

# Mitsui O.S.K. Lines, Ltd.



Financial Highlights: Fiscal Year 2023 Ended March 31, 2024

## 1. Consolidated Financial Highlights (from April 1, 2023 to March 31, 2024)

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

### (1) Operating Results

	(¥ Million)	
	FY2023	FY2022
<b>Revenues</b>	1,627,912	1,611,984
<b>Operating profit</b>	103,132	108,709
<b>Ordinary profit</b>	258,986	811,589
<b>Profit attributable to owners of parent</b>	261,651	796,060
	(¥)	
<b>Net income per share</b>	722.85	2,204.04
<b>Diluted net income per share</b>	721.05	2,196.51
<b>Return to shareholders' equity</b>	12.2%	49.8%
<b>Rate of ordinary income on assets</b>	6.7%	26.0%
<b>Operating profit ratio</b>	6.3%	6.7%

### (2) Financial Position

	(¥ Million)	
	FY2023	FY2022
<b>Total assets</b>	4,120,552	3,564,247
<b>Total net assets</b>	2,369,682	1,937,621
<b>Shareholders' equity* / Total assets</b>	57.1%	54.0%
	(¥)	
<b>Net assets per share</b>	6,496.19	5,322.35

\* Shareholders' Equity is defined as follows.

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

## 2. Dividends

	Dividend per share (¥)					Total dividends paid (¥ Million)	Dividend pay-out ratio	Dividend ratio to shareholders' equity
	Q1	Q2	Q3	Year-end	Total			
<b>FY2022</b>	—	300.00	—	260.00	560.00	202,444	25.4%	10.5%
<b>FY2023</b>	—	110.00	—	110.00	220.00	79,681	30.4%	3.7%
<b>FY2024 (Outlook)</b>	—	100.00	—	80.00	180.00		30.3%	

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

	(¥ Million)
	FY2024
<b>Revenues</b>	1,800,000
<b>Operating profit</b>	152,000
<b>Ordinary profit</b>	230,000
<b>Profit attributable to owners of parent</b>	215,000
	(¥)
<b>Net income per share</b>	593.96

**(Reference)****Non-Consolidated Financial Highlights (from April 1, 2023 to March 31, 2024)**

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

**(1) Operational Results**

	(¥ Million)	
	FY2023	FY2022
<b>Revenues</b>	839,607	821,375
<b>Operating profit</b>	53,476	61,705
<b>Ordinary profit</b>	292,163	469,984
<b>Net income</b>	288,428	462,022
		(¥)
<b>Net income per share</b>	796.81	1,279.16
<b>Diluted net income per share</b>	794.83	1,274.79

**(2) Financial Position**

	(¥ Million)	
	FY2023	FY2022
<b>Total assets</b>	1,820,131	1,595,956
<b>Total net assets</b>	848,442	655,609
<b>Shareholders' equity / Total assets</b>	46.6%	41.0%
		(¥)
<b>Net assets per share</b>	2,340.60	1,810.77

**(3) Forecast for the Fiscal Year Ending March 31, 2025**

	(¥ Million)
	FY2024
<b>Revenues</b>	840,000
<b>Operating profit</b>	87,000
<b>Ordinary profit</b>	160,000
<b>Net income</b>	145,000

## 4. Business Performance

### (1) Analysis of Operating Results

(¥ Billion)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)	Year-on-year comparison / Variance
Revenue	1,611.9	1,627.9	15.9 / 1.0%
Operating profit	108.7	103.1	(5.5) / (5.1%)
Ordinary profit	811.5	258.9	(552.6) / (68.1%)
Profit attributable to owners of parent	796.0	261.6	(534.4) / (67.1%)
Exchange rate	¥134.67/US\$	¥143.43/US\$	¥8.76/US\$
Bunker price*	US\$745/MT	US\$621/MT	US\$(125)/MT

\*Average price for all the major fuel grades

The average exchange rate against the dollar for FY2023 decreased by ¥8.76/US\$ to ¥143.43/US\$ from FY2022. The average bunker price for FY2023 decreased by US\$125/MT to US\$621/MT from FY2022.

We recorded revenue of ¥1,627.9 billion, an operating profit of ¥103.1 billion, an ordinary profit of ¥258.9 billion and profit attributable to owners of parent of ¥261.6 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)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)	Year-on-year comparison / Variance
Dry Bulk Business	429.6	395.5	(34.0) / (7.9%)
	57.6	37.2	(20.4) / (35.4%)
Energy Business	388.7	437.8	49.1 / 12.6%
	39.5	66.9	27.3 / 69.0%
Product Transport Business	626.6	618.7	(7.8) / (1.2%)
	703.6	125.5	(578.0) / (82.2%)
Containerships	53.0	56.3	3.3 / 6.2%
	620.1	51.5	(568.6) / (91.7%)
Wellbeing lifestyle Business	99.4	104.6	5.2 / 5.2%
	6.7	9.0	2.3 / 34.6%
Real property Business	39.5	40.8	1.2 / 3.1%
	8.1	8.6	0.5 / 6.5%
Associated Businesses	47.7	49.1	1.4 / 3.0%
	2.6	2.9	0.3 / 12.4%
Others	19.8	21.8	2.0 / 10.1%
	1.8	4.3	2.5 / 141.4%

**(A) Dry Bulk Business**

During the first half, the Capesize bulker market rates continued to lack buoyancy, dampened by concern over China's economic recovery and other factors, despite strong iron ore shipments and, for a time, market rates fell as the rainy season in West Africa hindered bauxite shipments. However, in the second half, market rates rose and remained solid, driven by persistently high iron ore prices.

The market rates for Panamax and smaller vessels remained lackluster during the first half, dampened by pessimism about China's economy, as seen in the Capesize bulker market rates, despite relatively firm coal and grain shipments. In the second half, restrictions on ship passages through the drought-hit Panama Canal, and the rerouting of ships to avoid the Suez Canal in the face of the deteriorating Middle East situation led to a tighter vessel supply and demand balance, and the market rates sparked a recovery.

The dry bulk business posted a year-on-year decline in profit, with lower market rates than a year earlier, despite the reduced costs due to efficient operations and the contribution of the reversal of an allowance for doubtful accounts recorded in the past.

**(B) Energy Business****<Tankers>**

The very large crude carrier (VLCC) market rates remained buoyant, despite the year-round negative impact of OPEC Plus oil output cuts on shipments from the Middle East, due to an increase in ton-miles resulting from the avoidance of Russian crude oil and continued growth in alternative crude oil supplies from non-OPEC Plus countries such as the US and Brazil.

The product tanker, chemical tanker, and LPG/ammonia ship market rates also remained high, reflecting a shift in trade patterns in response to sanctions against Russia, leading to the transportation of products over longer distances from the US, India, and the Middle East to Europe, which meant an increase in ton-miles, as well as tight vessel supply and demand stemming from shipping route changes in the face of the situation in the Red Sea.

With a combination of favorable market conditions and efforts to stably fulfill long-term contracts and reduce costs, the tanker business as a whole posted a year-on-year increase in profits.

**<Offshore>**

The FPSO business continued to secure stable profit through existing long-term charter contracts and reported a year-on-year increase in profit, due in part to the start of a new charter contract and the entry into operation of a CTV (Cargo Transfer Vessel).

**<Liquefied gas>**

The LNG carrier business secured stable profit, mostly unchanged year-on-year, due to existing long-term charter contracts and the acquisition of new contracts. Within the LNG infrastructure business, the FSRU business posted a year-on-year decline in profit as a result of the redeployment of an existing vessel and preparations to commence commercial operation. The LNG-to-powership business reported stable profit.

**(C) Product Transport Business****<Containerships>**

At OCEAN NETWORK EXPRESS PTE. LTD., the Company's equity-method affiliate, freight rates remained low in the face of increased supply due to a tidal wave of new vessel deliveries and the delayed recovery of consumption in Europe and other markets. As a result, ONE reported a big drop in profit year-on-year.

**<Car Carriers>**

Shipping demand for completed cars held firm throughout the year, as economies around the world recovered from the stagnation caused by the COVID-19 pandemic and automotive supply chains returned to normal. Despite the impact of port congestion and the avoidance of certain routes, we achieved a year-on-year increase in profit by flexibly revising vessel allocation plans.

**<Other Product Transport>**

Container handling volumes in the terminal business decreased due to sluggish cargo movements at overseas terminals and the transferring of terminal operation companies in the US and Europe, despite firm cargo movements at domestic terminals. The logistics business was less profitable as market rates weakened in the face of falling air and sea freight demand, and profit fell year-on-year.

**(D) Wellbeing & Lifestyle Business**

**<Real Property Business>**

The real property business maintained around the same profit level year-on-year thanks to higher property occupancy rates and increased revenue from newly acquired properties, despite the increased costs associated with new property acquisitions and the rebuilding of properties by DAIBIRU, the core company in the Group's real property business.

**<Ferries and Coastal RoRo Ships>**

MOL Sunflower Ltd. saw a decline in cargo transportation. However, passenger transportation sharply increased, mainly thanks to the reclassification of COVID-19 as a Class 5 disease and the entry into service of new LNG-fueled ferries. Although the whole business posted a year-on-year decline in operating profit, the ordinary profit increased year-on-year due to a change in the depreciation period.

**<Cruise Business>**

The cruise business achieved improved profitability year-on-year due to continued recovery in travelling demand following the easing of COVID-19 restrictions.

**(E) Associated Businesses**

The tugboat business posted higher profits than a year earlier due to the upward revision in the service fee and steady growth in operation frequency.

**(F) Others**

Other businesses, which are mainly cost centers, include ship operations, ship management, ship chartering and financing. This segment posted a year-on-year increase in profit.

**(2) Outlook for FY2024**

(¥ Billion)

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)	Year-on-year Comparison / Variance
Revenue	1,627.9	1,800.0	172.1 / 10.6%
Operating profit	103.1	152.0	48.9 / 47.4%
Ordinary profit	258.9	230.0	(28.9) / (11.2%)
Profit attributable to owners of parent	261.6	215.0	(46.6) / (17.8%)

	(Results for full year)	(Assumptions for full year)	
Exchange rate	¥143.43/US\$	¥140.83/US\$	¥(2.60)/US\$
All major fuel grade price*1	US\$621/MT	-	-
Bunker price *2	-	US\$510/MT	-
Compliant fuel price *3	-	US\$660/MT	-

\*1 All major fuel grades average price

\*2 HSFO (High Sulfur Fuel Oil) average price

\*3 VLSFO (Very Low Sulfur Fuel Oil) average price

**A) Dry Bulk Business**

On the dry bulk market rates, the tendency towards recovery in market rates seen from the second half of the previous fiscal year is likely to continue and an increase in profits is forecast for Capesize, Panamax and Handymax bulkers alike. However, the dry bulk business is expected to post lower profit due to the absence of profit gained from the reversal of an allowance for doubtful accounts recorded in the past and others.

**(B) Energy Business**

The very large crude oil carrier (VLCC) market rates are expected to remain firm on expectations of a continued increase in ton-miles due to the avoidance of Russian crude oil, continued growth in alternative crude oil supplies, and limited new vessel deliveries, despite various causes for concern such as the continued OPEC Plus oil output cuts, weak cargo movements attributable to China's economic slowdown, and a global recession caused by continued inflation and interest rate rises.

The product tanker, chemical tanker, and LPG/ammonia ship market rates will likely hold firm, bolstered by a continued increase in ton-miles, reflecting a ban on the import of Russian petroleum products led by Europe and the US, leading to alternate procurements, and the rerouting of ships in the face of the situation in the Red Sea.

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 by fulfilling existing long-term contracts and with the profit contribution of new projects.

The LNG infrastructure business is expected to achieve profit growth, mainly due to the impact of contract renewals for existing projects.

**(C) Product Transport Business**

In the containerships business, we expect an increase in profits by responding flexibly to demand, though freight rates are expected to be weak due to a flood of new vessel deliveries.

In the car carriers business, we assume that shipping demand for completed cars will remain firm, underpinned by strong global auto sales. We will work on efficient vessel operations, responding flexibly to circumstances based on our observations of global auto production and sales.

In the terminal business, we anticipate steady handling volumes at domestic terminals, and are planning to transfer our remaining terminal operation companies overseas.

In the logistics business, the market is expected to remain weak, but we will focus on strengthening overseas networks and leveraging our customer base to tap into new logistics demand.

**(D) Wellbeing & Lifestyle Business**

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

In the business of ferries and coastal RoRo ships, we anticipate solid cargo movements in the logistics business. The passenger transportation business is expected to continue performing strongly.

The cruise business is expected to be less profitable due to upfront investment and restructuring costs associated with the new entry into service of MITSUI OCEAN FUJI..

**(E) Associated Businesses**

The tugboat business is expected to report a decline in profit due to a decrease in the number of operations.

## 5. Financial Position

Total assets as of March 31, 2024 increased by ¥ 556.3 billion compared to the balance as of the end of the previous fiscal year, to ¥ 4,120.5 billion. This was primarily due to the increase in Investment securities.

Total liabilities as of March 31, 2024 increased by ¥ 124.2 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,750.8 billion. This was primarily due to the increase in Long-term bank loans.

Total net assets as of March 31, 2024 increased by ¥ 432.0 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,369.6 billion. This was primarily due to the increase in Foreign currency translation adjustments.

As a result, shareholders' equity ratio increased by 3.1% compared to the ratio as of the end of the previous fiscal year, to 57.1%.

## 6. Cash Flow

Cash and cash equivalents (hereinafter called "cash") as of the end of FY2023 was ¥ 113.1 billion, an increase of ¥ 22.1 billion compared to the balance as of the end of the previous fiscal year. Cash flows on each activity are as follows.

Net cash provided by operating activities during FY2023 was ¥ 314.2 billion (while net cash provided by FY2022 was ¥ 549.9 billion), mainly due to Income before income taxes and non-controlling interests growing to ¥ 295.4 billion.

Net cash used in investing activities during FY2023 was ¥ 355.2 billion (while net cash used in FY2022 was ¥ 281.9 billion), mainly due to Purchase of vessels and other non-current assets.

Net cash provided in financing activities during FY2023 was ¥ 49.7 billion (while net cash used in FY2022 was ¥ 281.7 billion), mainly due to Proceeds from long-term bank loans.

## **7. Basic Policy on Profit Sharing and Dividends**

Our key management policies are to enhance corporate value with proactive capital investment and to directly return profits to shareholders through dividends. During Phase 1 (FY2023-FY2025) of MOL group corporate management plan "BLUE ACTION 2035", we have set our policy to pay dividends linked with business performance with a 30% dividend payout ratio as a guideline, and we have also set a minimum dividend of ¥150 per share.

As for the fiscal year under review, we will distribute dividends of surplus (a year-end dividend) at ¥110 per share. The annual dividend will be ¥220 per share including the interim dividend of ¥110 per share.

As for dividends of surplus for the next fiscal year, we plan to pay an annual dividend of ¥180 per share, comprising an interim dividend of ¥100 per share and a year-end dividend of ¥80 per share on the assumption that we secure the income described in our outlook for the next fiscal year.

## **8. Basic Policy Regarding Selection of Accounting Standards**

The MOL Group currently prepares consolidated financial statements based on Japanese Generally Accepted Accounting Principles (J-GAAP), but to improve the quality of management through unification of accounting standards within the Group and to enhance the international comparability of its financial information in the capital markets, we are considering voluntary application of International Financial Reporting Standards (IFRS).



## 9. 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, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	93,961	117,919
Trade receivables	124,134	137,790
Contract assets	8,329	10,827
Marketable securities	500	—
Inventories	50,787	56,117
Deferred and prepaid expenses	26,820	27,082
Other current assets	135,669	117,543
Allowance for doubtful accounts	(1,662)	(1,484)
Total current assets	438,541	465,796
Fixed assets		
Tangible fixed assets		
Vessels	708,682	831,120
Buildings and structures	132,943	146,595
Equipment and others	25,227	13,432
Furniture and fixtures	5,585	7,031
Land	299,710	354,904
Construction in progress	162,234	292,660
Other tangible fixed assets	7,856	8,776
Total tangible fixed assets	1,342,240	1,654,521
Intangible fixed assets	36,739	69,200
Investments and other assets		
Investment securities	1,430,873	1,669,605
Long-term loans receivable	116,893	101,274
Long-term prepaid expenses	8,550	7,642
Net defined benefit assets	20,987	37,268
Deferred tax assets	2,058	2,435
Other investments and other assets	191,173	118,159
Allowance for doubtful accounts	(23,811)	(5,353)
Total investments and other assets	1,746,726	1,931,034
Total fixed assets	3,125,705	3,654,756
Total assets	3,564,247	4,120,552

(¥ Million)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Trade payables	99,872	112,497
Short-term bonds	30,000	44,600
Short-term bank loans	339,354	249,519
Commercial papers	80,000	80,000
Accrued income taxes	6,979	33,627
Advances received	2,493	3,000
Contract liabilities	31,006	35,639
Provision for bonuses	11,660	9,466
Other current liabilities	67,808	78,990
Total current liabilities	669,176	647,342
Fixed liabilities		
Bonds	159,500	156,600
Long-term bank loans	524,801	706,077
Lease liabilities	17,509	53,961
Deferred tax liabilities	84,870	95,662
Net defined benefit liabilities	9,188	10,060
Provision for periodic drydocking	19,078	22,411
Other fixed liabilities	142,501	58,754
Total fixed liabilities	957,449	1,103,527
Total liabilities	1,626,626	1,750,869
<b>Net assets</b>		
Owners' equity		
Common stock	65,589	66,001
Capital surplus	—	117,132
Retained earnings	1,571,582	1,685,143
Treasury stock	(558)	(88)
Total owners' equity	1,636,614	1,868,189
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	32,472	76,888
Unrealized gains on hedging derivatives, net of tax	77,590	84,890
Foreign currency translation adjustments	171,647	306,990
Remeasurements of defined benefit plans, net of tax	7,021	16,902
Total accumulated other comprehensive income	288,732	485,670
Share option	550	315
Non-controlling interests	11,724	15,506
Total net assets	1,937,621	2,369,682
Total liabilities and net assets	3,564,247	4,120,552

**(2) Consolidated Statements of Income**

(¥ Million)

	FY2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY2023 (Apr. 1, 2023 - Mar. 31, 2024)
Shipping and other revenues	1,611,984	1,627,912
Shipping and other expenses	1,376,504	1,378,965
Gross operating income	235,479	248,947
Selling, general and administrative expenses	126,770	145,814
Operating profit	108,709	103,132
Non-operating income		
Interest income	14,473	19,601
Dividend income	7,824	13,174
Equity in earnings of affiliated companies	668,435	91,917
Foreign exchange gains	23,700	31,494
Reversal of allowance for doubtful accounts	3,317	17,019
Others	8,672	4,885
Total non-operating income	726,423	178,092
Non-operating expenses		
Interest expenses	17,268	18,308
Others	6,275	3,929
Total non-operating expenses	23,543	22,238
Ordinary profit	811,589	258,986
Extraordinary income		
Gain on sale of fixed assets	9,884	12,019
Gain on sale of shares of subsidiaries and associates	34	13,590
Others	16,095	16,058
Total extraordinary income	26,014	41,668
Extraordinary losses		
Loss on sale of fixed assets	225	320
Impairment losses	4,008	1,927
Others	14,209	2,989
Total extraordinary losses	18,444	5,237
Income before income taxes and non-controlling interests	819,160	295,417
Income taxes - current	14,729	47,123
Income taxes - deferred	6,187	(14,578)
Total income taxes	20,917	32,544
Net income	798,242	262,873
Profit attributable to non-controlling interests	2,182	1,221
Profit attributable to owners of parent	796,060	261,651

**(3) Consolidated Statements of Comprehensive Income**

(¥ Million)

	FY2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY2023 (Apr. 1, 2023 - Mar. 31, 2024)
Net income	798,242	262,873
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	(1,548)	44,214
Unrealized gains on hedging derivatives, net of tax	7,487	6,488
Foreign currency translation adjustments	36,025	(3,495)
Remeasurements of defined benefit plans, net of tax	329	9,880
Share of other comprehensive income of associates accounted for using equity method	151,908	141,072
Total other comprehensive income	194,202	198,160
Comprehensive income	992,444	461,033
(Breakdown)		
Comprehensive income attributable to owners of parent	987,697	458,589
Comprehensive income attributable to non-controlling interests	4,747	2,443

**(4) Consolidated Statement of Changes in Net assets**

FY2022 (April 1, 2022 – March 31, 2023)

(¥ Million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at Mar, 2022	65,400	23,090	1,091,250	(2,267)	1,177,474
Changes during period					
Issuance of new shares	189	189			378
Exercise of share acquisition rights				225	225
Dividends of surplus			(216,639)		(216,639)
Profit attributable to owners of parent			796,060		796,060
Net changes in retained earnings from changes in scope of consolidation or equity method			(341)		(341)
Purchase of treasury shares				(56)	(56)
Disposal of treasury shares			(686)	1,540	853
Purchase of shares of consolidated subsidiaries		(121,340)			(121,340)
Transfer from retained earnings to capital surplus		98,060	(98,060)		—
Net changes in items other than shareholders' equity					—
Total changes of items during period	189	(23,090)	480,331	1,709	459,140
Balance at Mar, 2023	65,589	—	1,571,582	(558)	1,636,614

	Accumulated other comprehensive income					Share option	Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income			
Balance at Mar, 2022	34,010	27,161	29,232	6,691	97,095	781	59,514	1,334,866
Changes during period								
Issuance of new shares								378
Exercise of share acquisition rights						(225)		—
Dividends of surplus								(216,639)
Profit attributable to owners of parent								796,060
Net changes in retained earnings from changes in scope of consolidation or equity method								(341)
Purchase of treasury shares								(56)
Disposal of treasury shares								853
Purchase of shares of consolidated subsidiaries								(121,340)
Transfer from retained earnings to capital surplus								—
Net changes in items other than shareholders' equity	(1,537)	50,429	142,415	329	191,636	(5)	(47,790)	143,839
Total changes of items during period	(1,537)	50,429	142,415	329	191,636	(231)	(47,790)	602,754
Balance at Mar, 2023	32,472	77,590	171,647	7,021	288,732	550	11,724	1,937,621

FY2023 (April 1, 2023 – March 31, 2024)

(¥ Million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at Mar, 2023	65,589	—	1,571,582	(558)	1,636,614
Changes during period					
Issuance of new shares	167	167			335
Exercise of share acquisition rights	244	244		114	602
Dividends of surplus			(133,879)		(133,879)
Profit attributable to owners of parent			261,651		261,651
Net changes in retained earnings from changes in scope of consolidation or equity method		389	6,720		7,110
Purchase of treasury shares				(71)	(71)
Disposal of treasury shares			(22)	426	403
Sale of shares of consolidated subsidiaries		116,331			116,331
Change in equity in subsidiaries under our affiliated companies using equity method			(20,908)		(20,908)
Net changes in items other than shareholders' equity					—
Total changes of items during period	411	117,132	113,561	469	231,575
Balance at Mar, 2024	66,001	117,132	1,685,143	(88)	1,868,189

	Accumulated other comprehensive income					Share option	Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income			
Balance at Mar, 2023	32,472	77,590	171,647	7,021	288,732	550	11,724	1,937,621
Changes during period								
Issuance of new shares								335
Exercise of share acquisition rights						(219)		383
Dividends of surplus								(133,879)
Profit attributable to owners of parent								261,651
Net changes in retained earnings from changes in scope of consolidation or equity method								7,110
Purchase of treasury shares								(71)
Disposal of treasury shares								403
Sale of shares of consolidated subsidiaries								116,331
Change in equity in subsidiaries under our affiliated companies using equity method								(20,908)
Net changes in items other than shareholders' equity	44,415	7,300	135,342	9,880	196,938	(14)	3,782	200,706
Total changes of items during period	44,415	7,300	135,342	9,880	196,938	(234)	3,782	432,061
Balance at Mar, 2024	76,888	84,890	306,990	16,902	485,670	315	15,506	2,369,682

**(5) Consolidated Statements of Cash flows**

(¥ Million)

	FY2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY2023 (Apr. 1, 2023 - Mar. 31, 2024)
<b>Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	819,160	295,417
Depreciation and amortization	94,660	102,473
Impairment losses	4,008	1,927
Equity in losses (earnings) of affiliated companies	(668,435)	(91,917)
Various provisions (reversals)	(5,729)	(23,601)
Interest and dividend income	(22,297)	(32,776)
Interest expense	17,268	18,308
Loss (gain) on sale and retirement of non-current assets	(9,008)	(11,421)
Loss (gain) on sale of shares of subsidiaries and associates	(31)	(13,180)
Foreign exchange loss (gain), net	(16,720)	(15,188)
Decrease (Increase) in trade receivables	(7,774)	(4,369)
Decrease (Increase) in contract assets	7,612	(2,340)
Decrease (Increase) in inventories	(3,896)	(3,124)
Increase (Decrease) in trade payables	318	8,488
Others, net	(15,279)	(34,593)
Sub total	193,855	194,102
Interest and dividend income received	393,108	161,920
Interest expenses paid	(17,608)	(16,709)
Income taxes paid	(19,430)	(25,111)
Net cash provided by (used in) operating activities	549,925	314,202
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(28,568)	(114,506)
Proceeds from sale and redemption of investment securities	19,961	22,990
Purchase of non-current assets	(266,531)	(335,241)
Proceeds from sale of non-current assets	36,050	46,030
Disbursements for long-term loans receivables	(27,433)	(9,664)
Collection of long-term loans receivables	8,526	54,390
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(990)	(66,698)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	24,741
Others, net	(23,010)	22,718
Net cash provided by (used in) investing activities	(281,995)	(355,239)

(¥ Million)

	FY2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY2023 (Apr. 1, 2023 - Mar. 31, 2024)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term bank loans	129,297	(123,097)
Net increase (decrease) in commercial paper	72,000	—
Proceeds from long-term bank loans	76,397	251,727
Repayments of long-term bank loans	(151,985)	(93,345)
Proceeds from issuance of bonds	—	41,000
Redemption of bonds	(23,700)	(30,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(166,094)	—
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	138,457
Cash dividends paid by the company	(216,094)	(133,674)
Cash dividends paid to non-controlling interests	(2,465)	(270)
Others, net	936	(1,071)
Net cash provided by (used in) financing activities	(281,709)	49,725
Effect of foreign exchange rate changes on cash and cash equivalents	7,655	7,460
Net increase (decrease) in cash and cash equivalents	(6,124)	16,149
Cash and cash equivalents at beginning of year	97,135	91,047
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	37	5,952
Cash and cash equivalents at end of period	91,047	113,148



**[NOTE]**

**(Changes in Accounting Estimates)**

(Change in Useful Life)

The Company changed the useful life of ferries from 15 years to 20 years effective from the first Quarter of the fiscal year. This change in the useful life is caused by our reassessment that ferries are expected to have a longer useful life taking into consideration the actual use, with triggered by launch of the LNG-fueled ferries.

As a result, operating profit, ordinary profit, and income before income taxes and non-controlling interests for the fiscal year each increased by ¥ 1,712 million, compared to the previous method.

**(6) Segment Information**

Business segment information:

(¥ Million)

FY2022 (Apr. 1, 2022 - Mar. 31, 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	429,602	388,709	53,060	573,546	39,582	59,913	47,760	1,592,176	
2.Inter-segment revenues	1,242	13,165	299	4,507	3,109	284	25,934	48,543	
Total Revenues	430,844	401,874	53,360	578,053	42,691	60,198	73,695	1,640,719	
Segment profit (loss)	57,668	39,597	620,173	83,430	8,131	(1,402)	2,619	810,218	
Others									
Depreciation and amortization	11,610	38,563	5,123	19,914	7,989	5,401	1,221	89,824	
Amortization of goodwill	—	175	—	—	212	—	—	387	
Interest income	1,606	10,963	124	299	136	40	25	13,195	
Interest expenses	2,736	13,414	1,150	578	1,588	234	37	19,740	
Equity in earnings (losses) of affiliates	19,001	26,471	620,755	1,345	—	675	184	668,435	

FY2022 (Apr. 1, 2022 - Mar. 31, 2023)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues				
1.Revenues from external customers	19,808	1,611,984	—	1,611,984
2.Inter-segment revenues	14,368	62,911	(62,911)	—
Total Revenues	34,176	1,674,896	(62,911)	1,611,984
Segment profit (loss)	1,805	812,024	(435)	811,589
Others				
Depreciation and amortization	849	90,674	3,985	94,660
Amortization of goodwill	—	387	—	387
Interest income	5,937	19,133	(4,660)	14,473
Interest expenses	4,919	24,659	(7,391)	17,268
Equity in earnings (losses) of affiliates	—	668,435	—	668,435

\* 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.

(1) Adjustment in Segment profit (loss) of ¥ -435 million include the following:

¥ -9,268 million of corporate profit which is not allocated to segments, ¥ 7,026 million of adjustment for management accounting and ¥ 1,806 million of inter-segment transaction elimination.

(2) Adjustment in Depreciation and amortization of ¥ 3,985 million include the following:

¥ 3,985 million of depreciation of assets which are not allocated to segments.

(3) Adjustment in Interest income of ¥ -4,660 million include the following:

¥ 4,181 million of interest income which is not allocated to segments and ¥ -8,841 million of inter-segment transaction elimination.

(4) Adjustment in Interest expenses of ¥ -7,391 million include the following:

¥ 8,482 million of interest expenses which are not allocated to segments, ¥ -7,026 million of adjustment for management accounting and ¥ -8,846 million of inter-segment transaction elimination.

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

(¥ Million)

FY2023 (Apr. 1, 2023 - Mar. 31, 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	395,577	437,839	56,376	562,417	40,827	63,872	49,182	1,606,093	
2.Inter-segment revenues	1,026	13,445	316	4,395	3,548	339	35,276	58,347	
Total Revenues	396,604	451,284	56,692	566,813	44,375	64,211	84,459	1,664,440	
Segment profit (loss)	37,235	66,909	51,513	74,028	8,659	397	2,944	241,687	
Others									
Depreciation and amortization	12,994	43,230	6,983	18,195	8,068	6,144	1,354	96,973	
Amortization of goodwill	—	505	—	—	319	—	—	824	
Interest income	1,520	15,702	326	923	281	86	16	18,858	
Interest expenses	4,442	23,008	2,210	813	1,856	279	24	32,634	
Equity in earnings (losses) of affiliates	4,698	40,361	45,024	1,078	—	565	187	91,917	

FY2023 (Apr. 1, 2023 - Mar. 31, 2024)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues				
1.Revenues from external customers	21,818	1,627,912	—	1,627,912
2.Inter-segment revenues	14,979	73,326	(73,326)	—
Total Revenues	36,797	1,701,238	(73,326)	1,627,912
Segment profit (loss)	4,358	246,046	12,940	258,986
Others				
Depreciation and amortization	1,114	98,087	4,386	102,473
Amortization of goodwill	—	824	—	824
Interest income	11,743	30,602	(11,000)	19,601
Interest expenses	9,704	42,339	(24,030)	18,308
Equity in earnings (losses) of affiliates	—	91,917	—	91,917

\* 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.

(1) Adjustment in Segment profit (loss) of ¥ 12,940 million include the following:

¥ 1,010 million of corporate profit which is not allocated to segments, ¥ 11,633 million of adjustment for management accounting and ¥ 296 million of inter-segment transaction elimination.

(2) Adjustment in Depreciation and amortization of ¥ 4,386 million include the following:

¥ 4,386 million of depreciation of assets which are not allocated to segments.

(3) Adjustment in Interest income of ¥ -11,000 million include the following:

¥ 12,595 million of interest income which is not allocated to segments and ¥ -23,596 million of inter-segment transaction elimination.

(4) Adjustment in Interest expenses of ¥ -24,030 million include the following:

¥ 11,168 million of interest expenses which are not allocated to segments, ¥ 11,633 million of adjustment for management accounting and ¥ -23,565 million of inter-segment transaction elimination.

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

\* 4. Notes to changes in reportable segments etc:

“Ferries & Coastal RoRo Ships Business,” which was conventionally presented in “Product Transport Business,” and “Cruise Business,” which was conventionally presented in “Associated Businesses” have been disclosed independently as a new reportable segment named “Ferries & Coastal RoRo Ships, Cruise” due to restructure a part of organization. As a result, Revenues and Segment profit (loss) during the previous fiscal year are reclassified or adjusted to conform to the presentation for the fiscal year.

\* 5. As stated in (Change in Useful Life), the Company changed the useful life of ferries from 15 years to 20 years effective from the fiscal year.

Due to the change, Depreciation and amortization for the fiscal year decreased ¥ 1,712 million in the Ferries & Coastal RoRo Ships, Cruise Business, and Segment profit (loss) increased by the same amount, compared to the previous method.

[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****<FY2023>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2023	Jul-Sep, 2023	Oct-Dec, 2023	Jan-Mar, 2024
Revenues [¥ Millions]	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 [¥ Millions]	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

**<FY2022>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2022	Jul-Sep, 2022	Oct-Dec, 2022	Jan-Mar, 2023
Revenues [¥ Millions]	374,783	446,554	436,631	354,016
Operating profit (loss)	23,597	32,490	40,157	12,465
Ordinary profit (loss)	284,191	315,604	139,459	72,335
Income (Loss) before income taxes	288,824	331,612	138,824	59,900
Profit (Loss) attributable to owners of parent	285,779	315,744	121,722	72,815
Net income (loss)* per share [¥]	791.96	874.46	336.91	201.43
Net income (loss)* per share (Diluted basis)	788.68	871.08	335.70	200.74
Total Assets [¥ Millions]	3,134,568	3,588,441	3,522,800	3,564,247
Total Net Assets	1,465,448	1,879,559	1,917,992	1,937,621

\*Profit (Loss) attributable to owners of parent

**2. Depreciation and Amortization**

	(¥ Millions)		
	FY2022	FY2023	Increase / (Decrease)
Vessels	68,311	77,431	9,120
Others	26,349	25,042	(1,307)
<b>Total</b>	<b>94,660</b>	<b>102,473</b>	<b>7,813</b>

**3. Interest-bearing Debt**

	(¥ Millions)		
	As of Mar.31, 2023	As of Mar.31, 2024	Increase / (Decrease)
Bank loans	864,155	955,596	91,441
Bonds	189,500	201,200	11,700
Commercial papers	80,000	80,000	0
Others	19,793	67,903	48,110
<b>Total</b>	<b>1,153,448</b>	<b>1,304,700</b>	<b>151,252</b>

**4. Fleet Capacity**

	(No. of ships)				
	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	201	70	50	20
Chartered	228	191	59	45	14
Others	-	9	-	-	-
<b>As of Mar.31, 2024</b>	<b>274</b>	<b>401</b>	<b>129</b>	<b>95</b>	<b>34</b>
As of Mar.31, 2023	276	363	136	96	40

	Wellbeing & Lifestyle Business	Associated Businesses and Others	Total
	Ferry & Coastal RoRo Ships, Cruise	Others	
	No. of ships	No. of ships	
Owned	13	32	362
Chartered	3	21	502
Others	-	-	9
<b>As of Mar.31, 2024</b>	<b>16</b>	<b>53</b>	<b>873</b>
As of Mar.31, 2023	18	52	845

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.

Furthermore, we have revised the grouping of ship types to align with our business segments.

(The number of ships as of Mar.31, 2023, has also been adjusted in accordance with the new standards.)

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

**5. Exchange Rates (Against the US dollar)**

	FY2022	FY2023	Change		
Average rates	¥134.67	¥143.43	¥8.76	[6.5%]	JPY Depreciated
Term-end rates	¥133.53	¥151.41	¥17.88	[13.4%]	JPY Depreciated

<Overseas subsidiaries>

	As of Dec.31, 2022	As of Dec.31, 2023	Change		
Term-end rates	¥132.70	¥141.83	¥9.13	[6.9%]	JPY Depreciated

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.

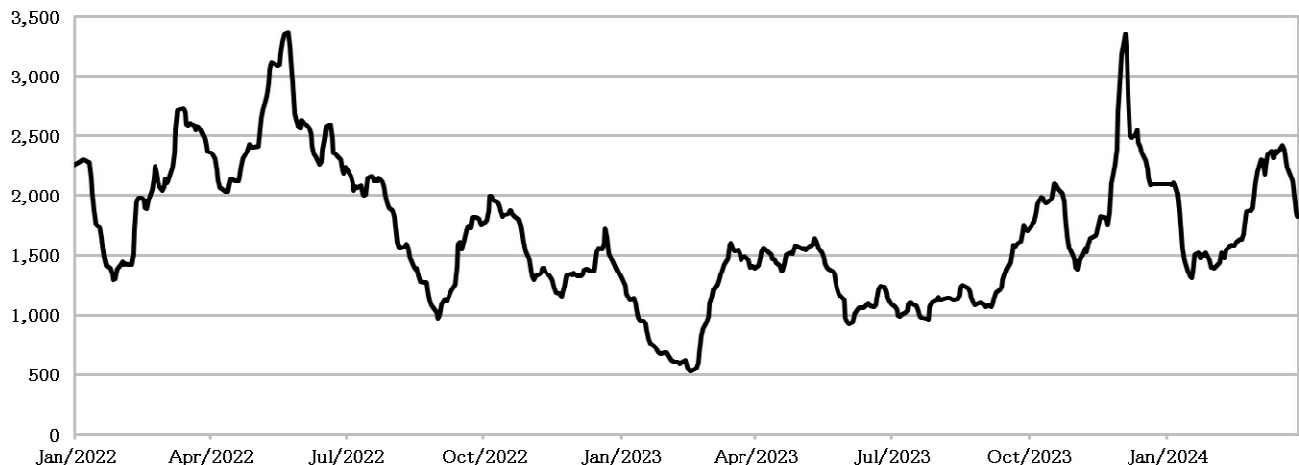
**6. Average Bunker Prices**

	FY2022	FY2023	Increase / (Decrease)
Purchase Prices	US\$745/MT	US\$621/MT	US\$(125)/MT

**7. Market Information**

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

Source : Clarksons Research

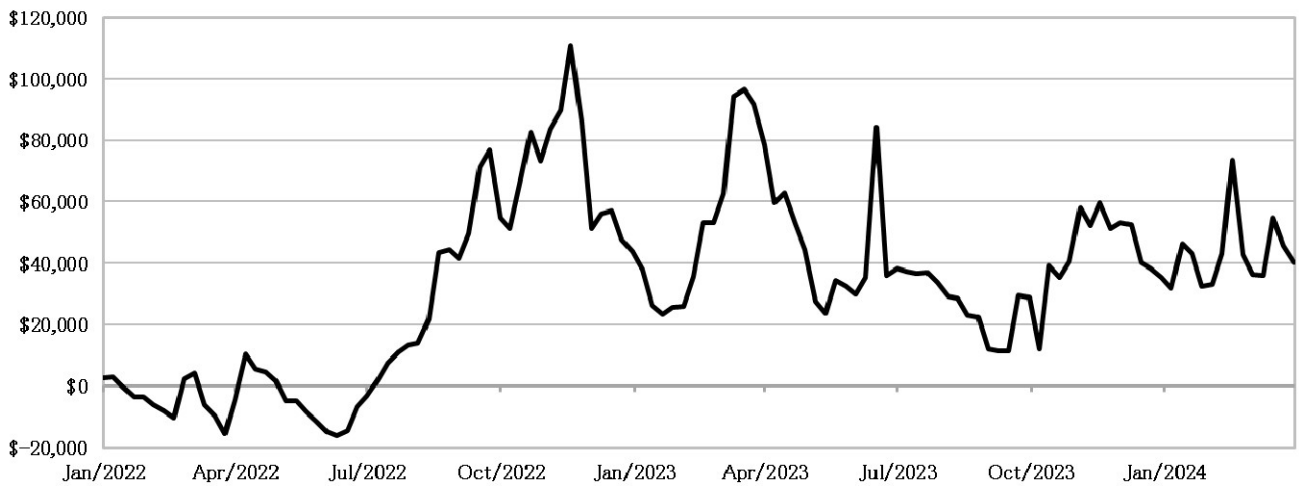


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2022	1,761	1,835	2,464	2,220	2,943	2,389	2,077	1,412	1,487	1,814	1,299	1,453	1,930
2023	909	658	1,410	1,480	1,416	1,082	1,040	1,150	1,393	1,868	1,831	2,538	1,398
2024	1,617	1,650	2,233										1,833

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

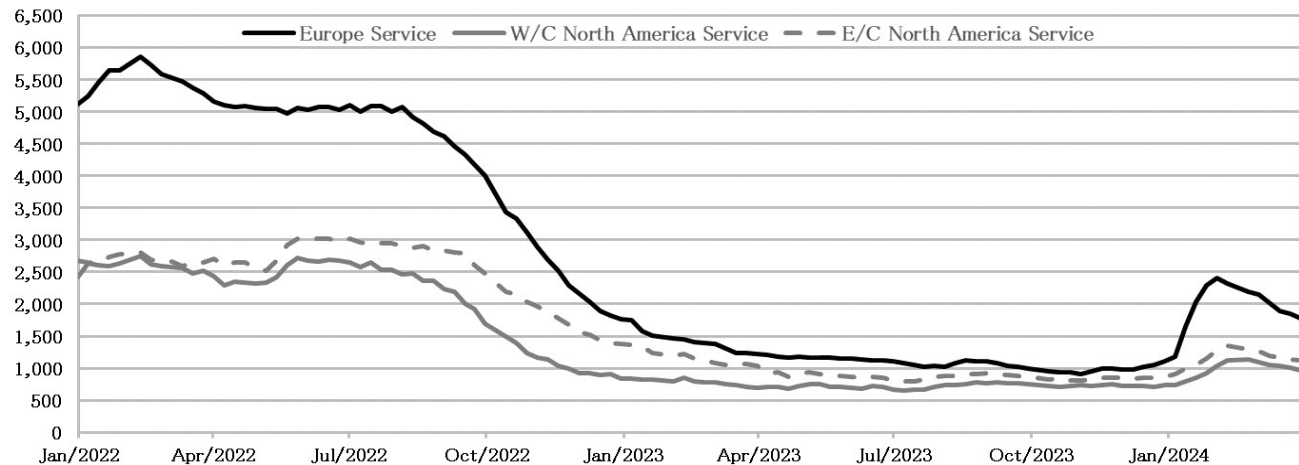


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2022	-1,128	-5,587	-6,886	3,493	-7,435	-13,042	6,196	30,887	58,844	68,153	92,660	51,181	23,111
2023	28,223	41,999	84,755	55,019	29,519	44,695	36,136	25,784	18,611	31,711	55,249	43,862	41,297
2024	38,401	48,169	42,650										43,073

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.