



# Financial Highlights Brief Report for 3rd Quarter FY2023

February 2nd, 2024



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# A. Financial Highlights for 3rd Quarter FY2023

## A-1 : Financial Results for 3rd Quarter FY2023

### Financial Results for 3rd Quarter FY2023

(billion yen)

Operating Revenues and Profit	FY2023			FY2022	
	1H	3Q	1-3Q (a)	1-3Q (b)	(a)-(b)
Operating Revenues	458.9	256.3	715.3	728.7	- 13.4
Operating Income/loss	44.6	25.4	70.1	80.5	- 10.4
Ordinary Income/loss	85.2	13.2	98.5	641.9	- 543.3
Net Income/loss Attributable to Owners of Parent	63.1	10.8	74.0	638.2	- 564.2
Exchange Rate(¥/\$)	¥139.93	¥148.72	¥142.86	¥135.70	¥7.16
Bunker Price(/MT)	\$605	\$645	\$619	\$808	-\$189

### Key Financial Indicators

(billion yen)

Indicators	FY2023-3Q (c)	FY2022 (d)	(c) - (d)
Equity Capital	1,508.5	1,515.3	- 6.8
Interest Bearing Liability	350.1	351.6	- 1.5
DER	23%	23%	-
Equity Ratio	73%	74%	-1point

### Key Factors (year-on-year comparison)

- ▶ In Car Carrier Business, the number of vehicles handled increased however, dry bulk market conditions softened because of the dissipated impact of the COVID-19 pandemic such as the easing of port congestion at the beginning of the fiscal year.
- ▶ There were also temporary earnings deterioration factors and operating income/loss decreased.
- ▶ For Containership Business operated by equity-method affiliate OCEAN NETWORK EXPRESS PTE. LTD. (ONE), market tightness has been easing due to sluggish consumption growth and an increase in the number of new ships being delivered, along with market conditions being in the process of normalization. Ordinary and net income/loss declined as a result.

# A. Financial Highlights for 3rd Quarter FY2023

## A-2 : Financial Results for 3rd Quarter FY2023 by Segment

### Financial Results for 3rd Quarter FY2023 by Segment

(billion yen)

Business Segment (Upper row : Operating Revenues) (Lower row : Ordinary Income/loss)	FY2023			FY2022	
	1H	3Q	1-3Q (e)	1-3Q (f)	(e)-(f)
<b>Dry Bulk</b>	137.5	78.7	216.3	247.7	- 31.4
	2.8	- 1.1	1.6	21.4	- 19.7
<b>Energy Resource Transport</b>	51.4	29.5	80.9	76.9	4.0
	5.2	- 0.4	4.7	9.0	- 4.2
<b>Product Logistics</b>	264.6	145.7	410.3	395.9	14.3
	79.8	16.8	96.6	616.1	- 519.4
Containership	29.2	15.4	44.7	37.2	7.4
	36.2	- 2.4	33.8	565.8	- 532.0
<b>Other</b>	5.3	2.3	7.6	8.1	- 0.4
	1.1	0.1	1.2	0.5	0.7
<b>Adjustment</b>	-	-	-	-	-
	- 3.8	- 1.9	- 5.7	- 5.2	- 0.5
<b>Total</b>	458.9	256.3	715.3	728.7	- 13.4
	85.2	13.2	98.5	641.9	- 543.3

### Key Factors by Segment (year-on-year comparison)

#### ▶ Dry Bulk

- Profits have been deteriorated as the cape market softened at the beginning of the fiscal year because of the vessel supply-demand balance deteriorating due to further easing of port congestion.
- Starting in September however, conditions began to improve due to a recovery in bauxite transport demand and other factors.
- Market conditions for Panamax and smaller sizes deteriorated at the beginning of the fiscal year due to factors such as a decrease in coal and steel transport to remote locations such as Europe. However, they have been improving since mid-August due to port congestion caused by demand recovery for grain transport and utilization rates being lowered by factors such as the Panama Canal drought.

#### ▶ Energy Resource Transport

- LNG Carrier, Thermal Coal Carrier, VLCC (Very Large Crude Carrier) and LPG Carrier Businesses secured stable profits backed by medium- to long-term charter contracts.
- Meanwhile, income decreased year on year due to factors such as the reorganization of vessels in operation conducted in the previous fiscal year.

#### ▶ Product Logistics

- In Car Carrier Business, the recovery trend continued as supply shortages for semiconductors and auto parts eased, along with a gradual decrease in their impact on vehicle production and shipments.
- We continue efforts to restore freight rates and improve operational efficiency.
- For Containership Business, the short-term freight rate market remained sluggish due to weak consumption growth and a continued softening of market tightness due to an increase in new ship deliveries.
- Although ONE tried to reduce costs through blank sailings in winter and the streamlining of service, income decreased significantly year on year.

## **| B. Forecasts and Initiatives for Fiscal Year 2023**

# B- 1 : Forecasts for FY2023 and Key Factors

### ■ Forecasts for FY2023

(billion yen)

Operating Revenues and Profit/Loss	FY2023					FY2022		vs As of Nov. 2023	
	1H	3Q	4Q Forecast	2H Forecast	Total (g)	Total (h)	Y-o-Y (g)-(h)	Total (i)	(g)-(i)
Operating Revenues	458.9	256.3	224.8	481.1	940.0	942.6	- 2.6	930.0	10.0
Operating Income/Loss	44.6	25.4	17.0	42.4	87.0	78.8	8.2	92.0	- 5.0
Ordinary Income/Loss	85.2	13.2	36.6	49.8	135.0	690.8	- 555.8	135.0	-
Net Income/Loss Attributable to Owners of Parent	63.1	10.8	31.1	41.9	105.0	694.9	- 589.9	105.0	-
Exchange Rate(/\$)	¥139.93	¥148.72	¥143.94	¥146.33	¥143.13	¥135.07	¥8.06	¥140.76	¥2.37
Bunker Price(/MT)	\$605	\$645	\$629	\$637	\$621	\$769	-\$148	\$624	-\$3

### ■ Key Factors (year-on-year comparison)

- ▶ Operating income is expected to increase by 8.2 billion yen compared to FY2022. This is based on steady performance anticipated for Car Carrier Business, despite the softening of the dry bulk market.
- ▶ Although Containership Business experienced a worse-than-expected deterioration in market conditions once in the 3rd quarter, which have recovered in 4th quarter, the forecast for ordinary income/loss is expected at 135.0 billion yen due to solid performance of Car Carrier Business.

#### ■ Key factor assumption

- ▶ Yen-US\$ exchange rate    ¥143.13/\$ (average for FY2023)
- ▶ Bunker Price                \$621/MT
- ▶ Market Assumption        Please refer to Appendix

#### ■ Estimates Sensitivity (4Q 3 months)

- ▶ Yen-US\$ rate: each ¥1 weaker (stronger) adds (subtracts) ± ¥0.4 bln
- ▶ Bunker price: each \$10/mt down (up) adds (subtracts) ± ¥0.01 bln

#### ■ Shareholder's return

Dividend : The expected year-end dividend is 150 yen per share, an additional return of 50 yen per share from the previous forecast. When combined with the interim dividend of 100 yen per share, the full-year dividend is expected to be 250 yen per share.

→ details : C- 2

# B- 2 : Forecasts for FY2023 by Segment

### Forecasts for FY2023 by Segment

(billion yen)

Business Segment (Upper row: Operating Revenues) (Lower row : Ordinary Income/Loss)	FY2023					FY2022		vs. As of Nov. 2023	
	1H	3Q	4Q Forecast	2H Forecast	Total (j)	Total (k)	Y-o-Y (j)-(k)	Total (l)	(j)-(l)
<b>Dry Bulk</b>	137.5	78.7	63.8	142.5	280.0	312.2	- 32.2	274.0	6.0
	2.8	- 1.1	3.8	2.7	5.5	19.1	- 13.6	8.5	- 3.0
<b>Energy Resource Transport</b>	51.4	29.5	24.1	53.6	105.0	100.2	4.8	101.0	4.0
	5.2	- 0.4	2.7	2.3	7.5	9.0	- 1.5	8.0	- 0.5
<b>Product Logistics</b>	264.6	145.7	134.7	280.4	545.0	519.7	25.3	545.0	-
	79.8	16.8	31.9	48.7	128.5	669.9	- 541.4	125.0	3.5
<b>Containership</b>	29.2	15.4	13.4	28.8	58.0	49.3	8.7	56.0	2.0
	36.2	- 2.4	11.2	8.8	45.0	608.8	- 563.8	43.0	2.0
<b>Other</b>	5.3	2.3	2.4	4.7	10.0	10.3	- 0.3	10.0	-
	1.1	0.1	- 0.2	- 0.1	1.0	0.8	0.2	1.0	-
<b>Adjustment</b>	-	-	-	-	-	-	-	-	-
	- 3.8	- 1.9	- 1.8	- 3.7	- 7.5	- 8.0	0.5	- 7.5	-
<b>Total</b>	458.9	256.3	224.8	481.1	940.0	942.6	- 2.6	930.0	10.0
	85.2	13.2	36.6	49.8	135.0	690.8	- 555.8	135.0	-

### Key Factors by Segment (year-on-year comparison)

#### ► Dry Bulk

- Although there are causes for concern such as the uncertain outlook for the Chinese economy along with economic stagnation in Europe and the situation in the Middle East, market conditions are expected to remain firm due to tighter medium-term vessel supply and demand against the backdrop of limited delivery of new vessels.

#### ► Energy Resource Transport

- LNG Carrier, Thermal Coal Carrier, VLCC (Very Large Crude Carrier), and LPG Carrier Businesses are expected to secure stable profits backed by medium- to long-term charter contracts.

#### ► Product Logistics

- Despite concerns about global economic stagnation, geopolitical risks and other factors, the supply-demand balance is expected to remain tight in Car Carrier Business due to the recovery in vehicle production and shipments associated with the easing of constraints on the supply of semiconductors and auto parts.
- We will continue to promote fleet optimization and improve vessel operation and deployment efficiency.

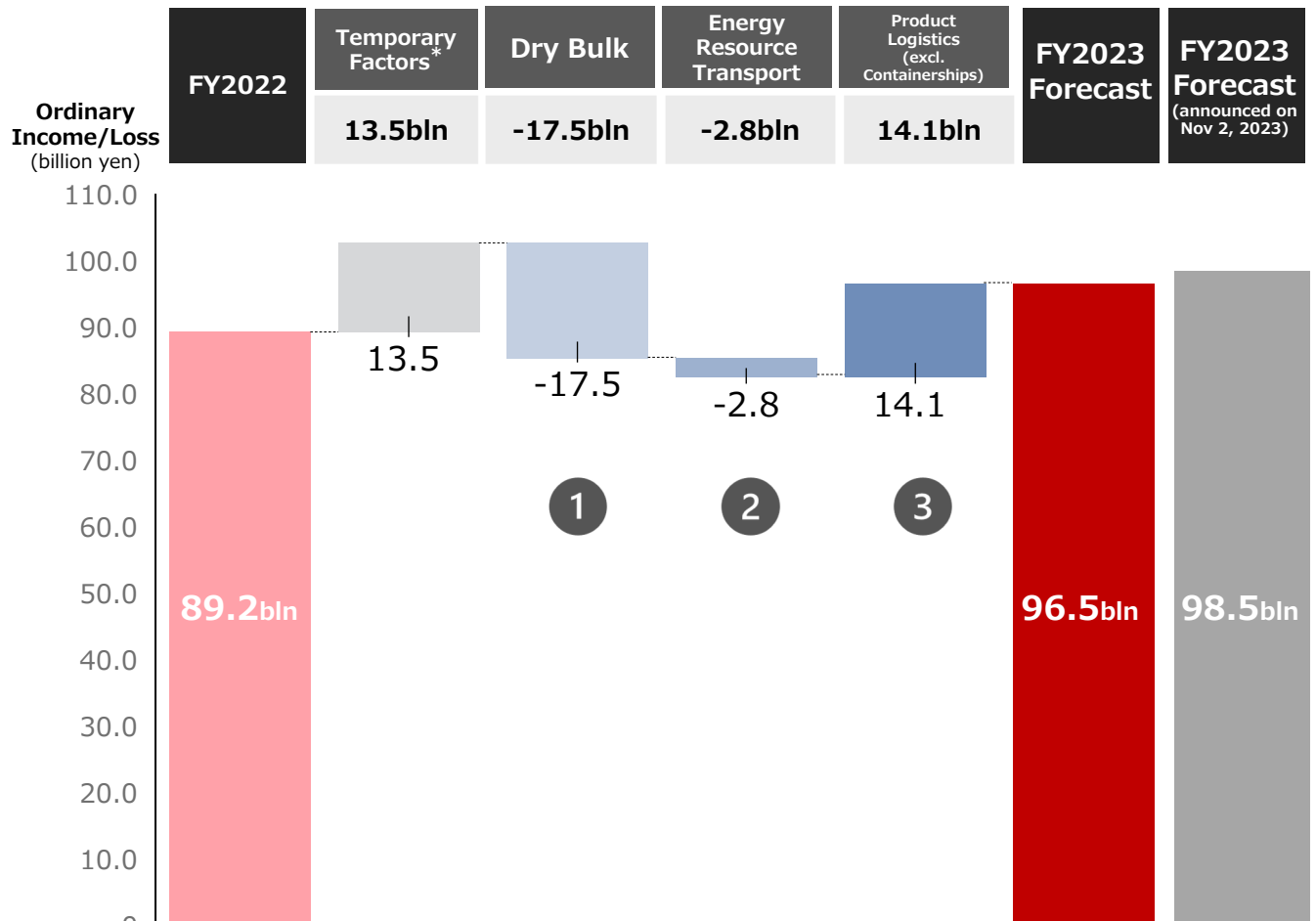
- In Containership Business, factors such as an increase in the delivery of newly built vessels and supply chain disruptions resulted from situation in the Middle East are affecting the vessel supply-demand balance and the freight rates.
- ONE is closely monitoring economic conditions and responding flexibly to changes in ocean transport demand.



## B. Forecasts and Initiatives for Fiscal Year 2023

### B-3 : Key Factors for “K” Line’s Own Businesses

in FY2023 (Full-year results comparison with the previous year)



Market conditions, cargo demand and other business measures etc. • Dry Bulk : -17.5bln  
 • Energy Resource Transport : -2.8bln  
**Total -6.2bln** • Product Logistics : 14.1bln

#### 1 Dry Bulk

- We will work on profitability improvement measures, such as enhancing vessel operation efficiency and reducing costs.
- Given the growing need for environmental measures, we will actively promote sales activities that make the most of our strong business foundation and high transport service quality. We will expand stable earnings by adding more medium- to long-term contracts and implement appropriate risk control.

#### 2 Energy Resource Transport

- We will ensure stable earnings in line with expectations through medium- to long-term contracts.

#### 3 Product Logistics (excl. Containership)

##### Car Carriers

- Improving profitability through rate restorations
- We will continue efforts to optimize our fleet and enhance vessel operation and deployment efficiency
- Despite concerns about global economic stagnation, geopolitical risks and other factors for the automobile sales market worldwide, vehicle production and shipments are expected to continue recovering from the previous fiscal year. This is due to the easing of constraints on the supply of semiconductor and auto parts.

##### Short sea and coastal/Port /Logistics

- In Short Sea Business, we will enhance sales efforts to attract cargo and aim for efficient vessel deployment while optimizing fleet size.
- In Coastal Business, we will proactively reach out to cargo owners who are facing transport issues due to the 2024 logistics problem.

\*Temporary factors: Mainly the impact of foreign exchange factors

\*The allocation method for SG&A expenses has been partially changed from FY2023. FY2022 actual figures for comparison were also created using the method after the change.

## B. Forecasts and Initiatives for Fiscal Year 2023

### B-4 : Responding to limits on the number of vessels passing through the Panama Canal and avoidance of the Suez Canal due to the deteriorating situation in the Middle East

**In the process of responding to limits on the number of vessels passing through the Panama Canal due to drought, and avoidance of the Suez Canal due to the deteriorating situation in the Middle East**

#### Suez Canal: Avoidance of this route due to the deteriorating situation in the Middle East

##### Overview

- In October 2023, the Palestinian Islamic group Hamas launched an attack on Israel from the Gaza Strip, and Israel retaliated.
- In November 2023, Yemen's Houthis seized a car carrier sailing through the Red Sea.
- Attacks on commercial ships navigating the Red Sea began in mid-December 2023 and continue to this day.
- Starting in mid-December 2023, containerships and some car carriers that would normally utilize the Suez Canal have been sailing around the Cape of Good Hope instead.
- In mid-January 2024, vessels that switched to the Cape of Good Hope route began arriving behind schedule in Asian, European, and North American ports.
- Although it is unclear how long the impact of the crisis in the Red Sea will last, the tight supply and demand situation could continue until the shipping capacity shortage is alleviated.
- The safety of Red Sea navigation still needs to be confirmed, and it is difficult to predict whether ships will continue to detour around the Cape of Good Hope.

##### Impact on and response by shipping companies

- Due to the additional distance involved with a detour around the Cape of Good Hope, the number of voyage days has increased, creating a vessel capacity shortage.
- Ship insurance premiums for some maritime areas have risen due to the deteriorating situation in the Red Sea.
- In response to the containership shortage, shipping companies are considering and implementing measures such as changing vessel deployment, reducing ports of call, reorganizing routes, utilizing temporary and standby vessels, postponing plans for scrapping aging vessels, and adding new ships to routes.
- Car carriers and other vessels are also detouring around the Cape of Good Hope.

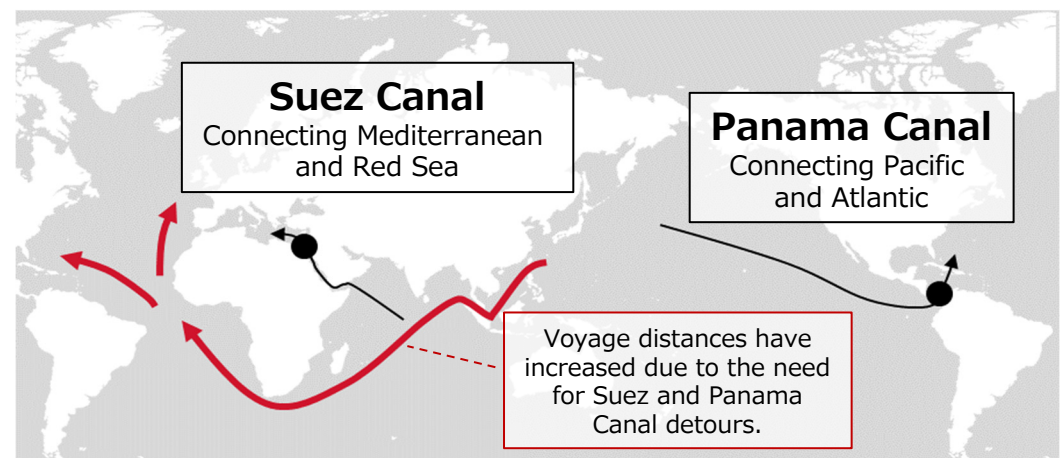
#### Panama Canal: Vessel access is limited due to drought conditions

##### Overview

- In 2023, due to the current El Niño phase, precipitation was the lowest on record, and the level of the lake that feeds the Panama Canal became exceedingly low\*.
- Consequently, the number of ships allowed to pass through the canal has been decreasing since July 2023.
- The only real solution is to wait for water levels to be restored. However, since Panama's dry season begins in January, the current situation could continue for some time.

##### Impact on and response by shipping companies

- Due to daily restrictions on the number of ships allowed to transit the canal, vessels have to wait their turn, causing port congestion.
- As a result, starting in December 2023, some containerships were rerouted through the Suez Canal, and then due to the worsening situation in the Middle East, they were further detoured around the Cape of Good Hope.
- Companies are also taking measures for other ship types, such as rerouting away from the Panama Canal and changing the unloading port.



\* The Panama Canal uses locks to raise and lower ships, and the passage of ships is affected by changes in the water level of the lake that feeds the canal.

## C. Status and Progress of Medium-term Management Plan

## C-1【Capital Policy】 : Capital Policy Progress and Corporate Value Improvement

**Promoting further enhancement of corporate value by steadily implementing key items listed in the Capital Policy section of the Medium-Term Management Plan**

<p><b>Enhancing earning power</b></p>	<ul style="list-style-type: none"> <li>Steady progress towards achieving <b>operating cash flow of 1.2 trillion yen</b> through profit growth that satisfies the cost of capital based on the business strategy in the Medium-term Management Plan</li> <li><b>Sights set on consistent and early achievement of the Medium-term Management Plan target of 140.0 billion yen in ordinary income</b></li> </ul>	<p>Operating CF <b>1,200 billion yen*</b></p>	<p><b>Promoting Further Advancement of Business Management</b></p>
<p><b>Investment plan (promotion of investment for growth)</b></p>	<ul style="list-style-type: none"> <li>Making investments necessary to improve corporate value <b>without relaxing investment discipline</b></li> <li>We will achieve growth by enhancing both investment in businesses serving the role of driving growth and environmental investment taking advantage of emissions reduction and decarbonization opportunities based on business and functional strategies.</li> </ul>	<p>Investing CF <b>630.0 billion yen*</b></p>	<ul style="list-style-type: none"> <li>Started managing business-specific KPIs based on business-specific responsibility accounting, as part of business management with an awareness of capital costs and cash flows</li> </ul>
<p><b>Shareholder return policy</b></p>	<ul style="list-style-type: none"> <li>A full-year dividend of 250 yen/share (basic dividend 120 yen/share + additional dividend 130 yen/share) is planned for FY2023 and FY2024. Furthermore, the intention is to return to shareholders a cumulative total of 500.0 billion yen or more during the medium-term management plan period ending in FY2026 (same as previous plan).</li> <li>With the improvement of capital efficiency in mind, we continuously consider a proactive and flexible shareholder return policy.</li> </ul>	<p>Shareholder return <b>500.0 billion yen~*</b></p>	<ul style="list-style-type: none"> <li>Strengthening business portfolio management and management with emphasis on cash flow.</li> </ul>
<p><b>For corporate value improvement</b></p>	<ul style="list-style-type: none"> <li>Our current aim is for PBR of 1.0 or more. The next aim is to sustainably achieve ROE of 10% or more by strengthening earning power and improving capital efficiency, and to maintain and improve the PBR of 1.0 or more, keeping in mind PER enhancement by cultivating further expectation for growth.</li> <li>We will continue to investigate our optimal capital structure in order to achieve a balance between financial soundness with an awareness of business risks and capital efficiency.</li> <li>In May 2024, we plan to announce updates to our shareholder return policy as part of the capital policy, including optimal capital structure. We will also provide updates on our growth strategy centered on businesses that serve a "role of driving growth".</li> <li>By strengthening IR activities, we will promote dialogue with stakeholders and further raise awareness of our business growth strategy among investors.</li> <li>A business briefing session is scheduled for the 1st quarter of fiscal 2024 concerning three businesses serving the role of driving growth, as well as new business areas.</li> </ul>	<p>PBR maintain/improve <b>1.0 or more</b></p>	<p>➔Introducing financial statements for each business that take into account the characteristics of our business. We aim to maximize corporate value by flexibly operating the PDCA cycle using KPIs that are conscious of capital costs such as CF, WACC, ROIC, and EVA etc. for each business.</p> <p><b>ROIC</b> <b>6.0~7.0%</b> (Target for FY26)</p>

**Based on the Medium-Term Management Plan, we will promote the enhancement of "earning power" and strive to further improve corporate value by maintaining capital efficiency and financial soundness with an awareness of optimal capital structure and cash allocation.**

## C-2【Capital Policy】 : Shareholder’s Return Policy

Regarding the total return amount of 500.0 billion yen or more during the period of the Medium-Term Management Plan, based on the shareholder return policy announced in May 2023, we will actively carry out appropriate dividends and flexible/responsive share buy-backs to increase shareholder value.

### Dividend

#### FY2023

Additional dividend of **+ 50yen**

Full-year dividend forecast

Current announcement : **250 yen/share**  
 (previously announced : 200 yen/share)  
 Planned year-end dividend is **150 yen/share**  
 (previously announced: 100 yen)

#### FY2024

Additional dividend of **+ 130yen**

Full-year dividend forecast

Current announcement : **250 yen/share**  
 (previously announced : 120 yen/share)  
 (Based on shares before stock split)

#### 【Regarding Stock Split】







Each share of common stock owned by shareholders will be split into 3 shares per share with effective date of April 1, 2024.

	Actual		Plan		
	FY21~22	FY23	FY24	FY25	FY26
Dividend and additional shareholder return per share	Additional shareholder return	<ul style="list-style-type: none"> <li>We are continuing to investigate the total return amount of 500.0 billion yen or more</li> <li>In May 2024, we plan to announce the shareholder return policy for the remaining medium-term management plan period FY2024 and onwards</li> </ul>			
	Responsive return delivery	Share buy-back 56.2 billion yen			
	Additional Dividend	Additional Dividend 130 yen/share	Additional Dividend 130 yen/share		
	Basic Dividend	Basic Dividend 120 yen/share	Basic Dividend 120 yen/share	Basic Dividend 120 yen/share	Basic Dividend 120 yen/share
Total return amount	Responsive return delivery	56.2 billion yen			
	Additional Dividend	31.0 billion yen (130 yen/share)	31.0 billion yen (130 yen/share)		
	Basic Dividend	29.0 billion yen (120 yen/share)	87.0 billion yen (29.0 billion yen/year) (Basic Dividend 120 yen/share)		
	Total return amount	250.0 billion yen	250.0 billion yen~		

During the period of the medium-term plan, we will continue to monitor performance trends, always be aware of the optimal capital structure, ensure the investments necessary to improve corporate value, and maintain financial soundness. Moreover, regarding the portion exceeding the appropriate capital, we will actively consider shareholder returns, including share buy-back, based on cash flow.

## C-3 : Changes in the business environment

The global business environment will remain uncertain due to factors such as economic decoupling, continued concerns about downward pressure on the global economy, and energy policy developments in various countries

	 <b>Economic decoupling</b>	 <b>Global economy</b>	 <b>Energy policies</b>
<b>External Environment</b> 	<ul style="list-style-type: none"> <li>• <b>Economic separation due to conflict between the United States and China, Russia's war in Ukraine, conditions in East Asia and the Middle East</b></li> <li>• Continued <b>geopolitical risk</b></li> <li>• <b>Countries with uncertain political situations in 2024</b></li> </ul>	<ul style="list-style-type: none"> <li>• Stagnation of the global economy due to the continuation of national high interest rate policies</li> <li>• Business confidence in Europe and the United States, and trend in purchasing power</li> <li>• Slowdown of the Chinese economy</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Fluidity in national energy policies</b> concerning target energy mixes, including renewable energy, nuclear power, and fossil fuels, etc.</li> <li>• Application of treaty on new CO2 emission regulations to large ocean-going vessels</li> </ul>
<b>Anticipated Risks and Opportunities</b> 	<ul style="list-style-type: none"> <li>• Concern about impacts on trade</li> <li>• Concern about impacts on resource supply</li> <li>• <b>Avoidance of the Suez Canal due to security crisis in the Red Sea and resulting shipping detours around the Cape of Good Hope</b></li> </ul>	<ul style="list-style-type: none"> <li>• Slowdown of the real economy due to rising procurement costs and other factors, and the negative impact on purchasing power</li> <li>• Continuation of global inflationary pressure</li> </ul>	<ul style="list-style-type: none"> <li>• Soaring energy prices</li> <li>• Future demand for transporting new fuels</li> <li>• Increase in benefits of environmentally friendly vessels due to restrictions on output of existing vessels and the necessity to make modifications to improve fuel efficiency</li> <li>• Start of the EU Emissions Trading System (EU ETS) in January 2024 and its expansion to other regions</li> </ul>
<b>Action Based on the Medium-term Management Plan</b> 	<ul style="list-style-type: none"> <li>• Realizing growth by considering the emissions reduction and decarbonization of the Company and society as a business opportunity based on the long-term management vision</li> <li>• Strengthening earning power through resource allocation according to the characteristics of each business based on the portfolio strategy</li> <li>• Working with customers to respond to “changes in the business environment” and the “energy mix transition phase”</li> <li>• Strengthening of safety and quality management systems as a shipping company supporting global social infrastructure</li> </ul>		

# | Appendix

# Market Results and Assumption/ Market Exposure

## ■ Dry Bulk Market Results and Assumption

Dry Bulk Market	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q Forecast	Forecast
CAPE	\$21,600	\$13,700	\$14,900	\$9,150	\$14,750	\$15,550	\$13,400	\$28,150	\$14,000	\$17,750
PANAMAX	\$25,300	\$15,850	\$14,700	\$10,000	\$16,350	\$10,900	\$10,550	\$14,800	\$12,000	\$12,050
HANDYMAX	\$28,900	\$19,750	\$14,850	\$10,150	\$18,300	\$10,750	\$10,050	\$14,150	\$11,000	\$11,500
SMALL HANDY	\$27,550	\$18,700	\$15,050	\$9,700	\$17,650	\$10,400	\$8,850	\$12,850	\$9,500	\$10,400

## ■ Tanker Market Results and Assumption

World Scale (WS)	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q Forecast	Forecast
VLCC	46	71	95	65	69	59	50	61	55	56
(Middle East/Japan)	-\$3,250	\$32,250	\$66,200	\$50,350	\$36,400	\$43,450	\$30,150	\$43,950	\$32,000	\$37,400
AFRAMAX	167	214	254	206	210	159	124	159	165	152
(South Asia/Japan)	\$18,000	\$35,500	\$55,000	\$57,650	\$41,550	\$42,650	\$25,150	\$38,350	\$40,000	\$36,550

## ■ Transition of Fleet Scale

Vessel Type	FY2021	FY2022	FY2023-3Q
CAPE	88	85	88
Panamax and smaller size	80	87	84
Wood Chip Carriers	6	7	8
<b>Total</b>	<b>174</b>	<b>179</b>	<b>180</b>
VLCC	6	6	6
LPG Carriers	4	4	5
Other Tankers	5	2	2
Thermal Coal Carriers	31	28	27
LNG Carriers	43	44	46
<b>Total</b>	<b>89</b>	<b>84</b>	<b>86</b>

## ■ FY2023 : Market Exposure

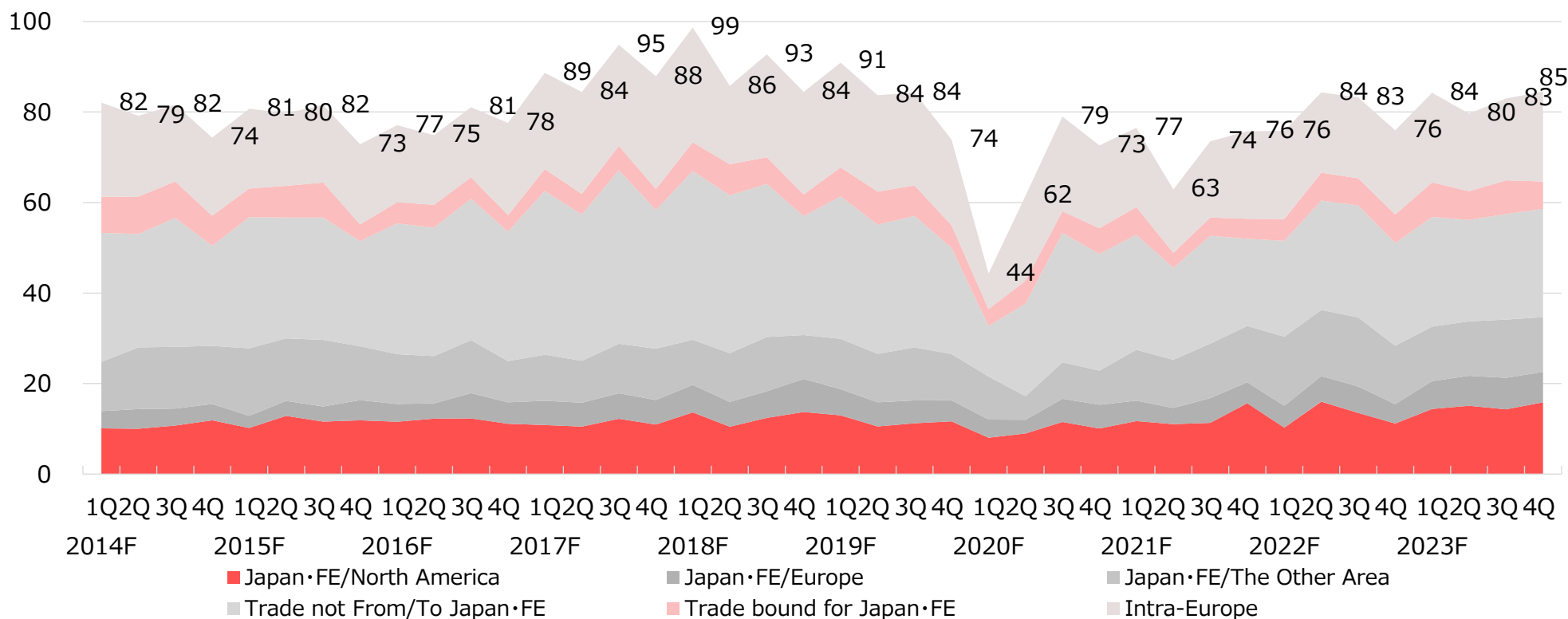
Vessel Type	Market Exposure
CAPE	5%
Panamax and smaller size	0%
Wood Chip Carriers	0%
VLCC	0%
LPG Carriers	0%
Thermal Coal Carriers	0%



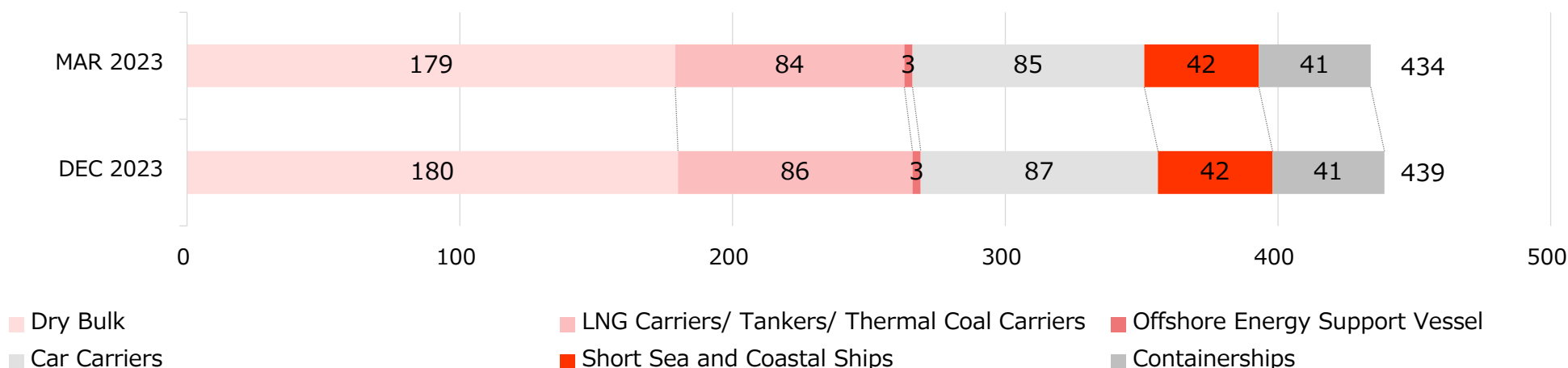
# Car Carriers Total Units Carried by Service Routes

Total Units Carried (1,000 units)	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q Forecast	Forecast
Outbound	303	362	346	283	1,295	326	337	341	347	1,351
Homebound	48	62	60	63	232	76	63	75	61	275
Others	212	242	248	227	929	242	225	233	239	939
Intra-Europe	195	177	179	186	737	198	171	181	199	749
Total Units Carried	758	843	832	760	3,193	842	796	830	845	3,314
Number of Fleet	87	87	86	86	86	87	88	87	91	91

(10,000 Units)



# "K" Line Group Fleet Composition



Type of Vessel	DEC 2023						MAR 2023	
	Owned		Chartered		Total		Total	
	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)
Dry Bulk	51	6,256,242	129	16,677,280	180	22,933,522	179	22,629,402
Thermal Coal Carriers	9	791,501	18	1,620,083	27	2,411,584	28	2,508,293
LNG Carriers	44	3,636,087	2	153,909	46	3,789,996	44	3,667,803
Tankers	10	1,926,320	3	410,808	13	2,337,128	12	2,280,625
Drilship	1	-	0	-	1	-	1	-
FPSO	1	-	0	-	1	-	1	-
LNG Bunkering Vessel	1	2,431	0	-	1	2,431	1	2,431
Car Carriers	32	456,088	55	992,440	87	1,448,528	85	1,413,796
Short Sea and Coastal Ships	24	206,881	18	153,632	42	360,513	42	405,678
Containerships	11	849,856	30	2,970,195	41	3,820,051	41	3,820,051
<b>Total</b>	<b>184</b>	<b>14,125,406</b>	<b>255</b>	<b>22,978,347</b>	<b>439</b>	<b>37,103,753</b>	<b>434</b>	<b>36,728,079</b>

\* The number of owned vessels includes co-owned vessels, and deadweight tonnage includes share of other companies' ownership in co-owned vessels.

\* Includes flagships and spot and/or short-term activities at the end of term.

# "K" Line Group Vessels in Operation/New Building Delivery Schedule

## ■ "K" Line Group Vessels in Operation

Segment	Business/ Vessel Type	23-Mar	23-Dec	
Dry Bulk	CAPE	80	81	
	OVER PANAMAX	5	7	
	PANAMAX	43	41	
	HANDYMAX	39	39	
	SMALL HANDY	5	4	
	CHIP	7	8	
	<b>Total</b>		<b>179</b>	<b>180</b>
Energy Resource Transport	VLCC	6	6	
	AFRAMAX	2	2	
	Tankers	0	0	
	Chemical Tankers	4	5	
	LPG Carriers	12	13	
	LNG Carriers	44	46	
	Thermal Coal Carriers	28	27	
	Drillship	1	1	
	FPSO	1	1	
	LNG Bunkering Vessels	1	1	
	<b>Total</b>		<b>87</b>	<b>89</b>
Product Logistics	7,000 Units	17	17	
	6,000 Units	39	41	
	5,000 Units	10	10	
	4,000 Units	4	4	
	3,000 Units	6	6	
	2,000 Units	4	4	
	~2,000 Units	5	5	
	<b>Total</b>	<b>85</b>	<b>87</b>	
	Containerships	14,000TEU	12	12
		8,000TEU	13	13
		5,500TEU	4	4
		4,200TEU	7	7
		1,700TEU	5	5
		1,200TEU	0	0
	<b>Total</b>	<b>41</b>	<b>41</b>	
Short Sea and Coastal Ships	42	42		
<b>Total</b>		<b>168</b>	<b>170</b>	
<b>Grand Total</b>		<b>434</b>	<b>439</b>	

## ■ New Building Delivery Schedule

Number of Vessel	2023	2024	2025
CAPE	1	2	
OVER PANAMAX	1		
PANAMAX		2	1
HANDYMAX		1	
LPG Carriers			
LNG Carriers			6
FPSO	1		
Liquefied CO2 Vessel		2	
Car Carriers (7,000 Units)	1	5	6
Short Sea and Coastal Ships	1	3	
<b>Total</b>	<b>5</b>	<b>15</b>	<b>13</b>

**[Disclaimer]**

Information contained in this material is provided solely for informational purposes and is not an offer or a solicitation of an offer to buy or sell securities.

You are requested to make investment decisions using your own judgment.

**[Forward-looking statements]**

This material contains forward-looking statements concerning future plans and forecast, these statements are based on information currently available.

Furthermore, "K" LINE therefore cautions readers that actual results may differ materially from economic conditions, supply and demand in the shipping industry, price of bunker, foreign currency exchange rates.

