

Mitsui O.S.K. Lines, Ltd.



Financial Highlights: The First Quarter Ended June 30, 2024

1. Consolidated Financial Highlights (from April 1, 2024 to June 30, 2024)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Operating Results

	(¥ Million)	
	Q1/FY2024	Q1/FY2023
Revenues	435,949	385,183
Operating profit	40,666	24,472
Ordinary profit	108,651	90,369
Profit attributable to owners of parent	107,103	91,155
		(¥)
Net income per share	295.58	251.98
Diluted net income per share	294.95	251.34

(2) Financial Position

	(¥ Million)	
	Q1/FY2024	FY2023
Total assets	4,401,021	4,120,552
Total net assets	2,567,053	2,369,682
Shareholders' equity* / Total assets	57.9%	57.1%

* Shareholders' Equity is defined as follows.

Shareholders' Equity = Total Net Assets - (Share option + Non-controlling interests)

2. Dividends

	(¥)				
	Dividend per share				
	Q1	Q2	Q3	Year-end	Total
FY2023	—	110.00	—	110.00	220.00
FY2024	—				
FY2024 (Forecast)		180.00	—	100.00	280.00

3. Forecast for the Fiscal Year Ending March 31, 2025

	(¥ Million)	
	1H/FY2024	FY2024
Revenues	933,000	1,815,000
Operating profit	81,000	156,000
Ordinary profit	230,000	350,000
Profit attributable to owners of parent	230,000	335,000
		(¥)
Net income per share	634.67	924.31

* Net income per share for the fiscal year 2024 is calculated based on the number of shares after the issuance of new shares regarding the following three cases:

(i) Notice on issuance of new shares to directors of subsidiary (other than wholly-owned subsidiary) of the company as fiscal year 2024 non-performance-linked restricted stock compensation

The number of shares issued on the payment deadline of August 2nd, 2024: 3,300 shares

(ii) Notice on issuance of new shares to directors/executive officers of wholly-owned subsidiary of the company and employees of the company as fiscal year 2024 non-performance-linked restricted stock (compensation)

The number of shares issued on the payment deadline of August 2nd, 2024: 60,800 shares

(iii) Notice on issuance of new shares to non-executive directors of the company as fiscal year 2024 non-performance-linked restricted stock compensation

The number of shares issued on the payment deadline of August 2nd, 2024: 6,568 shares

(iv) Notice on issuance of new shares to executive directors, executive officers and executive fellows of the company as fiscal year 2021 and 2023 performance-linked stock compensation

The number of shares issued on the payment deadline of August 2nd, 2024: 42,601 shares

(The total number of new shares issued for (i)~(iv) is 113,269 shares)

4. Business Performance

(1) Analysis of Operating Results

(¥ Billion)

	Three months		Year-on-year comparison / Variance
	From April 1, 2023 to June 30, 2023	From April 1, 2024 to June 30, 2024	
Revenue	385.1	435.9	50.7 / 13.2%
Operating profit	24.4	40.6	16.1 / 66.2%
Ordinary profit	90.3	108.6	18.2 / 20.2%
Profit attributable to owners of parent	91.1	107.1	15.9 / 17.5%
Exchange rate	¥134.86/US\$	¥153.71/US\$	¥18.85/US\$
Bunker price*	US\$575/MT	US\$634/MT	US\$59/MT

*Average price for all the major fuel grades

The average exchange rate against the dollar for the first quarter of the current fiscal year decreased by ¥18.85/US\$ to ¥153.71/US\$ from the same period of the previous fiscal year. The average bunker price for the first quarter of the current fiscal year increased by US\$59/MT to US\$634/MT from the same period of the previous fiscal year.

We recorded revenue of ¥435.9 billion, an operating profit of ¥40.6 billion, an ordinary profit of ¥108.6 billion and profit attributable to owners of parent of ¥107.1 billion.

The following is a summary of business conditions including revenue and ordinary profit/loss per business segment.

Upper: Segment Revenue, Lower: Segment Ordinary Profit

(¥ Billion)

	Three months		Year-on-year comparison / Variance
	From April 1, 2023 to June 30, 2023	From April 1, 2024 to June 30, 2024	
Dry Bulk Business	95.4	106.5	11.0 / 11.6%
	26.3	6.9	(19.3) / (73.6%)
Energy Business	101.6	125.1	23.5 / 23.1%
	19.4	22.7	3.2 / 16.8%
Product Transport Business	147.2	156.9	9.6 / 6.5%
	40.4	65.3	24.8 / 61.6%
Containerships	13.6	15.9	2.3 / 17.4%
	23.8	42.7	18.9 / 79.4%
Wellbeing & lifestyle Business	25.2	27.7	2.5 / 10.0%
	2.3	5.7	3.3 / 142.1%
Real property Business	9.7	10.6	0.8 / 8.5%
	2.4	5.2	2.7 / 113.6%
Associated Businesses	10.9	13.5	2.6 / 24.1%
	0.5	0.5	0.0 / 12.9%
Others	4.5	5.9	1.3 / 30.2%
	1.5	2.1	0.6 / 39.6%

(A) Dry Bulk Business

The Capesize bulker market rates remained firm due to steady iron ore shipments from Western Australia and Brazil as well as strong bauxite shipments from West Africa. With many shipping companies opting for the Cape of Good Hope route to avoid Suez Canal transits, vessel supply and demand were also tighter than usual, underpinning market rates.

The market rates for Panamax were buoyed by steady grain shipments from South America, unlike the sluggish end to last year, while the market rates for Supramax and smaller vessels were bolstered by generally high levels of minor bulk cargos.

Despite the positive impact of market rate fluctuations, the dry bulk business posted a year-on-year decrease in profit in the absence of profit from the reversal of an allowance for doubtful accounts recorded last year.

(B) Energy Business

<Tankers>

The very large crude carrier (VLCC) market rates held firm, mostly unchanged year-on-year, with an increase in ton-miles resulting from the avoidance of Russian crude oil and continued growth in crude oil supplies from non-OPEC Plus countries such as the U.S. and Brazil, along with the ongoing OPEC Plus oil output cuts.

The product tanker market rates remained buoyant, reflecting an increase in ton-miles due to Russian sanctions, as well as tight vessel supply and demand amid persistent tensions in the Red Sea.

The chemical tanker market rates remained favorable, reflecting an increase in ton-miles, as many shipping companies opted to reroute through the Cape of Good Hope in the face of tensions in the Red Sea. In addition, Fairfield Chemical Carriers Pte. Ltd. (Fairfield) also contributed to profit growth following the acquisition of all of the shares of Fairfield by MOL Chemical Tankers Pte. Ltd., a wholly-owned subsidiary of the Company.

However, the LPG carrier market rates were weak, reflecting the delivery of a large number of new vessels, despite an increase in ton-miles due to the persisting tensions in the Red Sea and Panama Canal congestion.

In this market environment, by stably performing existing long-term contracts and endeavoring to reduce costs, the tanker business as a whole posted a year-on-year increase in profits.

<Offshore>

The FPSO business reported a year-on-year increase in profit by continuously securing stable profit through existing long-term charter contracts. Projects that commenced operation during the previous fiscal year also succeeded in posting a profit from the start of the fiscal year.

<Liquefied Gas>

The LNG carrier business continued to generate stable profit with the delivery of new vessels but reported lower profit than a year earlier due to increased expenditures for dry-docks.

The LNG infrastructure business reported profit mostly unchanged year-on-year, as a result of the stable operation of new and existing projects.

(C) Product Transport Business

<Containerships>

At OCEAN NETWORK EXPRESS PTE. LTD., the Company's equity-method affiliate, there had been concern over increased supply due to a tidal wave of new vessel deliveries; however, vessel supply and demand was tight due to continued transit via the Cape of Good Hope in face of Red Sea tensions amid a rebound in personal consumption in Europe and the U.S. Spot freight rates also rose sharply, resulting in substantial year-on-year profit growth.

<Car Carriers>

Against a backdrop of continued port congestion in some regions and persistent tensions in the Middle East, shipping volume was mostly unchanged year-on-year, underpinned by firm auto sales mainly in the U.S., and the Car Carriers business posted a year-on-year increase in profit.

<Other Product Transport>

In the terminal business, the domestic container terminal business performed strongly. However, the logistics business reported lower profit due to dramatic changes in air and sea freight transportation demand and supply, resulting in a year-on-year decrease in profit.

(D) Wellbeing & Lifestyle Business

<Real Property Business>

The real property business achieved a year-on-year increase in profit, reflecting the posting of equity in earnings of affiliates associated with an increase in equity-method affiliates at DAIBIRU CORPORATION, the core company in the Group's real property business.

<Ferries and Coastal RoRo Ships>

MOL Sunflower Ltd. saw a significant year-on-year increase in liftings driven by modal shift in the cargo transportation business. The passenger transportation business also performed strongly, achieving higher profitability than in the same period a year earlier when there was a boost from the "National Travel Assistance Program" in addition to the entry into service of new ferries.

<Cruise Business>

The cruise business reported a year-on-year decrease in profit, reflecting upfront expenditures such as investment for the entry into service of MITSUI OCEAN FUJI, despite an increase in the number of passengers thanks to efforts to tap into robust traveling demand.

(E) Associated Businesses

The associated business posted a year-on-year increase in profit with the strong performance of the trading business, despite a decline in the frequency of tugboat services in the tugboat business.

(F) Others

Other businesses, which include ship operations, ship management, ship chartering and financing, posted a year-on-year increase in profit.

(2) Outlook for FY2024

(For consolidated cumulative second quarter of the fiscal year 2024)

(¥ Billion)

	Previous outlook (As announced on April 30, 2024)	Current outlook (As of announcement of Q1 financial results)	Previous outlook Comparison / Variance
Revenue	953.0	933.0	(20.0) / (2.1%)
Operating profit	77.0	81.0	4.0 / 5.2%
Ordinary profit	130.0	230.0	100.0 / 76.9%
Profit attributable to owners of parent	127.0	230.0	103.0 / 81.1%

Exchange rate	¥141.65/US\$	¥153.20/US\$	¥11.55/US\$
Bunker price *1	US\$510/MT	US\$537/MT	US\$27/MT
Compliant fuel price *2	US\$660/MT	US\$639/MT	US\$(21)/MT

(For consolidated full fiscal year 2024)

	Previous outlook (As announced on April 30, 2024)	Current outlook (As of announcement of Q1 financial results)	Previous outlook Comparison / Variance
Revenue	1,800.0	1,815.0	15.0 / 0.8%
Operating profit	152.0	156.0	4.0 / 2.6%
Ordinary profit	230.0	350.0	120.0 / 52.2%
Profit attributable to owners of parent	215.0	335.0	120.0 / 55.8%

Exchange rate	¥140.83/US\$	¥151.60/US\$	¥10.77/US\$
Bunker price *1	US\$510/MT	US\$519/MT	US\$9/MT
Compliant fuel price *2	US\$660/MT	US\$630/MT	US\$(30)/MT

*1 HSFO (High Sulfur Fuel Oil) average price

*2 VLSFO (Very Low Sulfur Fuel Oil) average price

(A) Dry Bulk Business

The Capesize bulker market is expected to remain firm, underpinned by continued steady shipments from Western Australia, Brazil, and West Africa, despite concerns over a slowdown in crude steel production in China.

The market rates for Panamax and smaller vessels are also expected to remain firm, as growth in cargo movements driven by increased grain shipments and reduction in new vessel supply are expected, although there is a possibility of improvement in the vessel supply-demand balance through the easing of transit restrictions in the drought-hit Panama Canal.

Under these market conditions, the dry bulk business as a whole is expected to perform strongly.

(B) Energy Business

The very large crude oil carrier (VLCC) market rate is expected to remain firm on expectations of a continued increase in ton-miles and the continued growth in alternative crude oil supplies due to the avoidance of Russian crude oil, and limited new vessel supply, despite various causes for concern such as the continued OPEC Plus oil output cuts, China's economic slowdown, and a decrease in China's crude oil imports due to the drawdown of crude oil inventories.

Meanwhile, in the product tanker market, we expect the freight rate to remain favorable due to limited new vessel deliveries on the supply side, despite expectations for a continued ban on Russian petroleum products

and persistent tensions in the Red Sea.

The chemical tanker business is likely to continue performing strongly due to favorable market rates and Fairfield's year-round contribution to revenue growth.

The LPG carrier market rates are expected to remain steady due to robust cargo demand from Asia, especially petrochemical cargoes for China, despite concerns over the negative impact of the easing of Panama Canal congestion on ton-miles.

The offshore business is projected to continue generating stable profits due to existing long-term charter contracts.

In the liquefied gas business, the LNG carrier business will maintain stable profit as a result of the delivery of new carriers slated to enter service under new contracts. The LNG infrastructure business is projected to post profit mostly unchanged year-on-year as a result of the stable operation of new and existing projects.

(C) Product Transport Business

In the containerships business, we expect higher profit, on the basis that the tight supply-demand situation associated with persisting tensions in the Red Sea will continue for the time being. However, freight rates are likely to gradually return to normal levels amid the continued flood of new vessel deliveries.

In the car carrier business, we will need to monitor global political and economic developments that impact auto sales and the shipping of completed cars; however, shipping demand is expected to remain firm.

In the terminal business, we anticipate steady handling volumes in the domestic container terminal business and plan to sell our remaining stake in terminal companies in the overseas container terminal business.

In the logistics business, we will seek to expand handling volumes mainly by strengthening our sales strategies and overseas networks based on an assessment of market conditions.

(D) Wellbeing & Lifestyle Business

In the real property business, despite a profit impact from the reconstruction of some properties owned by DAIBIRU CORPORATION, the business is expected to continue generating solid profits due to the high occupancy rates of other properties.

In the business of ferries and coastal RoRo ships, the cargo transportation business and the passenger transportation business are both expected to continue performing strongly.

The cruise business is likely to be less profitable on expectations for initial investment in preparation for the entry into service of MITSUI OCEAN FUJI in December 2024.

(E) Associated Businesses

In the tugboat business, we anticipate a decrease in service frequency. However, the trading business is projected to perform strongly.

5. Financial Position

Total assets as of June 30, 2024 increased by ¥ 280.4 billion compared to the balance as of the end of the previous fiscal year, to ¥ 4,401.0 billion. This was primarily due to the increase in Investment securities.

Total liabilities as of June 30, 2024 increased by ¥ 83.0 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,833.9 billion. This was primarily due to the increase in Long-term bank loans.

Total net assets as of June 30, 2024 increased by ¥ 197.3 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,567.0 billion. This was primarily due to the increase in Foreign currency translation adjustments.

As a result, shareholders' equity ratio increased by 0.8% compared to the ratio as of the end of the previous fiscal year, to 57.9%.

6. Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Consolidated Balance Sheets

(¥ Million)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	117,919	130,539
Trade receivables	137,790	136,032
Contract assets	10,827	12,695
Inventories	56,117	60,680
Deferred and prepaid expenses	27,082	33,141
Other current assets	117,543	145,182
Allowance for doubtful accounts	(1,484)	(1,610)
Total current assets	465,796	516,661
Fixed assets		
Tangible fixed assets		
Vessels	831,120	843,909
Buildings and structures	146,595	146,026
Equipment and others	13,432	14,709
Furniture and fixtures	7,031	7,221
Land	354,904	356,068
Construction in progress	292,660	358,308
Other tangible fixed assets	8,776	11,239
Total tangible fixed assets	1,654,521	1,737,483
Intangible fixed assets	69,200	71,738
Investments and other assets		
Investment securities	1,669,605	1,786,964
Long-term loans receivable	101,274	108,203
Long-term prepaid expenses	7,642	7,734
Net defined benefit assets	37,268	37,590
Deferred tax assets	2,435	2,939
Other investments and other assets	118,159	137,583
Allowance for doubtful accounts	(5,353)	(5,877)
Total investments and other assets	1,931,034	2,075,138
Total fixed assets	3,654,756	3,884,360
Total assets	4,120,552	4,401,021

(¥ Million)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trade payables	112,497	120,104
Short-term bonds	44,600	15,100
Short-term bank loans	249,519	211,512
Commercial papers	80,000	80,000
Accrued income taxes	33,627	9,609
Advances received	3,000	3,617
Contract liabilities	35,639	38,865
Provision for bonuses	9,466	5,362
Other current liabilities	78,990	77,384
Total current liabilities	647,342	561,556
Fixed liabilities		
Bonds	156,600	183,200
Long-term bank loans	706,077	837,996
Lease liabilities	53,961	57,021
Deferred tax liabilities	95,662	99,532
Net defined benefit liabilities	10,060	10,227
Provision for periodic drydocking	22,411	25,787
Other fixed liabilities	58,754	58,648
Total fixed liabilities	1,103,527	1,272,412
Total liabilities	1,750,869	1,833,968
Net assets		
Owners' equity		
Common stock	66,001	66,016
Capital surplus	117,132	117,102
Retained earnings	1,685,143	1,752,380
Treasury stock	(88)	(101)
Total owners' equity	1,868,189	1,935,398
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	76,888	80,797
Unrealized gains on hedging derivatives, net of tax	84,890	111,289
Foreign currency translation adjustments	306,990	405,780
Remeasurements of defined benefit plans, net of tax	16,902	16,385
Total accumulated other comprehensive income	485,670	614,253
Share option	315	306
Non-controlling interests	15,506	17,094
Total net assets	2,369,682	2,567,053
Total liabilities and net assets	4,120,552	4,401,021

(2) Consolidated Statements of Income

(¥ Million)

	FY2023 (Apr. 1, 2023 - June. 30, 2023)	FY2024 (Apr. 1, 2024 - June. 30, 2024)
Shipping and other revenues	385,183	435,949
Shipping and other expenses	324,748	356,660
Gross operating income	60,434	79,289
Selling, general and administrative expenses	35,962	38,622
Operating profit	24,472	40,666
Non-operating income		
Interest income	5,280	3,655
Dividend income	2,632	1,931
Equity in earnings of affiliated companies	33,693	54,321
Foreign exchange gains	11,796	10,580
Reversal of allowance for doubtful accounts	17,398	—
Others	1,839	2,059
Total non-operating income	72,640	72,548
Non-operating expenses		
Interest expenses	5,910	3,472
Others	833	1,091
Total non-operating expenses	6,743	4,563
Ordinary profit	90,369	108,651
Extraordinary income		
Gain on sale of fixed assets	9,535	2,372
Gain on sale of investment securities	9	1,563
Others	10,018	3,275
Total extraordinary income	19,562	7,212
Extraordinary losses		
Loss on sale of fixed assets	1	85
Loss on building reconstruction	33	711
Others	267	196
Total extraordinary losses	302	993
Income before income taxes and non-controlling interests	109,629	114,870
Income taxes	18,112	7,503
Net income	91,517	107,367
Profit attributable to non-controlling interests	361	263
Profit attributable to owners of parent	91,155	107,103

(3) Consolidated Statements of Comprehensive Income

(¥ Million)

	FY2023 (Apr. 1, 2023 - June. 30, 2023)	FY2024 (Apr. 1, 2024 - June. 30, 2024)
Net income	91,517	107,367
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	14,142	3,864
Unrealized gains on hedging derivatives, net of tax	7,091	19,353
Foreign currency translation adjustments	(19,140)	17,969
Remeasurements of defined benefit plans, net of tax	(343)	(516)
Share of other comprehensive income of associates accounted for using equity method	79,102	88,493
Total other comprehensive income	80,852	129,164
Comprehensive income	172,369	236,531
(Breakdown)		
Comprehensive income attributable to owners of parent	171,304	235,686
Comprehensive income attributable to non-controlling interests	1,065	845

[NOTE]**(Changes in Accounting Standards)**

(Application of the Accounting Standard for Current Income Taxes)

Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022) (hereinafter referred to as "Revised Accounting Standard 2022"), etc. have been adopted from the first Quarter of the fiscal year ended March 31, 2024. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) (hereinafter referred to as "Revised Implementation Guidance 2022"). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

For the amendment to changes in accounting treatment of the consolidated financial statements, when gains or losses on sale of shares in subsidiaries resulting from transactions between the consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the current consolidated fiscal year. The changes in accounting policies were applied retrospectively. Hence, the quarterly consolidated financial statements and the consolidated financial statements for the previous consolidated fiscal year were modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements and the consolidated financial statements for the previous consolidated fiscal year.

(4) Segment Information

Business segment information:

(¥ Million)

Q1 / FY2023 (Apr. 1 - June. 30, 2023)	Reportable Segment							Associated Businesses	Sub Total
	Dry Bulk Business	Energy Business	Product Transport Business		Wellbeing & Lifestyle Business				
			Container ships	Car Carriers, Terminal and Logistics	Real Property	Ferries & Coastal RoRo Ships, Cruise			
Revenues									
1.Revenues from external customers	95,443	101,675	13,600	133,682	9,782	15,490	10,955	380,628	
2.Inter-segment revenues	406	2,962	77	1,061	781	71	7,766	13,129	
Total Revenues	95,850	104,637	13,678	134,744	10,563	15,561	18,722	393,758	
Segment profit (loss)	26,334	19,456	23,825	16,610	2,453	(93)	518	89,105	

Q1 / FY2023 (Apr. 1 - June. 30, 2023)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues				
1.Revenues from external customers	4,554	385,183	—	385,183
2.Inter-segment revenues	3,654	16,783	(16,783)	—
Total Revenues	8,208	401,967	(16,783)	385,183
Segment profit (loss)	1,533	90,639	(270)	90,369

* 1. "Others" primarily consists of business segments that are not included in reportable segments, such as the ship operations business, the ship management business, the ship chartering business and the financing business.

* 2. Adjustment in Segment profit (loss) of ¥ -270 million include the following:
¥ -2,729 million of corporate profit which is not allocated to segments, ¥ 2,205 million of adjustment for management accounting and ¥ 254 million of inter-segment transaction elimination.

* 3. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.

(¥ Million)

Q1 / FY2024 (Apr. 1 - June. 30, 2024)	Reportable Segment							Associated Businesses	Sub Total
	Dry Bulk Business	Energy Business	Product Transport Business		Wellbeing & Lifestyle Business				
			Container ships	Car Carriers, Terminal and Logistics	Real Property	Ferries & Coastal RoRo Ships, Cruise			
Revenues									
1.Revenues from external customers	106,508	125,193	15,960	140,962	10,612	17,184	13,598	430,019	
2.Inter-segment revenues	137	3,539	80	1,178	800	92	7,561	13,390	
Total Revenues	106,646	128,732	16,040	142,140	11,413	17,276	21,159	443,409	
Segment profit (loss)	6,957	22,723	42,747	22,581	5,240	473	585	101,309	

Q1 / FY2024 (Apr. 1 - June. 30, 2024)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues				
1.Revenues from external customers	5,929	435,949	—	435,949
2.Inter-segment revenues	3,542	16,932	(16,932)	—
Total Revenues	9,472	452,882	(16,932)	435,949
Segment profit (loss)	2,140	103,449	5,202	108,651

* 1. "Others" primarily consists of business segments that are not included in reportable segments, such as the ship operations business, the ship management business, the ship chartering business and the financing business.

* 2. Adjustment in Segment profit (loss) of ¥ 5,202 million include the following:
¥ 1,803 million of corporate profit which is not allocated to segments, ¥ 2,156 million of adjustment for management accounting and ¥ 1,242 million of inter-segment transaction elimination.

* 3. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.

(Notes on the quarterly consolidated cash flow statement)

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2024.

Depreciation and amortization for the three months ended June 30, 2024 is as follows:

(¥ Million)

	FY2023 (Apr. 1, 2023 - June. 30, 2023)	FY2024 (Apr. 1, 2024 - June. 30, 2024)
Depreciation and amortization	23,579	28,266

[REFERENCE PURPOSE ONLY]

Please note that this document has been translated from the Japanese original for reference purposes only and the financial statements contained is unaudited.

In case of any discrepancy or inconsistency between this document and the Japanese original, the latter shall prevail.

[Supplement]**1. Review of Quarterly Results****<FY2024>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2024	Jul-Sep, 2024	Oct-Dec, 2024	Jan-Mar, 2025
Revenues [¥ Million]	435,949			
Operating profit (loss)	40,666			
Ordinary profit (loss)	108,651			
Income (Loss) before income taxes	114,870			
Profit (Loss) attributable to owners of parent	107,103			
Net income (loss)* per share [¥]	295.58			
Net income (loss)* per share (Diluted basis)	294.95			
Total Assets [¥ Million]	4,401,021			
Total Net Assets	2,567,053			

*Profit (Loss) attributable to owners of parent

<FY2023>

	Q1	Q2	Q3	Q4
	Apr-Jun, 2023	Jul-Sep, 2023	Oct-Dec, 2023	Jan-Mar, 2024
Revenues [¥ Million]	385,183	404,919	428,562	409,248
Operating profit (loss)	24,472	24,828	30,826	23,006
Ordinary profit (loss)	90,369	64,162	42,732	61,723
Income (Loss) before income taxes	109,629	68,324	60,259	57,205
Profit (Loss) attributable to owners of parent	91,155	59,637	52,812	58,047
Net income (loss)* per share [¥]	251.98	164.79	145.88	160.27
Net income (loss)* per share (Diluted basis)	251.34	164.35	145.49	159.85
Total Assets [¥ Million]	3,737,672	3,954,754	3,924,154	4,120,552
Total Net Assets	2,015,352	2,174,320	2,292,074	2,369,682

*Profit (Loss) attributable to owners of parent

2. Depreciation and Amortization

	Three months ended Jun.30, 2023	Three months ended Jun.30, 2024	Increase / (Decrease)	(¥ Million) FY2023
Vessels	17,546	22,631	5,085	77,431
Others	6,033	5,635	(398)	25,042
Total	23,579	28,266	4,687	102,473

3. Interest-bearing Debt

	As of Mar.31, 2024	As of Jun.30, 2024	Increase / (Decrease)	(¥ Million) As of Jun.30, 2023
Bank loans	955,596	1,049,509	93,913	929,062
Bonds	201,200	198,300	(2,900)	189,500
Commercial papers	80,000	80,000	-	80,000
Others	67,903	71,987	4,084	19,745
Total	1,304,700	1,399,796	95,096	1,218,308

4. Fleet Capacity

	Dry Bulk Business	Energy Business	Product Transport Business		
	Dry Bulk Carriers (excluding Thermal Power Fuel Carriers)	Thermal Power Fuel Carriers, Tankers, Wind Power, Offshore, Liquefied Gas(LNG Carriers, etc.)	Subtotal	Car carriers	Containerships
	No.of ships	No.of ships	No.of ships	No.of ships	No.of ships
Owned	46	202	70	50	20
Chartered	218	190	60	47	13
Others	-	10	-	-	-
As of Jun.30, 2024	264	402	130	97	33
As of Mar.31, 2024	274	401	129	95	34

	Wellbeing & Lifestyle Business	Associated Businesses and Others	Total
	Ferry & Coastal RoRo Ships, Cruise	Others	
	No.of ships	No.of ships	No.of ships
Owned	13	39	370
Chartered	3	23	494
Others	-	-	10
As of Jun.30, 2024	16	62	874
As of Mar.31, 2024	16	62	882

Note 1: Prior to the FY2023 Q2 Financial Highlights, we had been reporting the number of ships including our consolidated subsidiaries.

However, to more accurately represent the size of our company's business, the energy segment primarily includes equity-method affiliated companies' fleets based on the ship types and the extent of our involvement in procurement, construction, and financing from the FY2023 Q3 Financial Highlights.

Note 2: Partial ownership of a ship is counted as one ship.

5. Exchange Rates (Against the US dollar)

	Three months ended Jun.30, 2023	Three months ended Jun.30, 2024	Change			FY2023
Average rates	¥134.86	¥153.71	¥18.85	[14.0%]	JPY Depreciated	¥143.43
Term-end rates	¥144.99	¥161.07	¥16.08	[11.1%]	JPY Depreciated	¥151.41

Remark: "Average rates" are average of monthly corporate rates in each term, while "term-end rates" are TTM rates on the last day of each term.

<Overseas subsidiaries>

	As of Mar.31, 2023	As of Mar.31, 2024	Change			As of Dec.31, 2023
Term-end rates	¥133.53	¥151.41	¥17.88	[13.4%]	JPY Depreciated	¥141.83

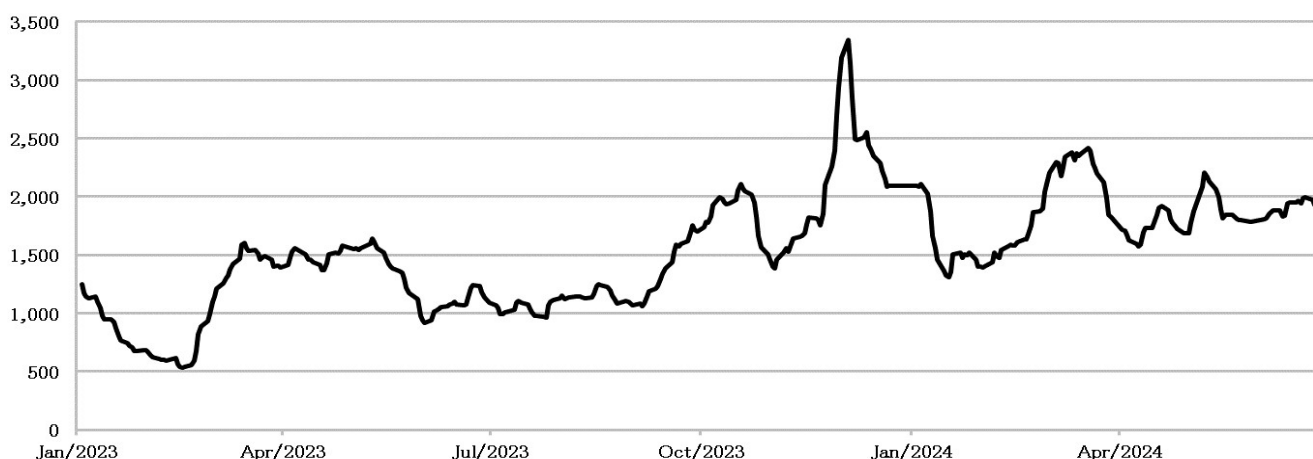
6. Average Bunker Prices

	Three months ended Jun.30, 2023	Three months ended Jun.30, 2024	Increase / (Decrease)
Purchase Prices	US\$575/MT	US\$634/MT	US\$59/MT

7. Market Information

(1) Dry Bulker Market (Baltic Dry Index) (Index: January 1985 = 1,000)

Source : Clarksons Research

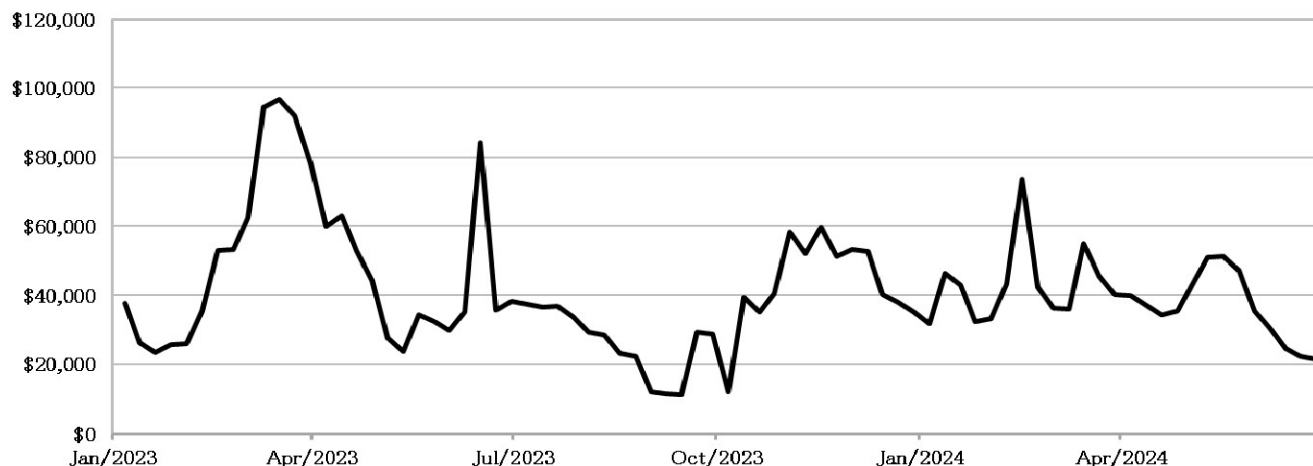


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2023	909	658	1,410	1,480	1,416	1,082	1,040	1,150	1,393	1,868	1,831	2,538	1,398
2024	1,617	1,650	2,233	1,731	1,895	1,922							1,841

Remark) The Graph and the table have different fluctuation ranges as the graph reflects daily figures while the table shows monthly averages.

(2) Tanker Market (Daily Earnings) : VLCC AG/Japan trade (US\$Charter Rate/day)

Source : Clarksons Research

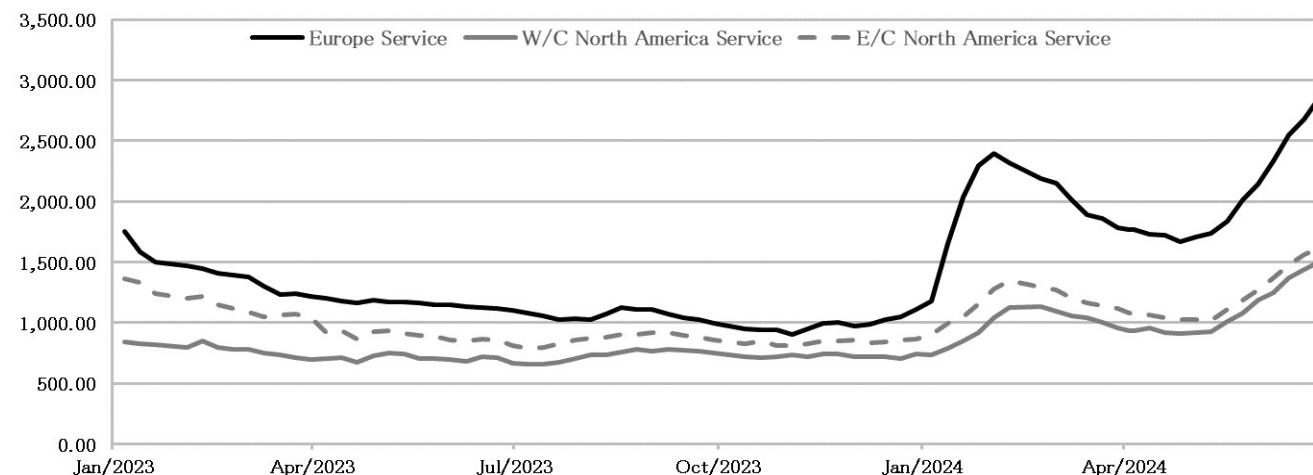


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2023	28,223	41,999	84,755	55,019	29,519	44,695	36,136	25,784	18,611	31,711	55,249	43,862	41,297
2024	38,401	48,169	42,650	36,822	45,605	24,707							39,392

Remark) The Graph and the table have different fluctuation ranges as the graph reflects weekly figures while the table shows monthly averages.

(3) Containership Market (China Containerized Freight Index) (Index: January 1st 1998 = 1,000)

Source : Clarksons Research



Note: CCFI reflects the freight rate trend for container exports from China only, which does not always match the overall trend for container exports from Asia.