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January 31, 2024

## FINANCIAL HIGHLIGHTS for the 3rd quarter of the Fiscal Year Ending March 2024

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  
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Schedule date to submit the financial statement report: February 9, 2024  
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 3rd quarter of the Fiscal Year Ending March 2024 (from April 1, 2023 to December 31, 2023)

#### (1) Consolidated Operating Results (Cumulative)

(Million yen)

(Percentages indicate year-on-year changes.)

	Revenues		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
For the 3rd quarter of the fiscal year ending March 2024	172,520	(12.4) %	17,228	(42.5) %	17,473	(44.3) %	14,130	(44.3) %
For the 3rd quarter of the fiscal year ended March 2023	196,863	36.3%	29,957	49.1%	31,394	60.1%	25,358	60.2%

(Reference) Comprehensive Income

For the 3rd quarter of the fiscal year ending March, 2024: 14,339 million yen (43.8) %

For the 3rd quarter of the fiscal year ended March, 2023: 25,493 million yen 54.7%

(Yen)

	Net Income per Share	Diluted Net Income per Share
For the 3rd quarter of the fiscal year ending March 2024	599.59	—
For the 3rd quarter of the fiscal year ended March 2023	1,076.02	—

#### (2) Consolidated Financial Position

(Million yen)

	Total Assets	Net Assets	Equity Ratio
For the 3rd quarter of the fiscal year ending March 2024	274,509	145,263	52.9
For the fiscal year ended March 2023	275,784	137,405	49.8

(Reference) Equity Capital

For the 3rd quarter of the fiscal year ending March 2024 : 145,263 million yen

For the fiscal year ended March 2023: 137,405 million yen

## 2. Cash Dividends

(Yen)

	Annual Dividends per Share				
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Year-end	For Full Year
For the fiscal year ended March, 2023	-	170.00	-	195.00	365.00
For the fiscal year ending March, 2024	-	80.00	-		
For the Fiscal year ending March, 2024 (Forecast)				140.00	220.00

(Note) Revision to quarterly dividend distribution forecast : Yes

## 3. Forecast of Consolidated Operating Performance for Fiscal Year Ending March 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
		(%)		(%)		(%)		(%)	
For full year	225,300	(10.2)%	20,400	(37.2)%	20,300	(39.3)%	16,900	(38.8)%	717.14

(Note) Revision to quarterly operating performance forecast: Yes

### Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): 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: None
  - 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 3rd quarter of the fiscal year ending March 2024:	23,970,679 shares
For the fiscal year ended March 2023:	23,970,679 shares
  - ii. Number of treasury shares at the end of the period
 

For the 3rd quarter of the fiscal year ending March 2024:	404,869 shares
For the fiscal year ended March 2023:	404,688 shares
  - iii. Average number of shares outstanding during the period (cumulative for the quarter)
 

For the 3rd quarter of the fiscal year ending March 2024:	23,565,916 shares
For the 3rd quarter of the fiscal year ended March 2023:	23,566,225 shares

\* This document of financial highlights is 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 "1. Qualitative Information on Quarterly Results (3) Explanation of Consolidated Earnings Forecast and Future Outlook" on page 3 of the attachments.

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## 1. Information on Quarterly Results

### (1) Explanation of Operating Results

	Previous consolidated Nine months ended (from April 1, 2022 to December 31, 2022)	Consolidated Nine months ended (from April 1, 2023 to December 31, 2023)	Amount Change (Percentage change)
Revenues	196,863	172,520	(24,344) (12.4)%
Operating Income	29,957	17,228	(12,729) (42.5)%
Ordinary Income	31,394	17,473	(13,921) (44.3)%
Profit Attributable to Owners of Parent	25,358	14,130	(11,228) (44.3)%

Exchange rate (¥/US\$)(average)	135.33	142.44	7.11 5.3 %
Bunker price* (US\$/MT)(average)	670	546	(125) (18.6)%

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

For the nine-month period from April 1, 2023, to December 31, 2023, NS United Kaiun group reported net revenues of 172,520 million yen (down 12.4% year on year), operating income of 17,228 million yen (down 42.5% year on year), ordinary income of 17,473 million yen (down 44.3% year on year), net income attributable to owners of the parent was 14,130 million yen (down 44.3% year on year).

In the International shipping business during the nine months ended December 31, 2023, in the dry bulk carrier market, the Chinese economic uncertainty and monetary tightening in various countries put downward pressure on the market, but the market conditions improved for all types of vessels in the second half of the period. The market for cape bulkers (180,000 DWT type) weakened due to concerns about a slowdown in demand for the transport of steel raw materials in the wake of the real estate slump in China, but the market improved from September due to seasonal factors and strong shipments of iron ore from South America. The market for panamax and smaller bulk carriers (20,000-80,000 DWT type) was also on a downward trend in the first half of the fiscal year, as was the case for large vessels, but improved in August and thereafter due to improved grain shipments. The market for VLGC (Very Large Gas Carrier) remained at a high level throughout the period, supported by strong demand for LPG transport.

Under these circumstances, despite efforts to operate efficiently, both revenues and profits declined from the same period of the previous year.

In the coastal shipping business, regarding dry bulk, transport volume of steel raw materials increased year-on-year due to fleet scale expansion and spot transportation demand. On the other hand, steel products transport volume decreased year-on-year due to labor shortages and high material prices in the construction and manufacturing industries, despite a recovery mainly in the automotive sector. Both electric power-related cargoes and cement-related cargoes were lower than the same period of the previous year due to lower capacity utilization at coal-fired thermal power plants and unseasonable weather, respectively. As for tankers, despite efforts for efficient operation of both LNG and LPG transport, cargo volumes remained sluggish due to the impact of declining demand. Under these circumstances, the transportation of iron and steel raw materials offset the decline in transport volumes of other cargoes, and the coastal shipping business posted higher revenues and profits compared with the same period of the previous year.

The Company's group business composition is almost entirely dominated by the marine transportation business, with the international shipping business accounting for about 90% of consolidated net revenues and the coastal shipping business accounting for about 10%.

## (2) Explanation of Financial Position

Total assets amounted to 274,509 million yen at the end of the third quarter, down 1,275 million yen from the end of the previous fiscal year. Current assets increased 1,311 million yen mainly due to increase in trade receivables and contract assets. Non-current assets increased 2,586 million yen mainly due to a decrease in vessels.

Total liabilities decreased by 9,133 million yen from the end of the previous fiscal year to 129,247 million yen. Current liabilities decreased 2,101 million yen mainly due to a decrease income taxes payable. Long-term liabilities decreased 7,031 million yen mainly due to a decrease in long-term borrowings.

Total net assets increased 7,858 million yen from the end of the previous fiscal year to 145,263 million yen, mainly due to an increase in retained earnings resulting from the net income attributable to parent company shareholders for the period, net of dividends paid.

## (3) Explanation of Consolidated Earnings Forecast and Future Outlook

### Forecast of Consolidated Operating Performance for Fiscal Year Ending March 2024

(Million yen)

	Full Fiscal Year			
	Previous Forecast	This Time Forecast	Change from Previous Forecast	
			Amount Change	Percentage change
Revenues	204,200	225,300	21,100	10.3%
Operating Income	18,100	20,400	2,300	12.7%
Ordinary Income	17,300	20,300	3,000	17.3%
Profit Attributable to Owners of Parent	13,900	16,900	3,000	21.6%

The assumptions used in the previous forecast (October 31, 2023) and the current forecast for the fourth quarter yen-to-dollar conversion rate and bunker oil prices are as follows:

Assumptions For 4th Quarters	Previous Forecast	This Time Forecast
Exchange rate	US\$=135.00 yen	US\$=144.00 yen
Bunker price*	US\$587/MT	US\$529/MT

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

Net revenues and profit at each stage in the third quarter were firmer than expected. Regarding the dry bulk market in the fourth quarter, a decline in market conditions is expected due to seasonal factors such as the start of the Chinese New Year and stagnation of iron ore and grain shipments due to the rainy season in South America. In addition, there are concerns about the current drought in the Panama Canal, which has led to restrictions on passage through the canal, as well as attacks on merchant vessels by armed groups in the Red Sea.

Considering our performance in the third quarter and the business environment surrounding us in the fourth quarter and beyond, the company have revised the consolidated earnings forecast for the full year ending March 31, 2024, which it announced on October 31, 2023, as described above. As for the assumptions for the fourth quarter and beyond, the company have assumed an exchange rate of 144.00 yen to the U.S. dollar and a bunker oil price of \$529 per metric ton for average consumption (all grades).

The Company regards the return of profits to shareholders as one of its most important management policies, and has adopted a policy of maintaining an annual dividend payout ratio of “approximately 30% of consolidated business results”. For the fiscal year ending March 31, 2024, the company forecast a year-end dividend of 140 yen per share, for a total of annual dividend of 220 yen per share including the interim dividend.

Please also refer to the “Revision of Operating Performance Forecast and Dividend Distribution Forecast” separately disclosed today.

## 2. Consolidated Financial Statements and Principal Notes

### (1) Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (March 31, 2023)	Third quarter consolidated accounting period (December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	30,314	27,658
Trade receivables and contract assets	32,297	34,212
Securities	10,000	10,000
Inventories	13,382	14,583
Prepaid expenses	5,220	5,857
Derivatives	144	164
Other current assets	3,375	3,572
Allowance for doubtful accounts	△14	△16
Total current assets	94,718	96,029
Non-current assets		
Property, plant and equipment		
Vessels, net	165,140	161,964
Buildings, net	278	262
Land	397	397
Construction in progress	3,689	4,071
Other tangible fixed assets, net	215	254
Total property, plant and equipment	169,718	166,948
Intangible assets	1,609	1,420
Investments and other assets		
Investment securities	4,420	5,046
Long-term loans receivable	10	10
Deferred tax assets	3,124	2,892
Retirement benefit asset	1,640	1,616
Other long-term assets	545	548
Total investments and other assets	9,739	10,112
Total non-current assets	181,066	178,480
<b>Total assets</b>	<b>275,784</b>	<b>274,509</b>

(Million yen)

	Previous fiscal year (March 31, 2023)	Third quarter consolidated accounting period (December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	13,755	12,746
Short-term borrowings	19,685	21,026
Accounts payable - other	245	429
Accrued expenses	248	395
Income taxes payable	4,110	298
Contract liabilities	4,797	5,954
Provision for bonuses	758	127
Provision for bonuses for directors (and other officers)	59	14
Derivative liabilities	785	755
Other current liabilities	5,587	6,185
<b>Total current liabilities</b>	<b>50,031</b>	<b>47,929</b>
Non-current liabilities		
Long-term borrowings	81,102	74,656
Deferred tax liabilities	631	792
Provision for special repairs	6,469	5,706
Retirement benefit liability	147	164
Other noncurrent liabilities	0	0
<b>Total non-current liabilities</b>	<b>88,349</b>	<b>81,317</b>
<b>Total liabilities</b>	<b>138,379</b>	<b>129,247</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,300	10,300
Capital surplus	17,181	17,181
Retained earnings	109,646	117,295
Treasury shares	△997	△998
<b>Total shareholders' equity</b>	<b>136,129</b>	<b>143,778</b>
Accumulated other comprehensive income		
Valuation difference on available-for-revenue securities	1,770	2,005
Deferred gains or losses on hedges	△401	△357
Foreign currency translation adjustment	△32	△61
Remeasurements of defined benefit plans	△62	△101
<b>Total accumulated other comprehensive income</b>	<b>1,276</b>	<b>1,485</b>
<b>Total net assets</b>	<b>137,405</b>	<b>145,263</b>
<b>Total liabilities and net assets</b>	<b>275,784</b>	<b>274,509</b>

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

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenues		
Shipping business revenue and other operating revenue	196,863	172,520
Cost of Revenues		
Shipping business expenses and other operating expenses	161,926	149,771
Gross profit	34,937	22,749
General and administrative expenses	4,980	5,521
Operating profit	29,957	17,228
Non-operating income		
Interest income	10	9
Dividend income	220	237
Share of profit of entities accounted for using equity method	2	24
Foreign exchange gains	1,465	1,026
Other	653	318
Total non-operating income	2,350	1,614
Non-operating expenses		
Interest expenses	888	1,139
Other	25	229
Total non-operating expenses	913	1,368
Ordinary profit	31,394	17,473
Extraordinary income		
Gain on sale of non-current assets	332	12
Gain on sale of investment securities	77	59
Total extraordinary income	410	71
Extraordinary losses		
Impairment losses	994	—
Total extraordinary losses	994	—
Profit before income taxes	30,810	17,544
Income taxes	5,453	3,415
Profit	25,358	14,130
Profit attributable to owners of parent	25,358	14,130



Consolidated Comprehensive Income (Consolidated Three months ended)

(Million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	25,358	14,130
Other comprehensive income		
Valuation difference on available-for-revenue securities	△74	234
Deferred gains or losses on hedges	161	44
Foreign currency translation adjustment	△16	△96
Remeasurements of defined benefit plans, net of tax	△18	△40
Share of other comprehensive income of entities accounted for using equity method	82	67
Total other comprehensive income	135	209
Comprehensive income	25,493	14,339
(Breakdown)		
Comprehensive income attributable to owners of parent	25,493	14,339

(3) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

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

Not applicable

(Segment Information)

I Previous consolidated Six months ended (April 1, 2022 – December 31, 2022)

1. 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 quarterly consolidated financial statements (Note 3)
	International shipping business	Coastal shipping business	Total				
Revenues							
Revenues from contacts with customers	177,119	19,744	196,863	–	196,863	–	196,863
Revenues to external customers	177,119	19,744	196,863	–	196,863	–	196,863
Intersegment revenues or transfers	–	9	9	278	287	△287	–
Total	177,119	19,753	196,872	278	197,150	△287	196,863
Segment profit or loss	28,673	1,282	29,955	△0	29,955	2	29,957

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

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

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

2. Information on impairment loss or goodwill of fixed assets by reporting segment

(Significant impairment loss of fixed assets)

In the coastal shipping business segment, the carrying amount of vessels is reduced to the recoverable amount, and an impairment loss is recorded as an extraordinary loss.

The amount of such impairment loss was 994 million yen during the first nine months of the current fiscal year.

II Consolidated Six months ended (April 1, 2023 – December 31, 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	151,293	21,227	172,520	–	172,520	–	172,520
Revenues to external customers	151,293	21,227	172,520	–	172,520	–	172,520
Intersegment revenues or transfers	–	4	4	307	311	△311	–
Total	151,293	21,231	172,524	307	172,831	△311	172,520
Segment profit or loss	15,248	1,982	17,230	△5	17,225	3	17,228

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