



FY2023

(Ending March 31, 2024)

Financial Highlights
For Third Quarter

Translation Only

NS United Kaiun Kaisha, Ltd.

January 31, 2024

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1. Overview of Third Quarter Financial Results

【Consolidated】 [100 mil. yen]	FY 2022						FY 2023				Changes Y-o-Y
	1Q	2Q	3Q	1Q-3Q	4Q	Full Year	1Q	2Q	3Q	1Q-3Q	
Revenues	623	685	660	1,969	540	2,508	554	570	602	1,725	▲ 243
Operating Income	112	95	93	300	25	325	58	64	50	172	▲ 127
International Shipping	113	91	83	287	14	301	55	57	40	152	▲ 134
Coastal Shipping	▲ 1	4	10	13	11	24	3	7	10	20	+ 7
Ordinary Income	131	110	73	314	21	334	79	60	36	175	▲ 139
Profit Attributable to Owners of Parent	105	89	59	254	22	276	62	48	31	141	▲ 112
Rate (Yen/US\$)	125.33	136.33	144.33	135.33	132.67	134.67	135.33	142.67	149.33	142.44	+ 7.11
Bunker Price※ (US\$/MT)	663	747	605	670	605	655	538	545	555	546	▲ 125

※Bunker Oil Price is the average price of all oil types including high sulfur C fuel oil consumed by vessels equipped with FGD equipment

BCI 5TC Market Trends(April 2022 ~)



1. Overview of Third Quarter Financial Results

International Shipping

- Since October, the market for large vessels(cape-size) has been volatile. Daily charter rates briefly reached \$50,000 in December, boosted by strong shipments of iron ore from Brazil and bauxite from Guinea. However, market conditions fell rapidly toward the end of the year. In addition to accumulating stable profits from medium- to long-term freight contracts, the free fleet also secured higher than expected profits.
- As for small- and medium-sized vessels, the passage of the Panama Canal was restricted due to drought, and profits declined due to adjustments in the distribution of vessels and chartering vessels from the market. The VLGC (Very Large Gas Carrier) market was boosted by strong demand for LPG transportation.
- The company posted an operating profit of 15.2 billion yen, helped by a weak yen. Although profit fell short of the previous year's record profit, it steadily racked up profits by striving for efficient operation.

Coastal Shipping

- Steel products transportation are on a recovery trend for automobiles, but demand for transportation in the construction and manufacturing industries has slowed due to labor shortages and high material prices.
- In addition to the effects of an increase in fleet size, steel-making raw materials transportation remained strong by capturing demand for spot transportation, which compensated for drop in demand of electric power-related cargo and cement transportation, both of which caused by lower utilization rates at coal-fired power plants.
- As for tanker transport, despite efforts to operate more efficiently both for LNG and LPG transportation, the utilization rates declined due to drop in demand.
- As a result, operating income increased by about 700 million yen from the same period of the previous year to 2 billion yen.

2. Forecasts for FY2023

[Consolidated]	FY 2023 (Forecast)					FY 2022		Previous October Forecast	
	1H (Result)	3Q (Result)	4Q (Forecast)	2H (Forecast)	Full Year (Forecast)	Full Year (Result)	Changes	Full Year (Forecast)	Changes
[100 mil. yen]									
Revenues	1,124	602	528	1,129	2,253	2,508	▲ 255	2,042	+ 211
Operating Income	122	50	32	82	204	325	▲ 121	181	+ 23
International Shipping	112	40	24	65	177	301	▲ 124	161	+ 16
Coastal Shipping	10	10	7	17	27	24	+ 3	20	+ 7
Ordinary Income	138	36	28	65	203	334	▲ 131	173	+ 30
Profit Attributable to Owners of Parent	110	31	28	59	169	276	▲ 107	139	+ 30
Rate (Yen/US\$)	¥139.00	¥149.33	¥144.00	¥146.67	¥142.84	¥134.67	+ ¥8.16	¥137.00	+ ¥5.83
Bunker Price※ (US\$/MT)	\$541	\$555	\$529	\$542	\$542	\$655	▲ \$114	\$564	▲ \$23
Market									
Capesize	\$14,449	\$28,128	\$15,800	\$21,964	\$18,207	\$14,726	+ \$3,481	\$13,725	+ \$4,482
Panamax	\$12,063	\$16,117	\$12,000	\$14,059	\$13,061	\$17,677	▲ \$4,616	\$11,282	+ \$1,779
Small Handy	\$9,614	\$12,851	\$11,600	\$12,226	\$10,920	\$17,637	▲ \$6,717	\$9,932	+ \$988

※ Exchange rate depreciation of 1 yen against US \$ will increase ordinary income by approx. 200 million yen for 4Q

Bunker Oil Price is the average price of all oil types including high sulfur C fuel oil consumed by vessels equipped with FGD equipment

2. Forecasts for FY2023

Earnings Forecast: Earnings at each stage exceeded the previous forecast. ROE forecast to exceed 10%

● Although shipping market conditions have declined since the beginning of the new year due to seasonal factors, marine transportation demand is expected to increase mainly in iron ore shipments from Australia and Brazil. Now we expect shipping market to be higher than previous forecast in October 2023 for both large vessels and small- to medium-sized vessels.

● Confusion over the drought in the Panama Canal is expected to continue until 4Q FY2023, and the increase in transportation ton miles due to demurrage and the selection of alternative routes is seen as a positive factor in market conditions. However, there are concerns about the increase in costs due to transit costs and detour routes.

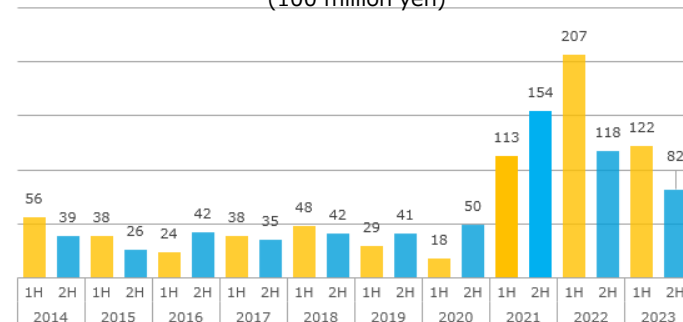
● The yen has weakened since the previous forecast in October 2023. Consolidated ordinary income for FY2023 is expected to be 20.3 billion yen, 3 billion yen higher than the previous forecast, as stable revenues from long-term freight contracts and continuous voyage contracts absorb increased costs related to the Panama Canal. Net income is expected to be 16.9 billion yen, with ROE exceeding 10% for the third consecutive fiscal year.

Dividend forecast: Dividend payout ratio expected to be approximately 30% for the year, and year-end dividend forecast to be increased by 40 yen per share.

● We regard the return of profits to shareholders as one of its most important management policies, and have issued an interim dividend since FY2018. In FY2023, we also paid an interim dividend of 80 yen per share.

● Based on the full-year earnings forecast, the year-end dividend is expected to be 140 yen per share (increased by 40 yen from the previous forecast).

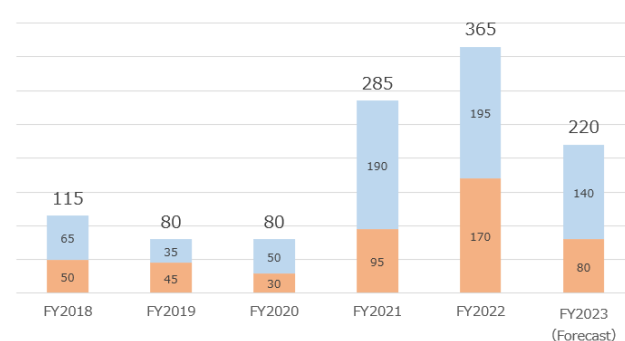
Half-Yearly Operating Income (100 million yen)



[yen]	Annual Dividend		
	Interim	Year-end	Total
Previous Forecast	80	100	180
Revised forecast	80	140	220

Result of previous fiscal year (FY2022)	170	195	365
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Dividend per share (yen)

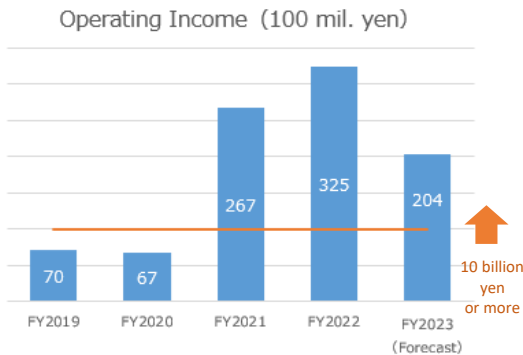


3.Activities

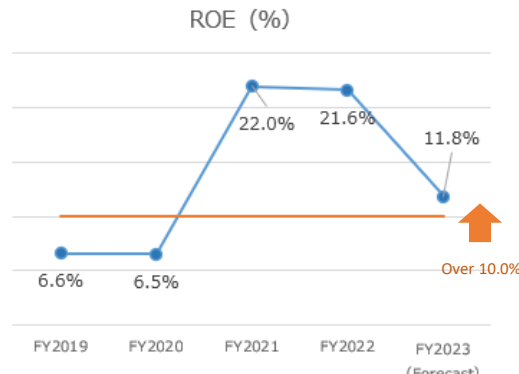
Aiming to Achieve Medium-Term Business Plan Targets

This year is the final year of the medium-term business plan "FORWARD 2030 ~ Driving U forward over the next decade," which started in FY2020. We will focus on achieving the target as a quarter for the completion of the plan, which will lead to the next medium-term business plan.

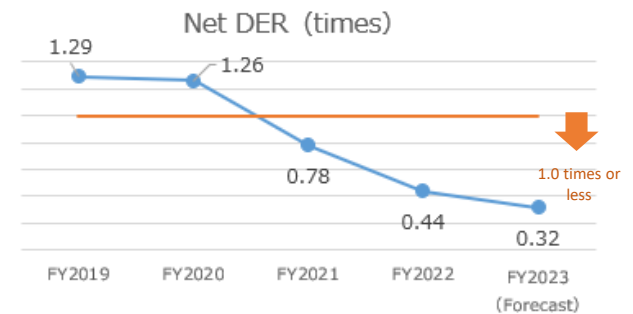
Medium-Term Business Plan Targets (FY 2023)	
Operating income	10 billion yen or more
ROE	Over 10.0%
Net DER	1.0 times or less



▶ Expected to achieve at least 10 billion yen for 3 consecutive years



▶ Expected to achieve over 10.0% for the third consecutive years



▶ Expected to achieve 1.0 times or less for 3 consecutive years

Started to charter newbuilding environment-friendly vessels WIND BELL/ASIAN KIND for near-sea service

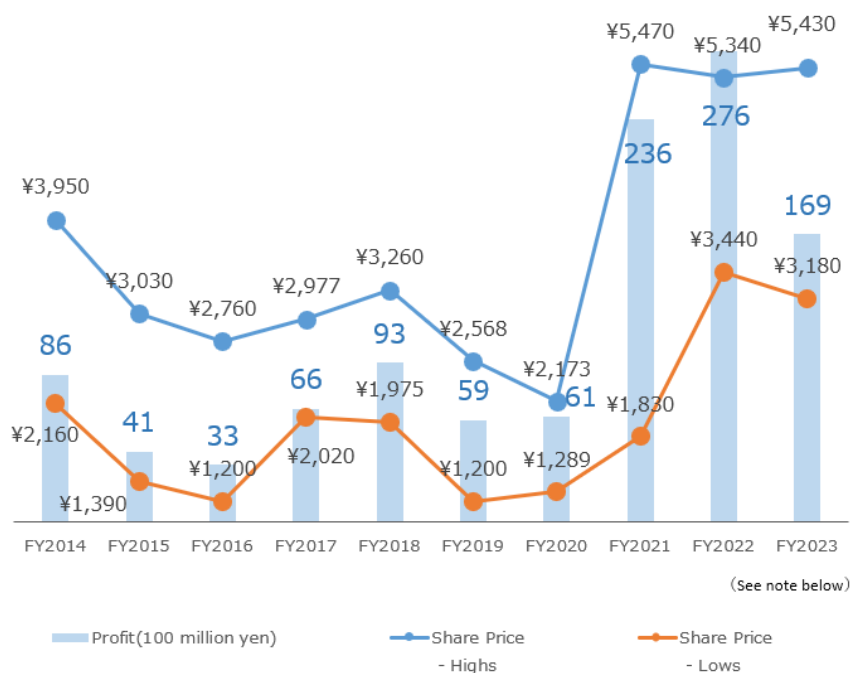
On November 10, M.V. WIND BELL and on December 13, M.V. ASIAN KIND completed and we started chartering the vessels. Both the vessels comply with Phase 3 of the Energy Efficiency Design Index (EEDI), a CO2 emission regulation, and are equipped with a propulsion efficiency improvement device around the stern propeller. These state-of-the-art vessels reduce fuel consumption and environmental impact.



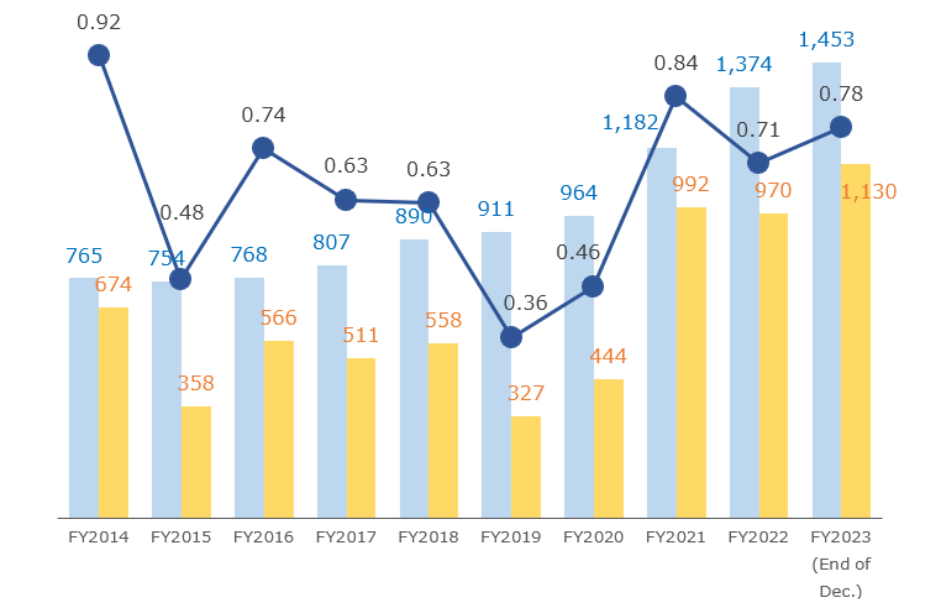
M.V. ASIAN KIND

(For Reference) Financial Outlook

Changes in net income and stock prices during the year



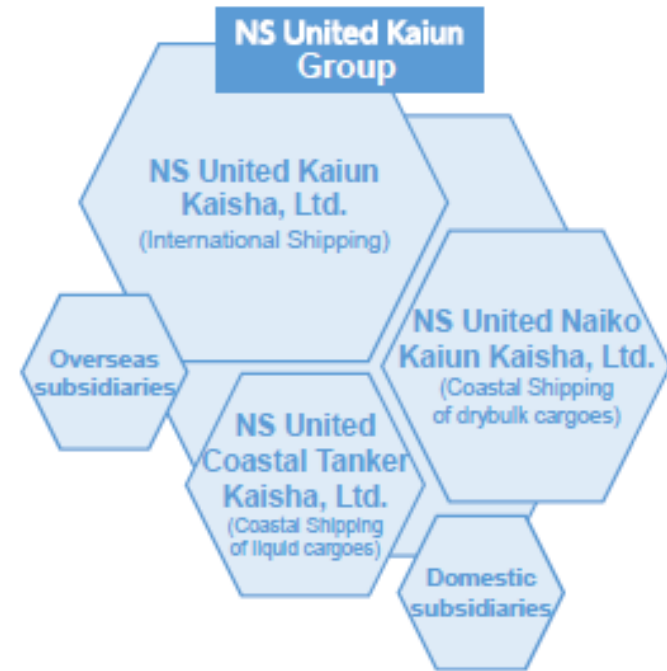
End of year net assets and aggregate market value



Note: Net income is estimated.
Stock prices are April-December results

NS United Kaiun Kaisha, Ltd.

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)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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