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May 7, 2024

Financial Highlights for FY2023

(Under Japanese GAAP) (Unaudited)

Company name:	Kawasaki Kisen Kaisha, Ltd.
Listing:	Prime Market of Tokyo Stock Exchanges
Securities code:	9107
URL:	https://www.kline.co.jp/en/
Representative:	Yukikazu Myochin, Representative Director, President & CEO
Inquiries:	Goro Kitamura, General Manager, Corporate Sustainability, Environment Management, IR and Communication Group
Telephone:	+81-3-3595-5189
Scheduled date of annual general meeting of shareholders:	June 21, 2024
Scheduled date to commence dividend payments:	June 24, 2024
Scheduled date to file annual securities report:	June 21, 2024
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for Analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2024	962,300	2.1	84,763	7.5	135,796	(80.3)	104,776	(84.9)
Year ended March 31, 2023	942,606	24.5	78,857	346.4	690,839	5.1	694,904	8.2

Note: Comprehensive income for the fiscal year ended March 31, 2024: ¥254,973 million [(67.9)%]
For the fiscal year ended March 31, 2023: ¥794,036 million [19.0%]

	Profit (loss) per share	Profit (loss) per share-fully diluted	Profit per share ratio in shareholders' equity	Ratio of ordinary income (loss) to total assets	Ratio of operating income (loss) to operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2024	145.24	-	6.7	6.5	8.8
Year ended March 31, 2023	857.01	-	57.9	38.1	8.4

Reference: Equity in earnings of unconsolidated subsidiaries and affiliates:

Year ended March 31, 2024:	¥51,710 million
Year ended March 31, 2023:	¥627,759 million

* The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022 and April 1, 2024 respectively. Accordingly, profit (loss) per share is calculated on the assumption that those stock splits were conducted at the beginning of the previous fiscal year ended March 31, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	2,109,432	1,624,600	75.5	2,251.81
As of March 31, 2023	2,052,616	1,546,679	73.8	2,042.80

Reference: Shareholders' equity:

As of March 31, 2024: ¥1,591,925 million

As of March 31, 2023: ¥1,515,399 million

* The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022 and April 1, 2024 respectively. Accordingly, net assets per share is calculated on the assumption that those stock splits were conducted at the beginning of the previous fiscal year ended March 31, 2023.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2024	203,095	(66,911)	(223,727)	269,474
Year ended March 31, 2023	456,049	(46,745)	(300,790)	346,831

2. Dividends

	Annual dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2023	-	300.00	-	300.00	-	102,981	15.6	8.6
Year ended March 31, 2024	-	100.00	-	150.00	250.00	59,529	57.4	3.9
Year ending March 31, 2025 (Forecast)	-	42.50	-	42.50	85.00		50.1	

1. The Company implemented a 3-for-1 stock split of common shares on October 1, 2022.

The interim dividend per share for the fiscal year ended March 2023 represents the actual amount of dividend before the stock split.

The full-year dividend for the fiscal year ended March 2023 per share is not presented as simple comparisons are not possible due to the implementation of the stock split, however, the full-year dividend per share based on the shares following the stock split is 400.00 yen.

2. The Company implemented a 3-for-1 stock split of common shares on April 1, 2024.

The dividends per share for the fiscal year ended March 2024 and 2023 represent the actual amount of dividend

before the stock split.

3. The dividends per share for the fiscal year ending March 2025 (Forecast) has been calculated taking into consideration the impacts from the stock split of common shares on April 1, 2024.

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of the parent		Profit (loss) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Cumulative second quarter ending September 30, 2024	494,000	7.6	51,000	14.2	81,500	(4.4)	77,000	21.9	108.92
Year ending March 31, 2025	980,000	1.8	93,000	9.7	135,000	(0.6)	120,000	14.5	169.74

- * The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. Accordingly, profit (loss) per share is calculated based on the shares following the stock split.

4. Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
 Newly included: None
 Excluded: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 (ii) Changes in accounting policies due to other reasons: None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	714,728,067 shares
As of March 31, 2023	752,137,167 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	7,773,052 shares
As of March 31, 2023	10,314,051 shares

- (iii) Average number of shares outstanding during the period

Year ended March 31, 2024	721,415,878 shares
Year ended March 31, 2023	810,851,769 shares

- * The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022 and April 1, 2024 respectively. Accordingly, total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated on the assumption that those stock splits were conducted at the beginning of the previous fiscal year ended March 31, 2023.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2024	764,334	5.2	60,099	30.1	172,884	(56.4)	158,142	(61.2)
Year ended March 31, 2023	726,266	31.7	46,199	-	396,580	59.6	407,706	80.4

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Year ended March 31, 2024	219.17	-
Year ended March 31, 2023	502.70	-

* The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022 and April 1, 2024 respectively. Accordingly, profit (loss) per share is calculated on the assumption that those stock splits were conducted at the beginning of the previous fiscal year ended March 31, 2023.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	844,085	523,505	62.0	740.34
As of March 31, 2023	877,521	515,365	58.7	694.59

Reference: Shareholders' equity:

As of March 31, 2024: ¥523,505 million
As of March 31, 2023: ¥515,365 million

* The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022 and April 1, 2024 respectively. Accordingly, net assets per share is calculated on the assumption that those stock splits were conducted at the beginning of the previous fiscal year ended March 31, 2023.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Assumption for the forecast of consolidated financial results for the year ending March 31, 2025

The forecast is based on currently available information that KLINE deems to be reasonable. Actual results may differ from the forecast as a result of various factors.

Refer to "5. Qualitative Information on Financial Results (1) Description of Operating Results 2) Prospect for Fiscal year 2024" for assumptions related to the forecast.

5. Qualitative Information on Financial Results

(1) Description of Operating Results

1) Summary of Consolidated Operating Results for FY2023

(Billion yen)

	Fiscal Year 2022 (Ended March 31, 2023)	Fiscal Year 2023 (Ended March 31, 2024)	Change	% Change
Operating revenues	942.6	962.3	19.6	2.1%
Operating income (loss)	78.8	84.7	5.9	7.5%
Ordinary income (loss)	690.8	135.7	(555.0)	(80.3%)
Profit (loss) attributable to owners of the parent	694.9	104.7	(590.1)	(84.9%)

Exchange Rate (¥/US\$) (12-month average)	¥135.07	¥143.82	¥8.75	6.5%
Fuel oil price (US\$/MT) (12-month average)	US\$769	US\$620	US\$(149)	(19.4%)

The company recorded 51.7 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the fiscal year 2023 and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 45.6 billion yen of this amount.

Performance per segment was as follows.

(Billion yen)

		Fiscal Year 2022 (Ended March 31, 2023)	Fiscal Year 2023 (Ended March 31, 2024)	Change	% Change
Dry bulk	Operating revenues	312.2	295.0	(17.2)	(5.5%)
	Segment profit (loss)	19.1	3.6	(15.5)	(81.1%)
Energy resource transport	Operating revenues	100.2	106.9	6.7	6.7%
	Segment profit (loss)	9.0	7.9	(1.1)	(12.2%)
Product logistics	Operating revenues	519.7	550.1	30.3	5.8%
	Segment profit (loss)	669.9	131.1	(538.7)	(80.4%)
Other	Operating revenues	10.3	10.1	(0.2)	(2.1%)
	Segment profit (loss)	0.8	1.4	0.6	78.6%
Adjustments and eliminations	Segment profit (loss)	(8.0)	(8.3)	(0.2)	-%
Total	Operating revenues	942.6	962.3	19.6	2.1%
	Segment profit (loss)	690.8	135.7	(555.0)	(80.3%)

Since the beginning of this fiscal year, The Company partly changed the allocation method of corporate expenses to present the condition of each segment in a more appropriate manner. Segment information for the fiscal year 2023 and 2022 are presented based on the changed allocation method.

(i) Dry Bulk Segment

Dry Bulk Business

In the Cape-size sector, market rates remained to be sluggish in the first half of the fiscal year. In the second half of the fiscal year, while strong demand for China-bound transportation continued and demand for transportation of bauxite from the Atlantic to East Asia and iron ore loaded in Brazil increased, market rates increased as the vessel supply-demand balance tightened due to an increase in vessels taking detours round the Red Sea and stormy weather around the ports of discharge in China.

In the medium-small vessel sector, in the first half of the fiscal year, market rates were sluggish due to a decrease in demand for coal and steel transportation to distant destinations, such as Europe, as well as a decrease in demand for transportation led by a decline in grain futures prices and delayed harvests. In the second half of the fiscal year, with an increase in demand for coal transportation to China and India, and the recovery and full-scale increase in demand for grain transportation from North and South America, market rates increased as the vessel supply-demand balance tightened due to the prolonged Panama Canal drought and an increase in vessels taking detours round the Red Sea.

Under these circumstances, although the Group strived to manage the market exposures appropriately and reduce operation costs and improve vessel operation efficiency, the overall Dry Bulk Segment recorded a year-on-year decrease both in revenue and profit due to delayed effects of contracts concluded in the previous fiscal year and temporary factors.

(ii) Energy Resource Transport Segment

LNG Carrier, Electricity Business, Tanker Carrier and Offshore Business

Concerning LNG carriers, thermal coal carriers, large crude oil tankers (VLCCs), LPG carriers, drillship and FPSO (Floating Production, Storage and Offloading system), the business stayed firm for mid- and long-term charter contracts and contributed to secure stable profit.

On the other hand, partly due to reorganizations of operating ships conducted last fiscal year, the overall Energy Resource Transport Segment recorded a year-on-year increase in revenue but decrease in profit.

(iii) Product Logistics Segment

Car Carrier Business

In the global car sales market, recovery continued while the impact of supply shortages of semiconductors and auto parts on production and shipments gradually decreased. Meanwhile, the Group continued efforts to restore freight rates and improve operational efficiency.

Logistics Business

In the domestic logistics and port business, the domestic container handling volume decreased year-on-year. In the towage business and warehousing business, work volume stayed firm. As for the international logistics sector, market rates were sluggish and the downtrend in ocean and air cargo transportation demand continued in the forwarding business from the beginning of the year. In the finished vehicle transportation business, the port congestion in Australia continued, but demand was still high and both land transportation volume and storage volume increased year-on-year.

Short Sea and Coastal Business

In the short sea business, despite the stable transportation volume in steel products and biomass fuel transportation, the total transportation volume significantly decreased year-on-year due to a considerable decline in the transportation of Russian coal. In the coastal business, although the number of users of passenger and car transportation increased during the busy period, the total transportation volume decreased year-on-year due to a

decline in cargo movement resulting from high price level and a decline in vessel availability due to stormy weather. The transportation volume of dedicated vessels for tramp services decreased year-on-year due to a long-term periodic inspection at the thermal power plant.

Containership Business

Although short-term freight rates have showed a certain level of increase because of easing of surplus in vessel due to continued detouring via the Cape of Good Hope route caused by the situation in the Middle East since the fourth quarter, "ONE", the affiliate company accounted with the equity method recorded a significant year-on-year decrease in revenue and profit because of sluggish cargo movement until the end of the third quarter and increased supply resulting from delivery of newly built vessels.

The overall Product Logistics Segment recorded a year-on-year increase in revenue but decrease in profit.

(iv) Other

Other includes but not limited to the Group's ship management service, travel agency service, and real estate and administration service. The segment recorded a year-on-year decrease in revenue but increase in profit.

2)Prospect for Fiscal year 2024

For the fiscal year ending March 31, 2025, the Group is projecting the performance as follows.

(Billion yen; Percentages indicate year-on-year changes.)

	Operating Revenue		Operating Income		Ordinary Income		Profit attributable to owners of the parent	
Fiscal Year 2024 (End March 2025)	980.0	1.8%	93.0	9.7%	135.0	(0.6%)	120.0	14.5%

(Exchange Rate(¥/US\$) : ¥140.95/ Fuel Oil Price(US\$/MT) : US\$640)

In the Dry Bulk Segment, despite some factors of concern, such as the uncertainty about the future of the Chinese economy, the economic stagnation in Europe, and the growing geopolitical risks in areas such as the Middle East, the mid-term vessel supply-demand balance will be tight against the backdrop of limited building of new ships, and market rates are expected to stay firm overall with strong cargo movement. The Group will watch out for changes in transportation demand and trade patterns and prepare to promptly respond. At the same time, amid growing need to deal with environmental problems, taking advantage of its business foundation and high-quality transportation, the Group will strive to secure stable profit by increasing vessel operation efficiency and reducing costs as well as increasing mid- and long-term contracts while maintaining appropriate risk control.

In the Energy Resource Transport Segment, the Group will continue efforts to secure stable profit as it expects to ensure smooth business operations, supported by mid- and long-term contracts, with respect to LNG carriers, thermal coal carriers, large crude oil tankers (VLCCs), LPG carriers, drillship and FPSO (Floating Production, Storage and Offloading systems).

As for the Product Logistics Segment, in the car carrier business, despite concern in the global auto market about the global economic recession risk and geopolitical risks, production and shipment are expected to stay firm. The Group will continue to strive to optimize our fleet and improve the efficiency of vessel operation and allocation.

In the logistics business, regarding the domestic logistics and port business, the current trends in the container handling volume are expected to continue, and the cargo volume for the next fiscal year is expected to be at the same level as the current fiscal year. In the towage business and the warehouse business, the Group expects the same level of profits as the current fiscal year. As for the international logistics sector, in the forwarding business, the Group expects that demand for ocean and air transportation and freight rates will recover more slowly than in

the current fiscal year. In the finished vehicle transportation business operated overseas, both land transportation volume and storage volume are expected to remain firm.

In the short sea business, the transportation volume of biomass fuel is expected to increase year-on-year. In the coastal business, although demand for car and passenger transportation has been increasing, the Group expects a fall in demand after the demand increase seen in the previous year when the COVID-19 pandemic was suppressed. The total transportation volume is expected to decrease year-on-year due to sluggish cargo movements resulting from a decline in demand. The Group aims to improve its balance of payment by reducing the number of services of the Kyushu route. The Group expects to ensure the generally smooth operation of ships for tramp services and to secure the transportation volume on par with the previous year for general cargo ships.

In the container shipping business, while gradual recoveries in demand for cargo movement are expected with the United States at the center, a full-scale recovery is not anticipated due to geopolitical instability and ongoing inflation. In addition, with delivery of newly built vessels reaches its peak, supply is expected to exceed demand continuously. However, increasing utilization of the Cape of Good Hope route, stemming from the uncertain situation in the Middle East, is expected to generate high vessel demand. "ONE" will continue to closely monitor the economic environment and strive for steady business operations by implementing flexible allocation of vessels and efficient operations.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Consolidated assets at the end of March 2024 were ¥2,109.4 billion, an increase of ¥56.8 billion from the end of the previous fiscal year. Current assets decreased by ¥46.6 billion from the end of the previous fiscal year, due mainly to a decrease in Marketable securities. Non-current assets increased by ¥103.4 billion, mainly as a result of an increase in investment securities.

Consolidated liabilities decreased by ¥21.1 billion to ¥484.8 billion from the end of the previous fiscal year, mainly as a result of a decrease in long-term loans, less current portion.

Consolidated net assets were ¥1,624.6 billion, an increase of ¥77.9 billion compared to the end of the previous fiscal year, mainly as a result of an increase in foreign currency translation adjustments.

2) Cash Flows

Total cash and cash equivalents at the end of fiscal year 2023 were ¥269.4 billion, a decrease of ¥77.3 billion over the end of the previous fiscal year. Details of each cash flow source are as follows:

Cash flows from operating activities were a net cash inflow of ¥203.0 billion (compared to a net cash inflow of ¥456.0 billion in the previous fiscal year) due mainly to profit before income taxes.

Cash flows from investing activities resulted in a net cash outflow of ¥66.9 billion (compared to a net cash outflow of ¥46.7 billion in the previous fiscal year) due mainly to purchase of vessels, property and equipment.

Cash flows from financing activities resulted in a net cash outflow of ¥223.7 billion (compared to a net cash outflow of ¥300.7 billion in the previous fiscal year) due mainly to repayments of long-term loans, cash dividends paid and purchase of treasury stock.

Reference: Changes in cash flow-related indicators

	Fiscal Year Ended March 2020	Fiscal Year Ended March 2021	Fiscal Year Ended March 2022	Fiscal Year Ended March 2023	Fiscal Year Ended March 2024
Equity ratio (%)	11.3	22.4	56.2	73.8	75.5
Equity ratio (based on market value) (%)	8.5	24.3	47.5	36.4	67.8
Ratio of debt to cash flow (annual)	-	15.2	1.9	0.8	1.4
Interest coverage ratio (x)	-	3.3	22.0	47.1	20.4

*Equity ratio is the shareholders' equity divided by total assets.

Equity ratio (based on market value) is market capitalization divided by total assets.

Ratio of debt to cash flow is interest-bearing liabilities divided by cash flow.

Interest coverage ratio is cash flow divided by interest expenses.

Notes

1. Indicators are calculated on the basis of consolidated figures.
2. Market capitalization is calculated based on the number of shares outstanding, not including treasury stock.
3. Cash flows above refer to cash flows from operating activities.
4. Interest-bearing liabilities are the total of all liabilities on the consolidated balance sheet on which interest is paid. Interest paid shown in the consolidated statement of cash flows is used as interest expenses.
5. The ratio of debt to cash flow and the interest coverage ratio for the fiscal year ended March 2020 was omitted since the cash flows from operating activities were negative.

(3) Basic Dividend Policy and Dividend Payments for Fiscal Year 2023 and Following Fiscal Year

Our basic policy is to improve shareholder profits over the medium and long terms by proactively promoting shareholder returns, including share buyback. This is done by taking cash flow into consideration and ensuring the investment level and financial stability necessary to improve our corporate value while being conscious of optimal capital structure and cash allocation.

Based on this basic policy, regarding dividend for the fiscal year ended March 31, 2024, the Company has implemented an interim dividend of 100 yen per share. Also, in line with the dividend forecast announced on February 2, 2024, the Company is planning the year-end dividend at 150 yen per share and an annual dividend of 250 yen per share.

Above will be implemented subject to the resolution at the Ordinary General Meeting of Shareholders scheduled in June 2024.

Regarding the dividend for the fiscal year ending March 31, 2025, in accordance with the annual dividend of 83.33 yen per share (basic dividend of 40 yen per share and additional dividend of 43.33 yen per share) announced on February 2, 2024, we plan to add an extra dividend of 1.67 yen per share, planning for an annual dividend of 85 yen per share.

Regarding the dividend for the fiscal year ending March 31, 2026, and March 31, 2027, taking into account the comprehensive consideration of performance prospects and other factors, in accordance with the annual dividend of 40 yen per share announced on May 8, 2023, the Company plans to add an additional dividend of 45 yen per share to the basic dividend of 40 yen per share announced on May 8, 2023, planning for an annual dividend of 85 yen per share.

(Note)

As stated in the "Notice regarding Stock Split and Partial Amendment to the Articles of Incorporation" announced February 2, 2024, a stock split has been conducted at a ratio of 3 shares for every 1 share of common stock, effective from April 1, 2024. Forecast of annual dividend for the fiscal year ending March 31, 2025, ending March 31, 2026, and ending March 31, 2027, are stated based on the post-split basis.

At the meeting of the Board of Directors held on May 7, 2024, the company resolved to repurchase its stock in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to paragraph 3 of Article 165 of the Companies Act of Japan. Please refer to (Stock repurchase) in the section of (Significant Subsequent Event) for details.

6. Basic Approach to Selection of Accounting Standards

To allow reliable year-on-year and company-to-company comparisons, the Group's policy for the time being is to prepare its consolidated financial statements according to Japanese accounting standards.

With respect to application of IFRS, our policy is to respond appropriately based on consideration of various domestic and overseas circumstances.

7. Consolidated Financial Statements

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

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
ASSETS		
Current assets :		
Cash and deposits	247,429	272,616
Accounts and notes receivable - trade and contract assets	107,522	129,632
Marketable securities	102,001	-
Raw materials and supplies	38,356	42,513
Deferred and prepaid expenses	22,018	25,629
Short-term loans receivable	2,293	1,688
Other current assets	16,345	17,609
Allowance for doubtful accounts	(1,074)	(1,411)
Total current assets	534,894	488,278
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	319,329	324,106
Buildings and structures, net	9,709	9,600
Machinery, equipment and vehicles, net	3,129	3,245
Land	15,537	15,548
Construction in progress	18,842	51,364
Other, net	5,599	6,452
Total vessels, property and equipment	372,147	410,318
(Intangible assets)		
Other intangible assets	3,808	6,036
Total intangible assets	3,808	6,036
(Investments and other assets)		
Investment securities	1,070,227	1,139,971
Long-term loans receivable	24,568	20,479
Asset for retirement benefits	1,400	2,387
Deferred tax assets	6,175	3,728
Other investments and other assets	41,323	39,955
Allowance for doubtful accounts	(1,930)	(1,723)
Total investments and other assets	1,141,765	1,204,799
Total non-current assets	1,517,722	1,621,154
Total assets	2,052,616	2,109,432

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
LIABILITIES		
Current liabilities :		
Accounts and notes payable - trade	62,803	77,596
Short-term loans and current portion of long-term loans	50,691	49,135
Lease obligations	13,367	11,958
Accrued income taxes	2,095	3,399
Provision for loss related to the Anti-Monopoly Act	1,692	3,821
Provision for loss on chartering contracts	9,609	5,442
Provision for bonuses	4,489	3,393
Provision for directors' bonuses	523	418
Other current liabilities	40,106	54,742
Total current liabilities	185,378	209,908
Non-current liabilities :		
Bonds	-	8,000
Long-term loans, less current portion	267,313	206,107
Lease obligations	20,320	12,580
Deferred tax liabilities	4,044	16,519
Deferred tax liabilities on land revaluation	1,174	1,174
Provision for directors' and audit and supervisory board members' retirement benefits	83	38
Provision for directors' stock benefits	1,192	2,300
Provision for periodic dry docking of vessels	14,810	16,542
Liability for retirement benefits	6,441	4,855
Other non-current liabilities	5,177	6,805
Total non-current liabilities	320,558	274,924
Total liabilities	505,937	484,832
NET ASSETS		
Shareholders' equity :		
Common stock	75,457	75,457
Capital surplus	29,102	29,102
Retained earnings	1,302,769	1,233,274
Treasury stock	(6,550)	(7,648)
Total shareholders' equity	1,400,779	1,330,186
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	6,482	13,030
Deferred gain (loss) on hedges	2,100	3,076
Revaluation reserve for land	4,682	4,677
Foreign currency translation adjustments	103,353	240,272
Retirement benefits liability adjustments	(2,000)	681
Total accumulated other comprehensive income	114,619	261,738
Non-controlling interests	31,280	32,674
Total net assets	1,546,679	1,624,600
Total liabilities and net assets	2,052,616	2,109,432

Consolidated Statement of Operations

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Marine transportation and other operating revenues	942,606	962,300
Marine transportation and other operating costs and expenses	799,881	801,126
Gross profit (loss)	142,724	161,174
Selling, general and administrative expenses	63,866	76,410
Operating income (loss)	78,857	84,763
Non-operating income :		
Interest income	2,805	3,755
Dividend income	2,517	3,285
Equity in earnings of unconsolidated subsidiaries and affiliates	627,759	51,710
Foreign exchange gains	-	5,192
Other non-operating income	2,950	1,884
Total non-operating income	636,033	65,828
Non-operating expenses :		
Interest expenses	9,996	9,642
Foreign exchange losses	9,723	-
Loss on valuation of derivatives	-	3,469
Other non-operating expenses	4,332	1,683
Total non-operating expenses	24,052	14,795
Ordinary income (loss)	690,839	135,796
Extraordinary income :		
Gain on sales of non-current assets	3,829	1,926
Gain on liquidation of subsidiaries and affiliates	447	428
Other extraordinary income	472	1,132
Total extraordinary income	4,748	3,487
Extraordinary losses :		
Impairment losses	18	258
Loss on change in equity	614	-
Loss on valuation of marketable securities	-	1,558
Provision for loss related to the Anti-Monopoly Act	1,335	2,485
Other extraordinary losses	742	1,232
Total extraordinary losses	2,710	5,535
Profit (loss) before income taxes	692,877	133,748
Income taxes :		
Current	3,864	15,640
Deferred	(9,982)	11,188
Total income taxes	(6,117)	26,829
Profit (loss)	698,994	106,918
Profit (loss) attributable to non-controlling interests	4,090	2,142
Profit (loss) attributable to owners of the parent	694,904	104,776

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Profit (loss)	698,994	106,918
Other Comprehensive income:		
Net unrealized holding gain (loss) on investment securities	894	6,484
Deferred gain (loss) on hedges	402	613
Foreign currency translation adjustments	12,014	15,584
Retirement benefits liability adjustments	(29)	2,754
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	81,759	122,619
Total other comprehensive income	95,042	148,054
Comprehensive income	794,036	254,973
(Breakdown)		
Comprehensive income attributable to owners of the parent	789,261	251,900
Comprehensive income attributable to non-controlling interests	4,774	3,073

Consolidated Statement of Changes in Net Assets

Kawasaki Kisen Kaisha Ltd. and Consolidated Subsidiaries for the year ended March 31, 2023

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2022	75,457	14,214	777,130	(2,378)	864,424
Change in items during the year					
Cash dividends			(84,613)		(84,613)
Profit (loss) attributable to owners of the parent			694,904		694,904
Purchase of treasury stock				(89,558)	(89,558)
Disposal of treasury stock		60		30	90
Cancellation of treasury stock		(381)	(84,574)	84,955	-
Disposal of treasury stock for the Board Benefit Trust					-
Purchase of treasury stock by the Board Benefit Trust					-
Share exchanges		14,898		400	15,299
Changes in a foreign affiliated company's interests in its subsidiary					-
Change in ownership interest of parent due to transactions with non-controlling interests		310			310
Reversal of revaluation reserve for land			(52)		(52)
Net changes in retained earnings from changes in scope of consolidation or equity method			(25)		(25)
Net changes in items other than shareholders' equity					
Net changes during the year	-	14,888	525,639	(4,172)	536,355
Balance at March 31, 2023	75,457	29,102	1,302,769	(6,550)	1,400,779

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized holding gain (loss) on investments in securities	Deferred gain (loss) on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2022	5,474	(893)	4,630	12,954	(1,956)	20,209	100,248	984,882
Change in items during the year								
Cash dividends								(84,613)
Profit (loss) attributable to owners of the parent								694,904
Purchase of treasury stock								(89,558)
Disposal of treasury stock								90
Cancellation of treasury stock								-
Disposal of treasury stock for the Board Benefit Trust								-
Purchase of treasury stock by the Board Benefit Trust								-
Share exchanges								15,299
Changes in a foreign affiliated company's interests in its subsidiary								-
Change in ownership interest of parent due to transactions with non-controlling interests								310
Reversal of revaluation reserve for land								(52)
Net changes in retained earnings from changes in scope of consolidation or equity method								(25)
Net changes in items other than shareholders' equity	1,007	2,994	52	90,398	(43)	94,409	(68,968)	25,441
Net changes during the year	1,007	2,994	52	90,398	(43)	94,409	(68,968)	561,796
Balance at March 31, 2023	6,482	2,100	4,682	103,353	(2,000)	114,619	31,280	1,546,679

Consolidated Statement of Changes in Net Assets

Kawasaki Kisen Kaisha Ltd. and Consolidated Subsidiaries for the year ended March 31, 2024

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2023	75,457	29,102	1,302,769	(6,550)	1,400,779
Change in items during the year					
Cash dividends			(98,422)		(98,422)
Profit (loss) attributable to owners of the parent			104,776		104,776
Purchase of treasury stock				(56,211)	(56,211)
Disposal of treasury stock		0		159	159
Cancellation of treasury stock		(788)	(54,954)	55,743	-
Disposal of treasury stock for the Board Benefit Trust		788		4,051	4,839
Purchase of treasury stock by the Board Benefit Trust				(4,839)	(4,839)
Share exchanges					-
Changes in a foreign affiliated company's interests in its subsidiary			(20,908)		(20,908)
Change in ownership interest of parent due to transactions with non-controlling interests					-
Reversal of revaluation reserve for land			5		5
Net changes in retained earnings from changes in scope of consolidation or equity method			8		8
Net changes in items other than shareholders' equity					
Net changes during the year	-	0	(69,495)	(1,097)	(70,592)
Balance at March 31, 2024	75,457	29,102	1,233,274	(7,648)	1,330,186

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized holding gain (loss) on investments in securities	Deferred gain (loss) on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2023	6,482	2,100	4,682	103,353	(2,000)	114,619	31,280	1,546,679
Change in items during the year								
Cash dividends								(98,422)
Profit (loss) attributable to owners of the parent								104,776
Purchase of treasury stock								(56,211)
Disposal of treasury stock								159
Cancellation of treasury stock								-
Disposal of treasury stock for the Board Benefit Trust								4,839
Purchase of treasury stock by the Board Benefit Trust								(4,839)
Share exchanges								-
Changes in a foreign affiliated company's interests in its subsidiary								(20,908)
Change in ownership interest of parent due to transactions with non-controlling interests								-
Reversal of revaluation reserve for land								5
Net changes in retained earnings from changes in scope of consolidation or equity method								8
Net changes in items other than shareholders' equity	6,548	975	(5)	136,918	2,681	147,119	1,394	148,513
Net changes during the year	6,548	975	(5)	136,918	2,681	147,119	1,394	77,920
Balance at March 31, 2024	13,030	3,076	4,677	240,272	681	261,738	32,674	1,624,600

Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities:		
Profit (loss) before income taxes	692,877	133,748
Depreciation and amortization	42,396	45,360
Increase (decrease) in liability for retirement benefits	439	(1,663)
(Increase) decrease in asset for retirement benefits	(171)	(986)
Increase (decrease) in retirement benefits liability adjustments	(125)	3,057
Increase (decrease) in provision for directors' and audit and supervisory board members' retirement benefits	(79)	(44)
Increase (decrease) in provision for periodic dry docking of vessels	1,389	1,672
Increase (decrease) in provision for loss related to the Anti-Monopoly Act	1,335	2,485
Increase (decrease) in provision for loss on chartering contracts	(4,294)	(4,166)
Increase (decrease) in provision for directors' stock benefits	885	1,267
Interest and dividend income	(5,323)	(7,040)
Interest expenses	9,996	9,642
Foreign exchange losses (gains)	7,786	(5,754)
Impairment losses	18	258
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(627,759)	(51,710)
(Gain) loss on sales of vessels, property and equipment	(3,802)	(1,919)
(Gain) loss on valuation of marketable securities	-	1,558
(Gain) loss on change in equity	614	-
(Gain) loss on liquidation of subsidiaries and affiliates	(321)	(147)
(Increase) decrease in accounts and notes receivable - trade and contract assets	(1,651)	(19,275)
(Increase) decrease in inventories	(1,642)	(3,850)
(Increase) decrease in other current assets	(8,586)	(3,041)
Increase (decrease) in accounts and notes payable - trade	(1,969)	11,826
Increase (decrease) in other current liabilities	(1,935)	9,993
Other, net	3,414	(309)
Subtotal	103,489	120,961
Interest and dividends income received	368,103	106,910
Interest expenses paid	(9,676)	(9,939)
Payments for cancellation of chartered vessels	(546)	-
Payments related to the Anti-Monopoly Act	(399)	(459)
Income taxes paid	(4,919)	(14,377)
Net cash provided by (used in) operating activities	456,049	203,095
Cash flows from investing activities:		
Payments into time deposits	(4,231)	(4,801)
Proceeds from withdrawal of time deposits	4,729	4,509
Purchases of marketable securities and investment securities	(21,669)	(8,520)
Proceeds from sales of marketable securities and investment securities	965	574
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	4,882	33
Purchase of vessels, property and equipment	(67,641)	(82,635)
Proceeds from sales of vessels, property and equipment	37,746	20,108
Purchase of intangible assets	(867)	(2,227)
Payments of long-term loans receivable	(2,264)	(330)
Collection of long-term loans receivable	3,835	7,118
Other, net	(2,230)	(741)
Net cash provided by (used in) investing activities	(46,745)	(66,911)

Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from financing activities:		
Increase (decrease) in short-term loans, net	(635)	(166)
Proceeds from long-term loans	44,450	27,291
Repayments of long-term loans and obligations under finance leases	(102,294)	(102,565)
Proceeds from issuance of bonds	-	8,000
Redemption of bonds	(7,000)	-
Purchase of treasury stock	(89,558)	(56,353)
Cash dividends paid	(84,506)	(98,307)
Cash dividends paid to non-controlling interests	(4,035)	(1,710)
Repayments to non-controlling interests	(56,875)	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(289)	-
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	11	134
Other, net	(57)	(49)
Net cash provided by (used in) financing activities	(300,790)	(223,727)
Effect of exchange rate changes on cash and cash equivalents	(6,001)	10,186
Net increase (decrease) in cash and cash equivalents	102,512	(77,357)
Cash and cash equivalents at beginning of the year	244,316	346,831
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	2	0
Cash and cash equivalents at end of the year	346,831	269,474

8. Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

Segment information

Year ended March 31, 2023

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	307,835	96,024	513,637	10,195	927,693	-	927,693
Other revenues	4,431	4,201	6,156	123	14,912	-	14,912
Operating revenues from customers	312,267	100,225	519,794	10,318	942,606	-	942,606
Inter-group revenues and transfers	42	24	5,516	57,421	63,004	(63,004)	-
Total revenues	312,309	100,250	525,310	67,739	1,005,610	(63,004)	942,606
Segment profit (loss)	19,130	9,061	669,917	804	698,913	(8,074)	690,839
Segment assets	285,917	236,256	1,482,497	47,468	2,052,140	476	2,052,616
Depreciation and amortization	14,697	9,997	16,596	679	41,970	426	42,396
Interest income	242	719	326	128	1,417	1,388	2,805
Interest expenses	2,244	2,469	637	28	5,380	4,615	9,996
Equity in earnings (loss) of unconsolidated subsidiaries and affiliates	88	2,956	624,458	256	627,759	-	627,759
Investments in subsidiaries and affiliates accounted for by the equity method	589	38,046	974,412	5,102	1,018,150	-	1,018,150
Increase in vessels, property and equipment, and intangible assets	4,545	32,457	34,044	246	71,294	533	71,827

Year ended March 31, 2024

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	291,518	103,661	545,998	9,984	951,162	-	951,162
Other revenues	3,539	3,323	4,155	118	11,137	-	11,137
Operating revenues from customers	295,057	106,985	550,154	10,102	962,300	-	962,300
Inter-group revenues and transfers	99	16	4,363	70,000	74,478	(74,478)	-
Total revenues	295,156	107,002	554,517	80,103	1,036,779	(74,478)	962,300
Segment profit (loss)	3,606	7,954	131,130	1,435	144,127	(8,331)	135,796
Segment assets	248,392	255,602	1,552,490	47,265	2,103,750	5,682	2,109,432
Depreciation and amortization	15,802	11,089	17,464	757	45,113	246	45,360
Interest income	231	741	599	123	1,696	2,058	3,755
Interest expenses	2,412	2,425	325	29	5,193	4,449	9,642
Equity in earnings (loss) of unconsolidated subsidiaries and affiliates	62	3,305	47,991	351	51,710	-	51,710
Investments in subsidiaries and affiliates accounted for by the equity method	720	41,367	1,023,463	5,183	1,070,735	-	1,070,735
Increase in vessels, property and equipment, and intangible assets	11,954	40,029	33,196	279	85,460	396	85,857

Since the beginning of this fiscal year, The Company partly changed the allocation method of corporate expenses to present the condition of each segment in a more appropriate manner. Segment information for the fiscal year 2023 and 2022 are presented based on the changed allocation method.

(Significant Subsequent Event)

(Stock split)

Based on the resolution at the Board of Directors' meeting held on February 2, 2024, the Company implemented a stock split effective April 1, 2024.

1. Purpose of the stock split

The purpose is to further expand the investor base by reducing the Company's stock price per investment unit and creating an environment in which investors including individual investors can invest more easily, and to increase share liquidity.

2. Method of the stock split

The Company implemented a 3-for-1 stock split of common shares owned by shareholders listed or recorded in the closing register of shareholders with a record date of March 31, 2024.

3. Number of shares to be increased by the stock split

Total number of issued shares before the stock split	238,242,689 shares
Increase in number of shares due to the stock split	476,485,378 shares
Total number of issued shares after the stock split	714,728,067 shares
Total number of shares authorized to be issued after the stock split	1,800,000,000 shares

4. Schedule of the stock split

Date of public notice of the record date	March 11, 2024
Record date	March 31, 2024 (R1)
Effective date	April 1, 2024

(R1) As the record date falls on a holiday of the shareholder registry administrator, the actual record date is Friday, 29 March 2024.

(Stock repurchase)

At the meeting of the Board of Directors held on May 7, 2024, the Company resolved to repurchase its stock in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to paragraph 3 of Article 165 of the Companies Act of Japan. Details of the repurchase are as follows.

1. Purpose of the stock repurchase

The company is always conscious of capital efficiency. Our basic policy is to improve shareholder profits over the medium and long terms by proactively promoting shareholder returns, including share buyback. This is done by taking cash flow into consideration and ensuring the investment level and financial stability necessary to improve our corporate value. Furthermore, in five-year medium-term management plan for the fiscal year 2022 to the fiscal year 2026, we have raised the lower limit of the total amount of shareholder returns from at least 500.0 billion yen to at least 700.0 billion yen. For fiscal year 2024 and beyond, we plan to implement an additional return of 150.0 billion yen in addition to the basic dividend and additional dividend. Considering the scale of this additional shareholder's return, the Company has determined that the best way to do this will be to perform a share buyback capped at 100.0 billion yen. The buyback will be implemented based on these policies.

2. Details of repurchase

(1) Class of share: Common stock of the company

(2) Total number of shares of common stock to be repurchased: Up to 39,556,000 shares
(5.5% of the total number of shares of common stock outstanding excluding treasury stock)

(3) Total amount: Up to 100,000,000,000 yen

(4) Period: From May 8, 2024 to July 31, 2024

(5) Repurchase method: Purchase on the Tokyo Stock Exchange through off-auction own share repurchase trading (ToSTNeT-3) and Auction market

3. Others

In principle, the shares to be repurchased will be cancelled.