downturn in economic activity due to rapid monetary tightening in various countries may affect marine cargo movements. In operating its business, the Company will pay close attention to such risks.

The forecast of the Group's consolidated results for the fiscal year ending March 31, 2024 is as follows: revenues of 179,000 million yen, operating income of 14,700 million yen, ordinary income of 13,200 million yen, and profit attributable to owners of parent of 11,000 million yen. This forecast is based on the forecast exchange rate of 130.00 yen to a U.S. dollar and the average bunker price (average of all fuel types) of 587 dollars per ton.

## (2) Overview of Financial Position for the Fiscal Year under Review

### 1) Overview of assets, liabilities, and net assets

Total assets at the end of the fiscal year under review were 275,784 million yen, up 913 million yen from the end of the previous fiscal year. Current assets increased by 14,157 million yen, primarily because of an increase in cash and deposits. Fixed assets decreased by 13,244 million yen, mainly due to a decrease in vessels.

Total liabilities decreased by 18,303 million yen from the end of the previous fiscal year to 138,379 million yen. Current liabilities increased by 1,876 million yen, mainly due to an increase in short-term borrowings. Non-current liabilities decreased by 20,179 million yen, mainly due to a decrease in long-term borrowings.

Total net assets increased by 19,216 million yen from the end of the previous fiscal year to 137,405 million yen. The main factors accounting for this increase were an increase in retained earnings resulting from the difference between the posting of profit attributable to owners of parent and the payment of dividends and an increase in accumulated other comprehensive income due to an increase in unrealized gains on securities.

### 2) Overview of cash flows

Net cash provided by operating activities amounted to 42,930 million yen, an increase of 10,049 million yen from the previous fiscal year. The main items were profit before income taxes and depreciation and amortization.

Net cash used in investing activities amounted to 1,958 million yen (compared with net cash provided by investing activities amounting to 139 million yen for the previous fiscal year). The main items were purchase of vessels amounting to 5,950 million yen and proceeds from sales of vessels amounting to 4,004 million yen.

Net cash used in financing activities amounted to 32,392 million yen (compared with net cash used in financing activities amounting to 29,915 million yen for the previous fiscal year). This was mainly due to a net outflow of 19,534 million yen, the difference between proceeds from long-term borrowings and repayments of long-term borrowings.

Cash and cash equivalents at the end of the fiscal year under review, after taking into account the effect of exchange rate changes on cash and cash equivalents, amounted to 40,264 million yen, an increase of 9,049 million yen from the end of the previous fiscal year.

(Reference) Cash flow indicators on a consolidated basis

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	36.7	35.6	43.0	49.8
Equity ratio at market value (%)	13.2	16.4	36.1	35.2
Ratio of interest-bearing debt to cash flows (year)	8.1	6.6	3.8	2.3
Interest coverage ratio (times)	11.3	15.7	24.4	36.7

Equity ratio: Shareholders' equity / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest expenses

- (Notes)
1. The consolidated financial figures constitute the basis for calculating these indicators.
  2. Market capitalization is calculated based on the number of shares issued excluding treasury shares.
  3. The cash flows used for calculation are operating cash flows.
  4. Interest-bearing debt includes all debts recorded on the consolidated balance sheets on which interest is paid.

### (3) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year

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 aims at a payout ratio of approximately 30% on a consolidated basis.

For the fiscal year under review, the Company paid an interim dividend of 170 yen per share. In accordance with the above-mentioned policy, the Company intends to pay a year-end dividend of 195 yen per share, resulting in total cash dividends of 365 yen for the full year. For the fiscal year ending March 31, 2024, the Company plans to pay an interim dividend of 65 yen per share. As for the year-end dividend, the Company will promptly disclose the projected dividend amount as soon as it becomes available.

## 2. Status of the Group

(1) The Group consists of NS United Kaiun Kaisha, Ltd. (the Company) and its 63 subsidiaries, 3 affiliates and 2 other related companies, and is mainly engaged in marine transportation services and related businesses.

The positioning of the Company, its subsidiaries and affiliates in relation to these businesses is as described below. The business classification is the same as the classification of segments used in the consolidated financial statements.

The Company: Engaged in international shipping business, involving receiving of freight rates, charter rates, operation fees, etc.

Subsidiaries and affiliates:

#### 1) International shipping business

- Companies mainly engaged in leasing of ocean-going vessels to the Company (47 companies)  
NEW HARVEST S.A., HIGHLAND MARITIME S.A., HOSEI SHIPPING S.A., etc.
- Companies engaged in vessel management, shipping brokerage, and other shipping-related businesses (7 companies)  
NS United Marine Service Corporation
- Companies engaged in international shipping business, involving receiving of freight rates, charter rates, operation fees, etc. (1 company)  
NS UNITED BULK PTE. LTD.

#### 2) Coastal shipping business

- Companies engaged in coastal shipping business, involving receiving of freight rates, charter rates, operation fees, etc. (9 companies)

NS United Naiko Kaiun Kaisha, Ltd., NS United Coastal Tanker Kaisha, Ltd., etc.

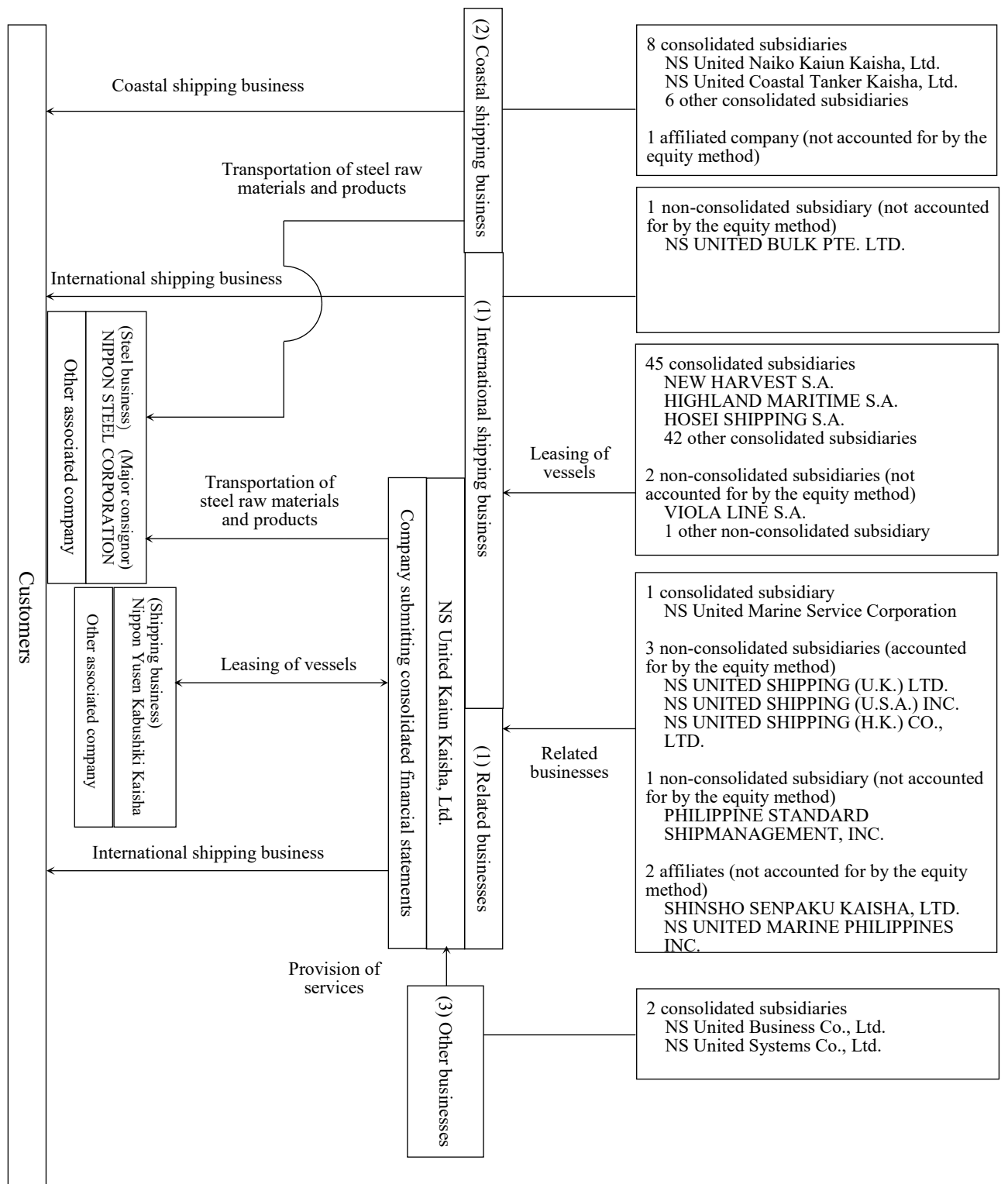
3) Other

- Companies engaged in information services (2 companies)  
NS United Systems Co., Ltd., NS United Business Co., Ltd.

(2) NIPPON STEEL CORPORATION is the Company's other related company, which is important for the Company's business and with which the Company has an ongoing close business relationship.

(3) The above is illustrated in the diagram below.





### 3. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in conformity with the generally accepted accounting principles in Japan (Japanese GAAP) in order to ensure comparability of consolidated financial statements over time and comparability among companies.

With regard to adoption of the International Financial Reporting Standards (IFRS), the Group intends to make an appropriate response, taking into consideration situations in Japan and abroad.

#### 4. Consolidated Financial Statements and Principal Notes

##### (1) Consolidated Balance Sheets

(Million yen)

	For the previous fiscal year (as of March 31, 2022)	For the fiscal year under review (as of March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	22,265	30,314
Trade notes, accounts receivable, and contract assets	29,084	32,297
Securities	9,000	10,000
Inventories	12,148	13,382
Prepaid expenses	4,110	5,220
Derivatives	839	144
Other current assets	3,145	3,375
Allowance for doubtful accounts	(31)	(14)
Total current assets	80,561	94,718
Fixed assets		
Tangible fixed assets		
Vessels, net	181,526	165,140
Buildings, net	297	278
Land	397	397
Construction in progress	2,218	3,689
Other tangible fixed assets, net	110	215
Total tangible fixed assets	184,548	169,718
Intangible fixed assets	1,909	1,609
Investments and other assets		
Investment securities	3,945	4,420
Long-term loans receivable	24	10
Deferred tax assets	1,579	3,124
Retirement benefit asset	1,743	1,640
Other long-term assets	562	545
Total investments and other assets	7,853	9,739
Total fixed assets	194,310	181,066
<b>Total assets</b>	<b>274,871</b>	<b>275,784</b>

(Million yen)

	For the previous fiscal year (as of March 31, 2022)	For the fiscal year under review (as of March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	12,315	13,755
Short-term borrowings	15,323	19,685
Lease obligations	4,380	–
Accounts payable – other	91	245
Accrued expenses	190	248
Income taxes payable	4,991	4,110
Contract liabilities	3,288	4,797
Provision for bonuses	627	758
Provision for bonuses for directors (and other officers)	68	59
Derivatives liabilities	1,167	785
Other current liabilities	5,715	5,587
Total current liabilities	48,155	50,031
Non-current liabilities		
Long-term borrowings	103,991	81,102
Deferred tax liabilities	643	631
Provision for special repairs	3,761	6,469
Retirement benefit liability	131	147
Other non-current liabilities	0	0
Total non-current liabilities	108,527	88,349
Total liabilities	156,682	138,379
<b>Net assets</b>		
Shareholders' equity		
Common stock	10,300	10,300
Capital surplus	17,181	17,181
Retained earnings	90,527	109,646
Treasury stock, at cost	(996)	(997)
Total shareholders' equity	117,013	136,129
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	1,373	1,770
Deferred gains (losses) on hedges	(240)	(401)
Foreign currency translation adjustment	(61)	(32)
Accumulated remeasurements of defined benefit plans	105	(62)
Total accumulated other comprehensive income	1,177	1,276
Total net assets	118,189	137,405
Total liabilities and net assets	274,871	275,784

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

(Million yen)

	For the previous fiscal year (from April 1, 2021 to March 31, 2022)	For the fiscal year under review (from April 1, 2022 to March 31, 2023)
Revenues		
Shipping business revenue and other operating revenue	195,941	250,825
Operating expenses		
Shipping business expenses and other operating expenses	163,345	211,461
Gross profit	32,595	39,365
General and administrative expenses	5,884	6,878
Operating income	26,711	32,487
Non-operating income		
Interest income	4	9
Dividend income	117	220
Share of profit of entities accounted for using equity method	5	12
Foreign exchange gains	1,581	1,268
Gain on derivatives	176	573
Other	233	119
Total non-operating income	2,117	2,202
Non-operating expenses		
Interest expenses	1,304	1,191
Loss on derivatives	899	31
Other	19	23
Total non-operating expenses	2,221	1,245
Ordinary income	26,606	33,444
Extraordinary income		
Gain on sales of fixed assets	2,495	332
Gain on sales of investment securities	–	77
Total extraordinary income	2,495	410
Extraordinary losses		
Impairment losses	–	994
Loss on valuation of investment securities	32	-
Total extraordinary losses	32	994
Profit before income taxes	29,069	32,860
Income taxes – current	5,409	6,794
Income taxes – deferred	77	(1,537)
Total income taxes	5,486	5,257
Profit	23,582	27,603
Profit attributable to owners of parent	23,582	27,603

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the previous fiscal year (from April 1, 2021 to March 31, 2022)	For the fiscal year under review (from April 1, 2022 to March 31, 2023)
Profit	23,582	27,603
Other comprehensive income		
Unrealized gains (losses) on securities	462	397
Deferred gains (losses) on hedges	1,415	(161)
Foreign currency translation adjustment	(22)	(20)
Remeasurements of defined benefit plans, net of tax	(294)	(167)
Share of other comprehensive income (loss) of entities accounted for using equity method	46	50
Total other comprehensive income (loss)	1,607	99
Comprehensive income:	25,190	27,702
Comprehensive income attributable to owners of parent	25,190	27,702

## (3) Consolidated Statements of Changes in Net Assets

For the previous fiscal year (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2021	10,300	17,181	70,347	(995)	96,833
Cumulative effects of changes in accounting policies			17		17
Restated balance	10,300	17,181	70,364	(995)	96,850
Changes of items during the year					
Dividends of surplus			(3,417)		(3,417)
Profit attributable to owners of parent			23,582		23,582
Acquisition of treasury stock				(1)	(1)
Change of scope of consolidation			(2)		(2)
Net changes of items other than shareholders' equity					
Total changes of items during the year	–	–	20,163	(1)	20,162
Balance at March 31, 2022	10,300	17,181	90,527	(996)	117,013

	Accumulated other comprehensive income					Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at April 1, 2021	911	(1,655)	(85)	399	(431)	96,402
Cumulative effects of changes in accounting policies						17
Restated balance	911	(1,655)	(85)	399	(431)	96,419
Changes of items during the year						
Dividends of surplus						(3,417)
Profit attributable to owners of parent						23,582
Acquisition of treasury stock						(1)
Change of scope of consolidation						(2)
Net changes of items other than shareholders' equity	462	1,415	24	(294)	1,607	1,607
Total changes of items during the year	462	1,415	24	(294)	1,607	21,770
Balance at March 31, 2022	1,373	(240)	(61)	105	1,177	118,189

For the fiscal year under review (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2022	10,300	17,181	90,527	(996)	117,013
Changes of items during the year					
Dividends of surplus			(8,484)		(8,484)
Profit attributable to owners of parent			27,603		27,603
Acquisition of treasury stock				(1)	(1)
Change of scope of consolidation			(1)		(1)
Net changes of items other than shareholders' equity					
Total changes of items during the year	-	-	19,118	(1)	19,117
Balance at March 31, 2023	10,300	17,181	109,646	(997)	136,129

	Accumulated other comprehensive income					Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at April 1, 2022	1,373	(240)	(61)	105	1,177	118,189
Changes of items during the year						
Dividends of surplus						(8,484)
Profit attributable to owners of parent						27,603
Acquisition of treasury stock						(1)
Change of scope of consolidation						(1)
Net changes of items other than shareholders' equity	397	(161)	29	(167)	99	99
Total changes of items during the year	397	(161)	29	(167)	99	19,216
Balance at March 31, 2023	1,770	(401)	(32)	(62)	1,276	137,405



## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the previous fiscal year (from April 1, 2021 to March 31, 2022)	For the fiscal year under review (from April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	29,069	32,860
Depreciation and amortization	17,668	17,828
Impairment losses	–	994
Increase (decrease) in allowance for doubtful accounts	(1)	(17)
Increase (decrease) in provision for bonuses	213	131
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	(9)
Increase (decrease) in provision for special repairs	(307)	2,690
Increase (decrease) in retirement benefit asset and retirement benefit liability	(211)	(115)
Interest and dividend income	(121)	(230)
Interest expenses	1,304	1,191
Foreign exchange losses (gains)	(545)	(524)
Share of loss (profit) of entities accounted for using equity method	(5)	(12)
Loss (gain) on sales of tangible fixed assets and intangible fixed assets	(2,495)	(332)
Loss (gain) on sales of investment securities	–	(73)
Loss (gain) on valuation of investment securities	32	–
Decrease (increase) in trade receivables	(9,303)	(3,212)
Decrease (increase) in inventories	(4,692)	(1,232)
Increase (decrease) in trade payables	1,686	1,435
Increase (decrease) in accounts payable - other	(116)	(30)
Other, net	2,954	189
Subtotal	35,125	51,532
Interest and dividends received	176	230
Interest paid	(1,350)	(1,171)
Income taxes paid	(1,070)	(7,661)
Net cash provided by (used in) operating activities	32,881	42,930
<b>Cash flows from investing activities</b>		
Purchase of vessels	(5,495)	(5,950)
Proceeds from sales of vessels	5,162	4,004
Purchase of other fixed assets	(69)	(203)
Proceeds from sales of other fixed assets	546	9
Purchase of investment securities	(4)	(6)
Proceeds from sales and redemption of investment securities	–	173
Other, net	0	15
Net cash provided by (used in) investing activities	139	(1,958)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(300)	–
Proceeds from long-term borrowings	11,035	2,346
Repayments of long-term borrowings	(36,887)	(21,880)
Repayments of lease obligations	(349)	(4,380)
Purchase of treasury stock	(1)	(1)
Dividends paid	(3,414)	(8,476)
Net cash provided by (used in) financing activities	(29,915)	(32,392)
Effect of exchange rate change on cash and cash equivalents	495	468
Net increase (decrease) in cash and cash equivalents	3,601	9,049
Cash and cash equivalents at the beginning of the year	27,613	31,215
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2	–
Cash and cash equivalents at the end of the year	31,215	40,264

(5) Notes to Consolidated Financial Statements  
(Going Concern Assumption)  
Not applicable

(Segment Information)

1. Overview of reportable segments

The Company's reportable segments are the Group's constituent units for which discrete financial information is available and which are periodically reviewed by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating the business results.

The Group conducts business activities mainly in marine transportation services, and the reportable segments are classified based on operational regions of vessels. The two reportable segments are the international shipping business and the coastal shipping business.

In the international shipping business, the Group conducts business activities such as transportation of materials including iron ores, coking coals, steel products, and nonferrous metal ores by bulk carriers; transportation of LPG and other petroleum products by tankers; and vessel leasing. In the coastal shipping business, the Group conducts business activities such as transportation of materials including steel products, limestone, and cement by bulk carriers in domestic water areas; transportation of LPG, LNG, and other petroleum products by tankers; and vessel leasing.

2. Calculation method of the amounts of revenues, profit or loss, assets and other items by reportable segment

Segment profit consists of figures based on operating income. Intersegment revenues and transfers are based on the current market prices.

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

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2) (Note 3)	Carrying amounts on the consolidated financial statements (Note 4)
	International shipping business	Coastal shipping business	Total				
Revenues							
Revenues from contracts with customers	172,219	23,722	195,941	–	195,941	–	195,941
Sales to external customers	172,219	23,722	195,941	–	195,941	–	195,941
Intersegment sales or transfers	–	7	7	366	373	(373)	–
Total	172,219	23,728	195,947	366	196,313	(373)	195,941
Segment profit	24,935	1,772	26,706	1	26,707	4	26,711
Segment assets	243,258	31,465	274,723	213	274,936	(65)	274,871
Other items							
Depreciation	15,281	2,385	17,666	2	17,668	–	17,668
Investment in equity- method affiliates	435	–	435	–	435	–	435
Increase in tangible fixed assets and intangible fixed assets	4,734	823	5,557	10	5,567	–	5,567

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

2. The adjustment of 4 million yen for segment profit is elimination of intersegment transactions.

3. The adjustment of (65) million yen for segment assets is elimination of intersegment transactions.

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

Fiscal year under review (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2) (Note 3)	Carrying amounts on the consolidated financial statements (Note 4)
	International shipping business	Coastal shipping business	Total				
Revenues							
Revenues from contracts with customers	224,069	26,756	250,825	–	250,825	–	250,825
Sales to external customers	224,069	26,756	250,825	–	250,825	–	250,825
Intersegment sales or transfers	–	14	14	371	385	(385)	–
Total	224,069	26,771	250,840	371	251,211	(385)	250,825
Segment profit	30,082	2,427	32,509	(25)	32,484	3	32,487
Segment assets	245,013	30,613	275,626	221	275,847	(63)	275,784
Other items							
Depreciation	15,566	2,258	17,824	4	17,828	–	17,828
Investment in equity- method affiliates	496	–	496	–	496	–	496
Increase in tangible fixed assets and intangible fixed assets	6,102	225	6,327	2	6,329	–	6,329

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

2. The adjustment of 3 million yen for segment profit is elimination of intersegment transactions.
3. The adjustment of (63) million yen for segment assets is elimination of intersegment transactions.
4. Segment profit is reconciled to operating income recorded in the consolidated statement of income.

[Information on impairment losses on fixed assets by reportable segment]

Previous fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable

Fiscal year under review (from April 1, 2022 to March 31, 2023)

(Million yen)

	International shipping business	Coastal shipping business	Others	Corporate / elimination	Total
Impairment losses	–	994	–	–	994

(Per Share Information)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net assets per share	5,015.17 yen	5,830.65 yen
Net income per share	1,000.67 yen	1,171.29 yen

(Notes) 1. Diluted net income per share after adjustment for residual securities is not stated as there are no residual securities.

2. The basis for calculation of net income per share is as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Million yen)	23,582	27,603
Amounts not attributable to shareholders of common stock (Million yen)	—	—
Profit attributable to owners of parent pertaining to common stock (Million yen)	23,582	27,603
Average number of shares during the year (Shares)	23,566,487	23,566,186

(Significant Subsequent Events)

Not applicable