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February 4, 2025

## Financial Highlights for 3rd Quarter FY2024

(Under Japanese GAAP) (Unaudited)

Company name:	Kawasaki Kisen Kaisha, Ltd.
Listing:	Prime Market of Tokyo Stock Exchange
Securities code:	9107
URL:	<a href="https://www.kline.co.jp/en/">https://www.kline.co.jp/en/</a>
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 to commence dividend payments:	-
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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(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	%
Nine months ended December 31, 2024	804,959	12.5	92,245	31.5	288,854	193.2	284,711	283.9
Nine months ended December 31, 2023	715,410	(1.8)	70,173	(12.9)	98,515	(84.7)	74,162	(88.4)

Note: Comprehensive income for the nine months ended December 31, 2024: ¥ 335,503 million [123.9%]

For the nine months ended December 31, 2023: ¥ 149,828 million [(79.7)%]

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Nine months ended December 31, 2024	423.19	-
Nine months ended December 31, 2023	102.19	-

1. 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 on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2024.
2. Due to a change in accounting policy, results for the nine months ended December 31, 2023, have been re-presented retrospectively.

## (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2024	2,275,953	1,740,318	75.0
As of March 31, 2024	2,109,432	1,624,600	75.5

Reference: Shareholders' equity:

As of December 31, 2024: ¥ 1,707,356 million

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

\*Due to a change in accounting policy, figures as of March 31, 2024, have been re-presented retrospectively.

## 2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	-	100.00	-	150.00	250.00
Year ending March 31, 2025	-	50.00	-		
Year ending March 31, 2025 (Forecast)				50.00	100.00

\*Revision to the forecast of dividends most recently announced: None

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 represent the actual amount of dividend before the stock split.

## 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
Year ending March 31, 2025	1,050,000	9.6	106,000	26.0	300,000	126.0	295,000	189.2	443.40

\*Revision to Consolidated Financial Forecasts most recently announced: Yes

Percentage change year-on-year is shown in comparison with the retroactively adjusted figures for the previous year due to a change in accounting policy.

#### 4. Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: None

Excluded: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:

None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2024	675,172,067 shares
As of March 31, 2024	714,728,067 shares

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

As of December 31, 2024	34,690,757 shares
As of March 31, 2024	7,773,052 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	672,767,795 shares
Nine months ended December 31, 2023	725,752,328 shares

\*The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. 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 the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2024.

\*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\*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 (3) Description of Information on Future Outlook, Including Forecast of Consolidated Financial Results” for assumptions related to the forecast.

## 5. Qualitative Information on Financial Results

### (1) Description of Operating Results

(Billion yen)

	Nine months ended December 31, 2023	<b>Nine months ended December 31, 2024</b>	Change	% Change
Operating revenues	715.4	<b>804.9</b>	89.5	12.5%
Operating income (loss)	70.1	<b>92.2</b>	22.0	31.5%
Ordinary income (loss)	98.5	<b>288.8</b>	190.3	193.2%
Profit (loss) attributable to owners of the parent	74.1	<b>284.7</b>	210.5	283.9%

Exchange Rate (¥/US\$) (9-month average)	142.86	<b>152.27</b>	9.41	6.6%
Fuel oil price (US\$/MT) (9-month average)	619	<b>618</b>	(1)	(0.2%)

The company recorded 188.5 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the consolidated cumulative third quarter of this fiscal year and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 185.9 billion yen of this amount.

The company has changed the currency conversion method into Japanese yen in income and expenses of foreign consolidated subsidiaries from using spot rate on the financial closing date to average rate of during the term from the beginning of the first quarter ended June 30, 2024. Due to this change, the Company has compared the results for the nine months ended December 31, 2024, and the results for the nine months ended December 31, 2023, that have been re-presented retrospectively.

Performance per segment was as follows.

(Billion yen)

		Nine months ended December 31, 2023	<b>Nine months ended December 31, 2024</b>	Change	% Change
Dry bulk	Operating revenues	216.5	<b>253.3</b>	36.8	17.0%
	Segment profit (loss)	1.6	<b>16.2</b>	14.6	873.3%
Energy resource transport	Operating revenues	81.1	<b>76.7</b>	(4.3)	(5.4%)
	Segment profit (loss)	4.5	<b>6.3</b>	1.8	40.8%
Product logistics	Operating revenues	410.0	<b>466.3</b>	56.2	13.7%
	Segment profit (loss)	96.7	<b>269.7</b>	172.9	178.7%
Other	Operating revenues	7.6	<b>8.5</b>	0.8	10.7%
	Segment profit (loss)	1.2	<b>0.2</b>	(1.0)	(78.1%)
Adjustments and eliminations	Segment profit (loss)	(5.7)	<b>(3.8)</b>	1.9	-%
Total	Operating revenues	715.4	<b>804.9</b>	89.5	12.5%
	Segment profit (loss)	98.5	<b>288.8</b>	190.3	193.2%

### **(i) Dry Bulk Segment**

#### Dry Bulk Business

In the Cape-size sector, while transportation demand had stayed firm from the beginning of the fiscal year, the cargo movement of iron ore decreased towards the end of the year due to the economic slowdown in China, which increased the vessel supply and resulted in a decline in market rates.

In the medium-small vessel sector, while demand for coal and steel transportation stayed firm, the shipment of grain from South America decreased partly due to the strong harvest in China, which increased the vessel supply since last October and resulted in a decline in market rates towards the end of the year.

Under these circumstances, the Group focused on managing the market exposures appropriately and reducing operation costs and improving vessel operation efficiency.

The overall Dry Bulk Segment recorded a year-on-year increase both in revenue and profit.

### **(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 securing stable profit.

The overall Energy Resource Transport Segment recorded a year-on-year decrease in revenue but increased in profit.

### **(iii) Product Logistics Segment**

#### Car Carrier Business

Despite the ongoing impact of the Middle East situation and port congestion in some areas, efficient vessel allocation and operation helped to maintain ocean transportation volumes.

#### Logistics Business

In the domestic logistics and port business, the container handling volume stayed firm. In the towage business and warehouse business, work volume stayed firm. As for the international logistics business, the cargo volume of semiconductors and automobiles in the forwarding business have been on a recovery trend as compared to the first half of this fiscal year. In the finished car transportation business, while the number of new car sales, a key driver for cargo volume at Australian ports, stayed high, the transportation volume temporarily declined as compared to the first half of this fiscal year due to factors such as the decrease in the number of vessels calling at these ports due to the quarantine issues.

#### Short Sea and Coastal Business

In the short sea business, while the transportation volume in steel products and biomass fuel increased year-on-year, bulk transportation volume for slag decreased. As a result, the total transportation volume remained almost flat year-on-year. In the coastal business, the cargo movement of agricultural and fishery products and construction materials by liner transportation stayed firm, but the total transportation volume decreased year-on-year due to the decrease in vessel operation for ferry transportation and reductions in services on some routes. The transportation volume for tramp services increased year-on-year due to stable operations.

## Containership Business

Cargo movement to North America remained at a high level due to strong personal consumption and advanced shipping demand resulting from concerns about potential strikes following the breakdown of labor negotiations on the East Coast of North America. Cargo movement to Europe also remained strong, supported by the recovery in personal consumption due to inflation relief.

In the third quarter, while the supply of vessel capacity continued to increase, it was absorbed by the deviations via the Cape of Good Hope and port congestion, resulting in no significant fluctuations in overall supply and demand. Additionally, with short-term freight rates remaining stable, there was an increase in revenue and profit compared to the same period of last year.

The overall Product Logistics Segment recorded a year-on-year increase both in revenue and profit.

### (iv) Other

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

## (2) Description of Financial Position

Total assets at the end of the consolidated third Quarter of this fiscal year were ¥2,275.9 billion, an increase of ¥166.5 billion from the end of the previous fiscal year as a result of an increase in investment securities and other factors.

Total liabilities increased by ¥50.8 billion to ¥535.6 billion as a result of an increase in long-term loans, less current portion and other factors compared to the end of the previous fiscal year.

Total net assets were ¥1,740.3 billion, an increase of ¥115.7 billion compared to the end of the previous fiscal year as a result of an increase in retained earnings and other factors.

## (3) Description of Information on Future Outlook, Including Forecast of Consolidated Financial Results

(Billion yen)

	Prior Forecast (at the time of announcement of the 2nd Quarter result)	Current Forecast (at the time of announcement of the 3rd Quarter result)	Change	% Change
Operating revenues	1,030.0	1,050.0	20.0	1.9%
Operating income (loss)	106.0	106.0	0.0	0.0%
Ordinary income (loss)	240.0	300.0	60.0	25.0%
Profit (loss) attributable to owners of the parent	235.0	295.0	60.0	25.5%
Profit (loss) per share (Yen)	347.90	443.40	95.50	
Exchange Rate (¥/US\$)	147.17	152.39	5.21	3.5%
Fuel Oil Price (US\$/MT)	624	608	(16)	(2.5%)

The Company revised estimation for Operating revenues, Ordinary income (loss), Profit (loss) attributable to owners of the parent and Profit (loss) per share in the consolidated financial forecast for the fiscal year ending March 31, 2025, from the previous forecast announced on November 5, 2024. This revision is mainly due to the improvement in the consolidated financial results forecast of the Product Logistics segment.

In the Dry Bulk Segment, despite some factors of concern, such as the unclear outlook for the Chinese economy, the uncertainty of the trade policy to be adopted by the new US administration, and the continuing impact of the Middle East situation, the Group expects that the mid-term vessel supply-demand balance will be tight against the backdrop of limited newbuilt deliveries, and that market rates will stay firm overall with some fluctuations. The

Group will work on increasing vessel operation efficiency and reducing costs, and amid the growing need to deal with environmental issues, taking advantage of its high-quality transportation, the Group will strive to maximize profit by 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, LPG carriers, drillship and FPSO.

As for the Product Logistics Segment, in the car carrier business, despite concern in the global auto market over 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 Group expects that the current trends in the container handling volume will continue, and that the cargo volume shipped to China and other Asian countries will increase year-on-year. In the towage business and the warehouse business, the Group also expects the same level of profits as in the previous fiscal year. As for the international logistics business, in the forwarding business, demand for ocean and air transportation has been on a gradual recovery trend as compared to the previous fiscal year, but market fluctuations are anticipated due to the US trade policy. In the finished car transportation business operated overseas, the Group expects that the decrease in the number of vessels calling at Australian ports due to the quarantine problem will only have a temporary impact, and that both transportation and storage volumes will stay firm.

In the short sea business, while developing our fleet along with the increase in the transportation volume of biomass fuel, the Group will strive to improve profitability by increasing vessel operation efficiency and reducing operation costs. In the coastal business, while the volume of ferry transportation is expected to decrease year-on-year due to reduced operation, the volume of liner transportation is expected to remain almost flat year-on-year due to the steady transportation of construction materials. In tramp services, the Group expects an increase in transportation volume due to smooth operations.

In the container ship business, concerns regarding the trade policies of the new U.S. administration and changes in the Middle East situation are increasing the complexity of the business environment. "ONE" will keep watching changes in the situation, continue to provide flexible vessel allocation and efficient operations in line with demand, and strive for steady business operations.

Our basic policy, positioning the maximization of shareholder value as a key management priority, is to improve corporate value and 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 actively promoting investments essential for enhancing corporate value while maintaining strict investment discipline ensuring both capital efficiency and financial stability necessary to improve our corporate value while being conscious of optimal capital structure.

Based on this basic policy, regarding dividend for the current consolidated fiscal year ending March 31, 2025, the Company plans for the annual dividend per share to be 100.00 yen (basic dividend of 40.00 yen per share, additional dividend of 60.00 yen per share) announced on November 5, 2024. Of this, the interim dividend was decided to be 50.00 yen per share, and the year-end dividend is planned to be 50.00 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 85.00 yen per share announced on May 7, 2024, the Company plans to add an additional dividend of 15.00 yen per share, planning for an annual dividend of 100.00 yen per share (basic dividend of 40.00 yen per share, additional dividend of 60.00 yen per share).

## 6. 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, 2024	As of December 31, 2024
<b>ASSETS</b>		
Current assets :		
Cash and deposits	272,616	217,796
Accounts and notes receivable - trade and contract assets	129,632	122,854
Raw materials and supplies	42,513	39,349
Deferred and prepaid expenses	25,629	27,167
Other current assets	19,297	29,916
Allowance for doubtful accounts	(1,411)	(1,366)
Total current assets	488,278	435,717
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	324,106	379,478
Buildings and structures, net	9,600	9,393
Machinery, equipment and vehicles, net	3,245	3,351
Land	15,548	15,596
Construction in progress	51,364	69,078
Other, net	6,452	7,036
Total vessels, property and equipment	410,318	483,935
(Intangible assets)		
Other intangible assets	6,036	6,647
Total intangible assets	6,036	6,647
(Investments and other assets)		
Investment securities	1,139,971	1,270,368
Long-term loans receivable	20,479	18,746
Asset for retirement benefits	2,387	2,708
Other investments and other assets	43,684	59,280
Allowance for doubtful accounts	(1,723)	(1,451)
Total investments and other assets	1,204,799	1,349,652
Total non-current assets	1,621,154	1,840,235
Total assets	2,109,432	2,275,953

## Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>LIABILITIES</b>		
Current liabilities :		
Accounts and notes payable - trade	77,596	70,677
Short-term loans and current portion of long-term loans	49,135	45,962
Accrued income taxes	3,399	5,844
Provision for loss related to the Anti-Monopoly Act	3,821	1,335
Provision for loss on chartering contracts	5,442	1,342
Other provisions	3,811	1,648
Other current liabilities	66,701	78,137
Total current liabilities	209,908	204,948
Non-current liabilities :		
Bonds	8,000	14,000
Long-term loans, less current portion	206,107	233,369
Provision for directors' and audit and supervisory board members' retirement benefits	38	36
Provision for directors' stock benefits	2,300	1,823
Provision for periodic dry docking of vessels	16,542	19,054
Liability for retirement benefits	4,855	4,938
Other non-current liabilities	37,079	57,463
Total non-current liabilities	274,924	330,686
Total liabilities	484,832	535,634
<b>NET ASSETS</b>		
Shareholders' equity:		
Common stock	75,457	75,457
Capital surplus	29,102	29,102
Retained earnings	1,178,723	1,303,349
Treasury stock	(7,648)	(65,517)
Total shareholders' equity	1,275,636	1,342,392
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	13,030	12,072
Deferred gain (loss) on hedges	3,076	2,321
Revaluation reserve for land	4,677	4,649
Foreign currency translation adjustments	294,822	345,000
Retirement benefits liability adjustments	681	919
Total accumulated other comprehensive income	316,289	364,963
Non-controlling interests	32,674	32,962
Total net assets	1,624,600	1,740,318
Total liabilities and net assets	2,109,432	2,275,953

## Consolidated Statement of Operations

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Marine transportation and other operating revenues	715,410	<b>804,959</b>
Marine transportation and other operating costs and expenses	588,486	<b>654,337</b>
Gross profit (loss)	126,923	<b>150,622</b>
Selling, general and administrative expenses	56,749	<b>58,376</b>
Operating income (loss)	70,173	<b>92,245</b>
Non-operating income :		
Interest income	2,850	<b>3,468</b>
Dividend income	2,337	<b>2,187</b>
Equity in earnings of unconsolidated subsidiaries and affiliates	31,908	<b>188,514</b>
Foreign exchange gains	259	<b>6,316</b>
Other non-operating income	1,284	<b>2,756</b>
Total non-operating income	38,641	<b>203,243</b>
Non-operating expenses :		
Interest expenses	7,420	<b>5,073</b>
Other non-operating expenses	2,878	<b>1,561</b>
Total non-operating expenses	10,299	<b>6,634</b>
Ordinary income (loss)	98,515	<b>288,854</b>
Extraordinary income :		
Gain on sales of non-current assets	1,790	<b>8,935</b>
Other extraordinary income	1,217	<b>308</b>
Total extraordinary income	3,007	<b>9,243</b>
Extraordinary losses :		
Loss on valuation of marketable securities	1,558	—
Loss on valuation of shares of subsidiaries and affiliates	249	<b>91</b>
Other extraordinary losses	355	<b>20</b>
Total extraordinary losses	2,163	<b>112</b>
Profit (loss) before income taxes	99,360	<b>297,986</b>
Income taxes :		
Current	13,475	<b>8,977</b>
Deferred	10,059	<b>2,657</b>
Total income taxes	23,534	<b>11,635</b>
Profit (loss)	75,825	<b>286,351</b>
Profit (loss) attributable to non-controlling interests	1,663	<b>1,639</b>
Profit (loss) attributable to owners of the parent	74,162	<b>284,711</b>

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	<b>Nine months ended December 31, 2024</b>
Profit (loss)	75,825	<b>286,351</b>
Other Comprehensive income :		
Net unrealized holding gain (loss) on investment securities	2,837	<b>(951)</b>
Deferred gain (loss) on hedges	(199)	<b>220</b>
Foreign currency translation adjustments	8,673	<b>4,782</b>
Retirement benefits liability adjustments	499	<b>202</b>
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	62,191	<b>44,898</b>
Total other comprehensive income	74,002	<b>49,152</b>
Comprehensive income	149,828	<b>335,503</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	147,589	<b>333,414</b>
Comprehensive income attributable to non-controlling interests	2,238	<b>2,089</b>

## 7. Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not Applicable.

(Notes on Significant Changes in Amount of Shareholders' Equity)

(Stock Repurchase)

In the current cumulative third quarter, treasury stock increased by ¥90,874 million following the Company's repurchase of 39,556,000 shares of common stock in accordance with a resolution of the Board of Directors at its meeting held on May 7, 2024. Moreover, treasury stock increased by ¥57,233 million following the Company's repurchase of 27,178,900 shares of common stock in accordance with a resolution of the Board of Directors at its meeting held on November 5, 2024.

(Cancellation of Treasury Stock)

In the current cumulative third quarter, Capital surplus, Retained earnings and Treasury stock decreased by ¥0 million, ¥90,003 million and ¥90,003 million respectively, following the Company's cancellation of 39,556,000 shares of common stock on August 7, 2024 in accordance with a resolution of the Board of Directors at its meeting held on July 26, 2024.

(Change in Accounting Standards)

(Application of the Accounting Standard for Current Income Taxes)

Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. have been adopted from the beginning of the first quarter ended June 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting standards has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for the tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter ended June 30, 2024. This change in accounting standards was applied retrospectively. Hence, the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting standards has no impact on the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year.

(Changes of currency conversion method into Japanese yen in income and expenses of foreign consolidated subsidiaries)

Income and expenses of foreign affiliate companies had used to be converted into Japanese yen by using spot rate on the financial closing date. Considering the increased importance of foreign consolidated subsidiaries, and these days aggressive movement of currency exchange rate, the method of using the average conversion rate of during the term may reflect the business results of foreign subsidiaries to the consolidated financial statements much clearer than using the spot rate on the financial closing date, therefore we have changed the conversion rate to average rate of during the term from the beginning of the first quarter ended June 30, 2024.

Regarding figures on the previous corresponding period and the previous financial year end, we use the new changed conversion method.

By this currency conversion method change, operating revenues of the previous corresponding period is increased by ¥51 million, operating income (loss) is increased by ¥20 million, ordinary income (loss) is decreased by ¥63 million, and profit (loss) before income taxes is increased by ¥152 million comparing to the figures by using the previous method. Moreover, accumulated affecting amount reflects the outstanding balance of net assets as of April 1, 2023 and therefore outstanding balance of retained earnings as of April 1, 2023 is decreased by ¥51,763 million and outstanding balance of foreign currency translation adjustments is increased by the same amount.

(Notes on the quarterly Consolidated Statement of Cash Flows)

The Company does not prepare Consolidated Statement of Cash Flows for the nine months ended December 31, 2024. The total amount of Depreciation and Amortization which includes Depreciation and Amortization of Intangible assets is as follows.

(Millions of yen)

	FY2023 3rd quarter (from April 1, 2023 to December 31, 2023)	FY2024 3rd quarter (from April 1, 2024 to December 31, 2024)
Depreciation and Amortization	32,964	36,119

## Segment information

Nine months ended December 31, 2023

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	214,355	78,855	406,756	7,604	707,573	-	707,573
Other revenues	2,149	2,278	3,321	88	7,837	-	7,837
Operating revenues from customers	216,505	81,134	410,078	7,693	715,410	-	715,410
Inter-group revenues and transfers	77	11	3,310	51,322	54,721	(54,721)	-
Total revenues	216,582	81,145	413,388	59,015	770,132	(54,721)	715,410
Segment profit (loss)	1,672	4,540	96,795	1,287	104,296	(5,780)	98,515

Nine months ended December 31, 2024

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	248,585	73,953	464,100	8,420	795,059	-	795,059
Other revenues	4,757	2,837	2,211	92	9,899	-	9,899
Operating revenues from customers	253,342	76,791	466,312	8,513	804,959	-	804,959
Inter-group revenues and transfers	64	17	4,050	55,815	59,948	(59,948)	-
Total revenues	253,407	76,808	470,362	64,328	864,908	(59,948)	804,959
Segment profit (loss)	16,278	6,392	269,732	282	292,685	(3,830)	288,854

The Company has changed the currency conversion method into Japanese yen in income and expenses of foreign consolidated subsidiaries from using spot rate on the financial closing date to average rate of during the term from the beginning of the first quarter ended June 30, 2024. Due to this change, Segment information in the third quarter of fiscal year 2023 is presented based on the changed policy.