



FY2020

(Ending March 31, 2021)

Financial Highlights

Translation only

NS United Kaiun Kaisha, Ltd.

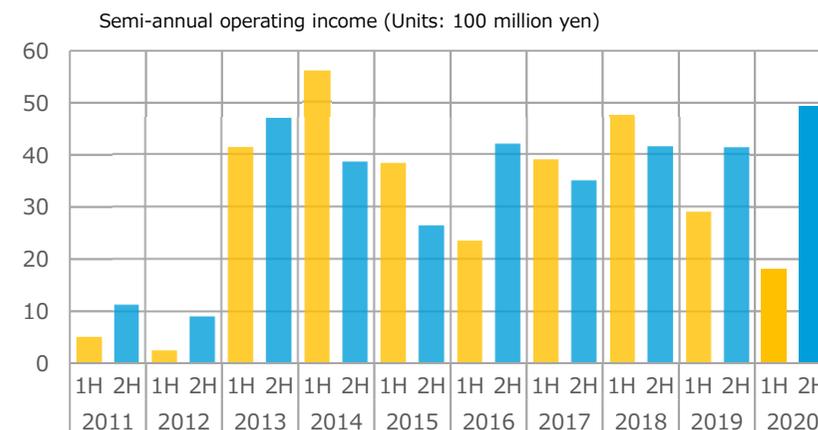
April 30, 2021

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1. Highlights of Results in FY2020

(Units: 100 million yen) (Consolidated)	Revenues	Operating income	Ordinary income	Profit attributable to owners of parent
1H	657	18	8	29
2H	727	50	48	32
Full-year	1,385	67	55	61



Review of Full-Year Performance

First half (1H): Long-term transport contracts contributed to achieving stable returns

- Despite market conditions entering a sharp downturn mainly due to the impact of COVID-19's spread, the Company was able to achieve stable returns based on long-term contracts and secured profits at every level.

Second half (2H): Took advantage of the market's recovery to achieve the highest profit since our merger in 2010

- In September and December 2020, two of the world's largest 400,000 dwt iron ore carriers (Valemax) were delivered. Together with the vessel delivered ahead of those two in December 2019, three Valemax vessels combined to create the company's solid base of revenue.
- Due to the recovery of domestic and overseas demand for transportation of steel raw materials and products as well as the increased demand for grain transportation, following the return to normal economic activity levels, market prices rose significantly, resulting in the highest second half operating income since our merger.

Ordinary income and profit increased year on year.

Dividend distribution: We anticipate a dividend distribution of 80 yen per share for the full year, maintaining the same level as the previous year

- The Company places shareholder returns as part of our essential managing measures, of which our target dividend payout ratio is 30% of the company's consolidated profit per fiscal year. For the current fiscal year, we expect to pay a dividend of 80 yen per share, which is the same level as the previous year.

2. Overview of Results in FY2020

International shipping Although operating income declined in the first half amid sluggish market conditions due to the downturn in economic activity, the second half saw an upturn, especially from mid-February to March, resulting in a year-on-year operating income increase to 3.8 billion yen for second half.

Coastal shipping First quarter was affected mainly by sluggish domestic demand and lower crude steel production, however, transportation demand began recovering from second quarter, leading to a year-on-year operating income increase to 1.8 billion yen.

As a result of the above, on a year-on-year basis, full year consolidated financial results included an operating income decrease of approximately 300 million yen, ordinary income increase of approximately 100 million yen, and profit increase of approximately 200 million yen.

[Consolidated] (Units: 100 million yen)	FY2019							FY2020							YoY Full year
	1Q	2Q	1H	3Q	4Q	2H	Full-year	1Q	2Q	1H	3Q	4Q	2H	Full-year	
Revenues	362	357	719	380	384	765	1,484	316	342	657	359	368	727	1,385	(100)
Operating income	15	14	29	29	12	41	70	1	17	18	25	24	50	67	(3)
International Shipping	14	12	25	25	8	33	59	0	12	12	19	19	38	49	(9)
Coastal Shipping	2	2	4	4	4	8	12	1	5	6	7	5	12	18	+ 6
Ordinary income	10	9	19	28	8	36	55	(3)	10	8	22	26	48	55	+ 1
Profit attributable to owners of parent	12	26	37	21	2	22	59	21	8	29	26	6	32	61	+ 2

3. Forecasts for FY2021

Business environment While it is also necessary to gauge impact from the COVID-19 situation, as global economic growth is expected to recover, we expect that marine transportation demand will also increase. (See next section, 4. Market Forecast for FY2021)

Profit structure Based on the implementation of structural reforms in FY2020, including the sale of high-cost vessels built under a rising shipping market and early termination of time charter contracts, we expect to strengthen profitability.

As a result, the consolidated financial results forecast for the full fiscal year is expected to achieve higher revenues and profits compared to the previous fiscal year.

Dividend forecast To be determined. Based on the Company dividend policy, we plan to maintain our policy of a dividend payout ratio of 30% of the company's consolidated profit, but given the fact that the market has been overheated since the start of the fiscal year, we will report on this again after more closely assessing future trends.

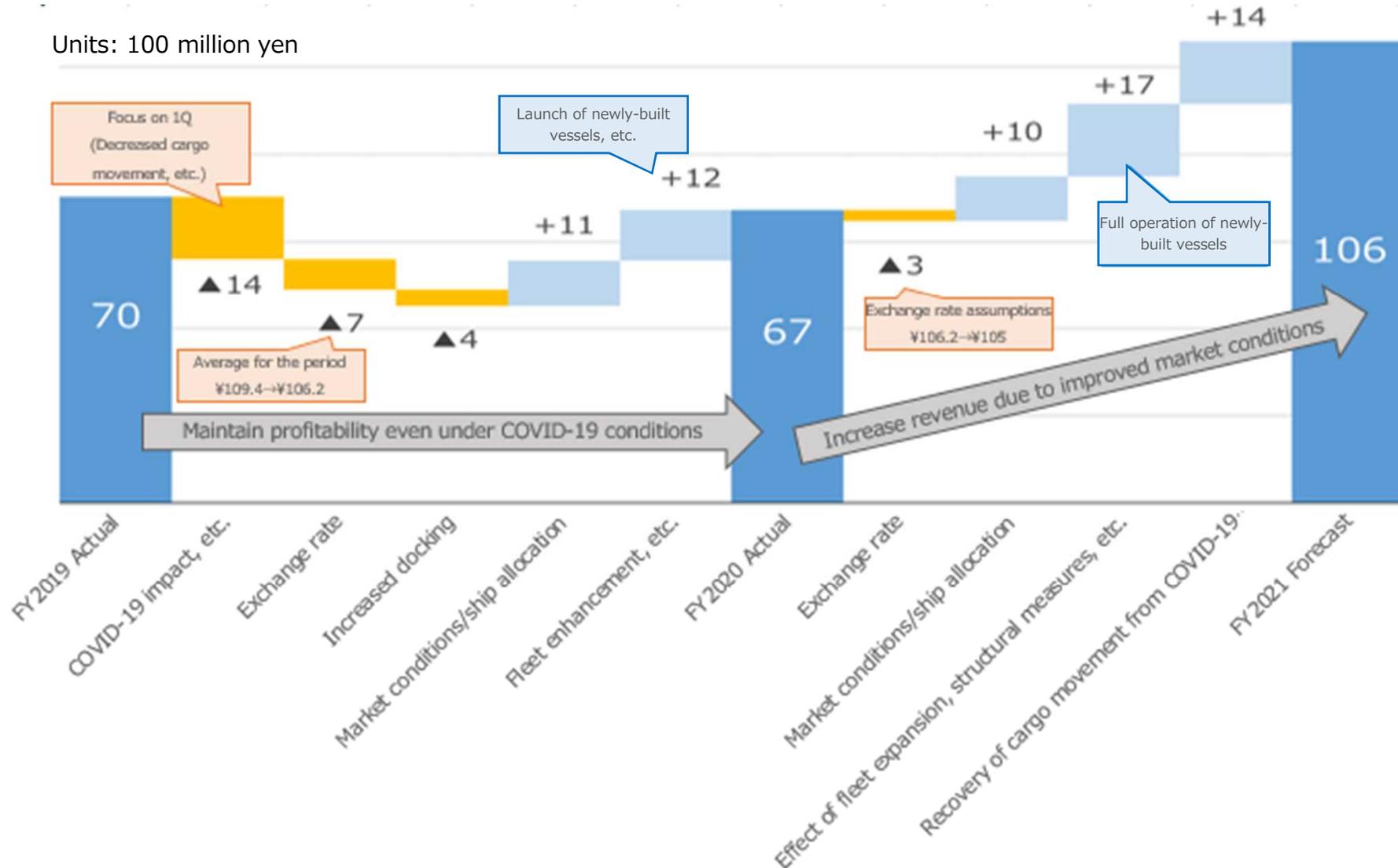
[Consolidated] (Units: 100 million yen)	FY2020			FY2021			YoY increase/ decrease
	1H (Actual)	2H (Actual)	Full-year (Actual)	1H (Forecast)	2H (Forecast)	Full-year (Forecast)	
Revenues	657	727	1,385	740	720	1,460	+75
Operating income	18	50	67	53	53	106	+39
Ordinary income	8	48	55	43	46	89	+34
Profit attributable to owners of parent	29	32	61	40	40	80	+19

		FY2020			FY2021		
		1H	2H	Full-year	1H forecast	2H forecast	Full-year
Exchange rate		¥107.67	¥104.67	¥106.17	¥105.00	¥105.00	¥105.00
Market	Capesize	\$15,517	\$16,897	\$16,207	\$20,000	\$20,000	\$20,000
	Panamax	\$9,697	\$14,841	\$12,269	\$15,000	\$15,000	\$15,000
	Small Handy	\$6,500	\$11,125	\$8,813	\$11,000	\$11,000	\$11,000

3. Forecasts for FY2021

◆ Change in operating income (FY2019 results to FY2021 forecast)

Units: 100 million yen



4. Market Forecast for FY2021

Significant transport demand is expected in FY2021, including the three major bulk cargoes and minor bulk cargoes. On the other hand, transport capacity will be limited more than typical years across all types of vessels. Accordingly, the market forecast for FY2021 is expected to remain solid overall.

Marine Transportation Demand Forecast

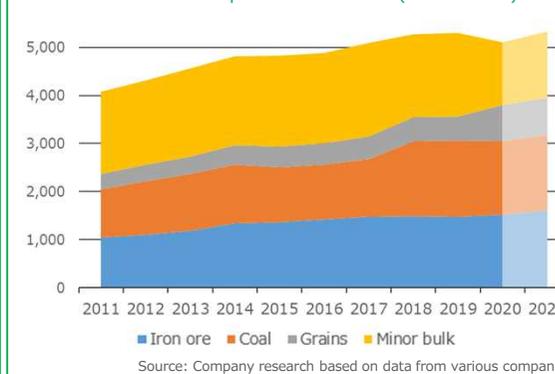
Iron ore: Global steel production is expected to recover not only in China, where production is going strong, but other countries as well. Also, demand of transportation of iron ore is expected to remain stable.

Coal: In developed countries, there's been a decline in coal consumption and the ratio of coal in the composition of global energy as well. However, demand for thermal power generation in emerging economies, particularly in and around Southeast Asia, is expected to drive transportation demand for coal, which is expected to increase in comparison with FY2020.

Grains: In addition to the demand for food driven by increasing world population, the transport volume of grains to China, which is facing a shortage of domestic supply capacity, is expected to remain strong.

Minor bulk: Investment in green infrastructure in Europe and the United States is expected to increase demand for minor bulk transportation. Also, among mineral ores, bauxite export cargo from Africa is expected to grow more than any others.

Trends in marine transportation demand (million tons)



Dry bulk transport capacity forecasts

With today's growing demand to respond to climate change, shipowners remain cautious about ordering new dry bulk vessels due to concerns over the risk of obsolescence associated with reducing greenhouse gas emissions and complying with environmental regulations.

As of the beginning of this year, the amount of new vessels scheduled to be built within 2021 is the second lowest in the past 10 years. Since their delivery is also expected to be postponed, pressure on the supply of vessels is expected to remain low across all vessel types.

Dry bulk transport capacity forecast (million DWT)



FY2021 Futures Indicators at Present

Vessel type	FY2021 average
Capesize	\$24,100
Panamax	\$19,000
Small Handy	\$16,300

Calculated from futures index values dated 4/23

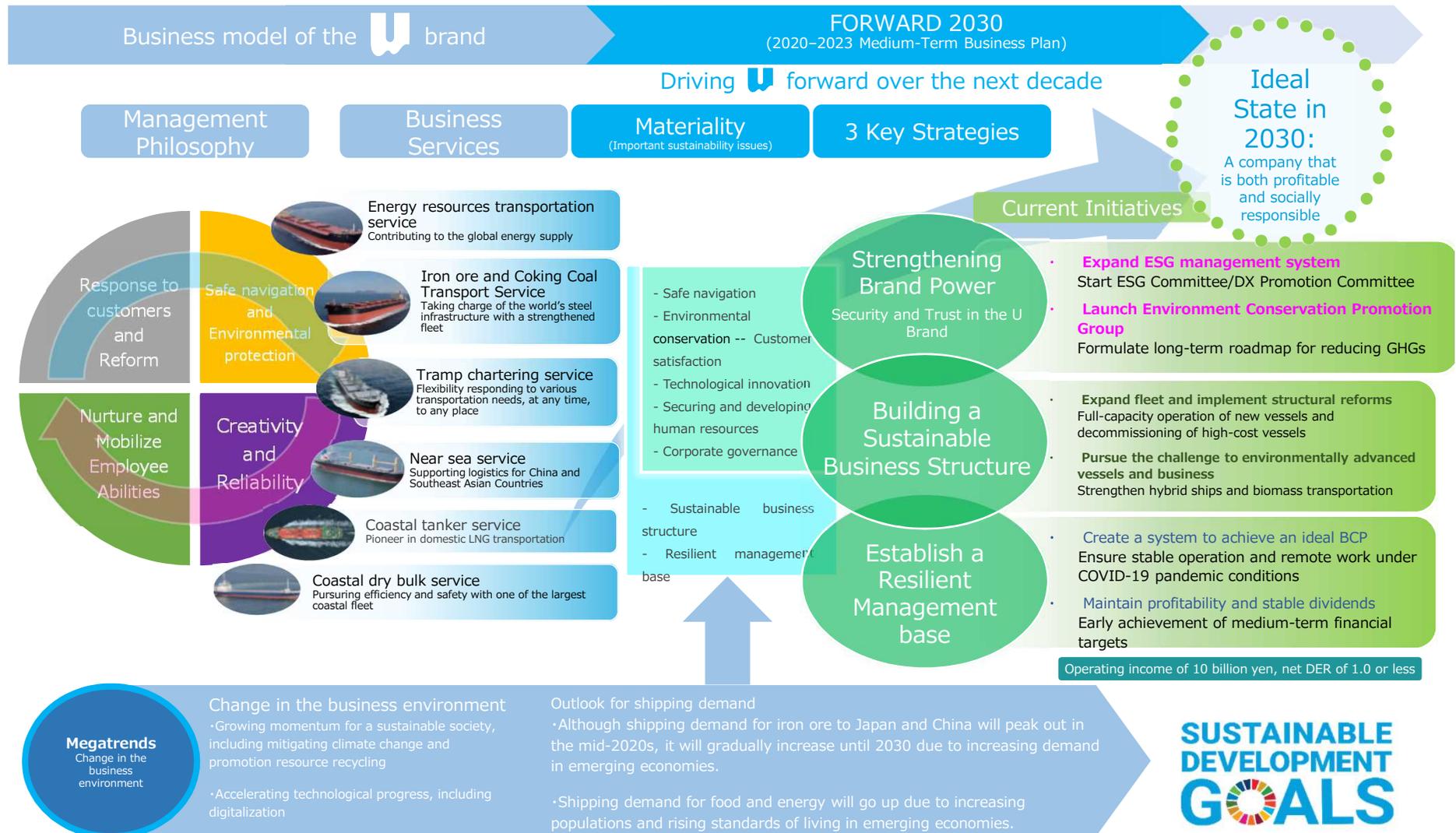
The market for Capesize vessels is currently at a high level due to factors that include rising transport demand for iron ore to China. The market for Panamax and smaller vessels is also solid, driven by demand for the transport of grain from South America. As a result, futures indices for FY2021 are currently significantly higher than the market assumptions of our earnings forecast.

Market trends by vessel type (\$/day)

Source: Baltic Exchange



5. Progress of Medium-term Business Plan "FORWARD 2030"



(Reference) Operating Fleet Composition

Vessel type	End of FY2020 (Mar.)	End of FY2021 (Mar.)			YoY Change (Mar.2020) Change
	Total	Owned	Chartered	Total	
Vessels for Steel Materials	45	30	22	52	+7
Medium-/Small-Sized Bulkers	76	9	63	72	(4)
LPG/Crude Oil Tanker	4	3	0	3	(1)
International Shipping Subtotal	125	42	85	127	+2
Coastal Vessels	72	22	49	71	(1)
Total	197	64	134	198	1

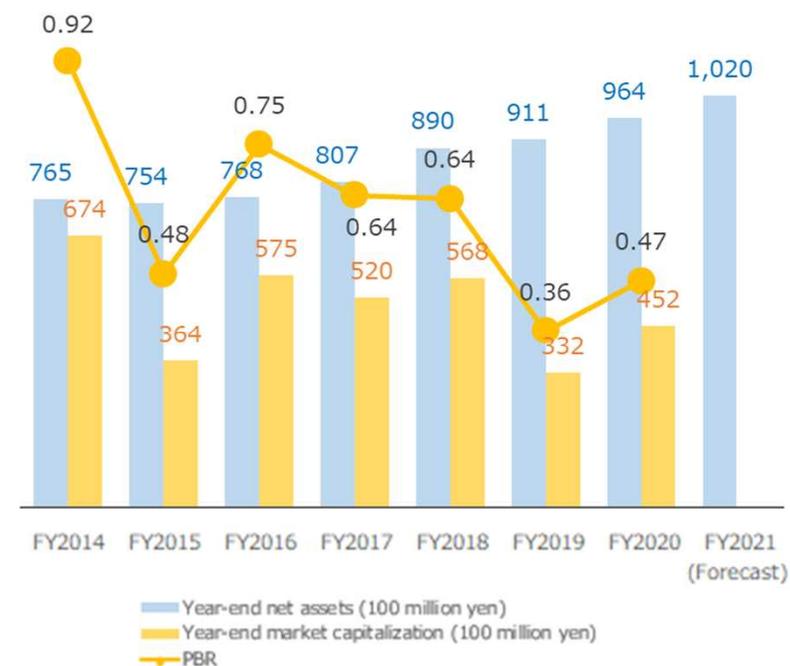
* Number of operating vessels includes short-term spot voyage vessels.

(Reference) Financial Outlook

Trends in Profit and Share Price



Year-end Net Assets and Market Capitalization

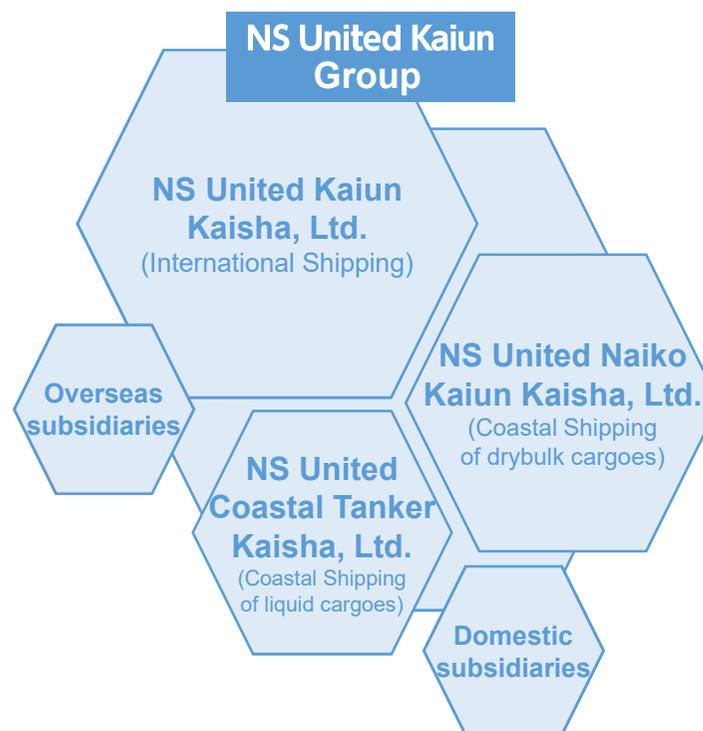


NS United Kaiun Kaisha, Ltd.

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.



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