Mitsui O.S.K. Lines, Ltd.



Financial Highlights: The Third Quarter Ended December 31, 2023

1. Consolidated Financial Highlights (from April 1, 2023 to December 31, 2023)

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

(1) Operating Results

(¥ Million)

	Q3 / FY2023	Q3 / FY2022
Revenues	1,218,664	1,257,968
Operating profit	80,126	96,244
Ordinary profit	197,263	739,254
Profit attributable to owners of parent	203,604	723,245
		(¥)
Net income per share	562.61	2,003.07
Diluted net income per share	561.12	1,995.50

(2) Financial Position

(¥ Million)

		* /
	Q3 / FY2023	FY2022
Total assets	3,924,154	3,564,247
Total net assets	2,292,074	1,937,621
Shareholders' equity* / Total assets	58.0%	54.0%

^{*} Shareholders' Equity is defined as follows.

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

2. Dividends

(¥)

		Dividend per share			
	Q1 Q2 Q3 Year-end To				
FY2022	_	300.00	_	260.00	560.00
FY2023	_	110.00	_	_	_
FY2023 (Forecast)	_	_	_	90.00	200.00

3. Forecast for the Fiscal Year Ending March 31, 2024

(¥ Million)

	FY2023
Revenues	1,615,000
Operating profit	93,000
Ordinary profit	225,000
Profit attributable to owners of parent	235,000
	(¥)
Net income per share	649.33

4. Business Performance

(1) Analysis of Operating Results

(¥ Billion)

	Nine r	nonths	Year-on-year comparison / Variance	
	From April 1, 2022 to December 31, 2022	From April 1, 2023 to December 31, 2023		
Revenue	1,257.9	1,218.6	(39.3) / (3.1%)	
Operating profit	96.2	80.1	(16.1) / (16.7%)	
Ordinary profit	739.2	197.2	(541.9) / (73.3%)	
Profit attributable to owners of parent	723.2	203.6	(519.6) / (71.8%)	
Exchange rate	¥135.48/US\$	¥142.19/US\$	¥6.71/US\$	
Bunker price*	US\$787/MT	US\$619/MT	US\$(168)/MT	

^{*}Average price for all the major fuel grades

We recorded revenue of \(\frac{\pma}{1}\),218.6 billion, an operating profit of \(\frac{\pma}{8}\)0.1 billion, an ordinary profit of \(\frac{\pma}{1}\)97.2 billion and profit attributable to owners of parent of \(\frac{\pma}{2}\)203.6 billion.

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

Upper: Segment Revenue, Lower: Segment Ordinary Profit

(¥ Billion)

		Nine n	Nine months		Year-on-year comparison	
		From April 1, 2022 to December 31, 2022	From April 1, 2023 to December 31, 2023	Variance		
Derr D	ulle Duain aga	344.4	297.1	(47.3)	/	(13.7%)
ргу в	ulk Business	52.3	37.1	(15.1)	/	(29.0%)
Г	D .	297.4	331.0	33.6	/	11.3%
Energ	y Business	34.8	58.8	24.0	/	69.0%
Produ	ct Transport	489.4	460.5	(28.8)	/	(5.9%)
	Business	636.9	85.2	(551.7)	/	(86.6%)
	Containerships	40.9	42.3	1.4	/	3.4%
		566.2	30.0	(536.2)	/	(94.7%)
Wellb	eing & Lifestyle	76.0	79.0	2.9	/	3.9%
Busin		6.7	8.2	1.4	/	21.6%
	Real property	29.9	30.1	0.2	/	0.7%
	Business	7.4	7.1	(0.2)	/	(3.4%)
	Associated Businesses	35.5	34.4	(1.0)	/	(2.9%)
Assoc		2.3	2.1	(0.2)	/	(9.0%)
0.1		15.0	16.3	1.2	/	8.6%
Others	Others	1.5	4.0	2.5	/	156.8%

(A) Dry Bulk Business

The Capesize bulker market rates remained in an upward trend, reflecting improved vessel supply and demand, especially in the Atlantic, due to the recovery of bauxite shipments from West Africa with the end of the rainy season, amid steady growth in iron ore shipments from Brazil. In addition, mounting vessel delays at Chinese ports amid bad weather led to a tighter vessel supply and demand situation in the Pacific Ocean, maintaining favorable market conditions.

Meanwhile, the market rates for Panamax, Handymax, and smaller vessels remained lackluster during the first half, dampened by pessimism on China's economy, despite firm coal and grain shipments; however, in the second half, the drought in the Panama Canal and heightened geopolitical risk in the Middle East tightened the vessel supply and demand balance, sparking a recovery.

The dry bulk business posted a year-on-year decline in profit, with lower market rates than a year earlier despite the effect of the reversal of an allowance for doubtful accounts recorded in the past at one of our consolidated subsidiaries, in relation to a loan to GEARBULK HOLDING AG, an equity-method affiliate, as a result of improvement in this company's financial standing.

(B) Energy Business

<Tankers>

The very large crude carrier (VLCC) market rates remained steady, despite the OPEC Plus oil output cuts hampering an upturn in shipments during the winter demand period, the VLCC transportation demand from the US was stable due to a relatively low crude oil price.

The product tanker market rates remained high, reflecting brisk cargo movements with both the US and China increasing exports of petroleum products, as well as tight vessel supply and demand caused by the congestion due to the drought in the Panama Canal and other factors. The Chemical tanker market rates also remained steady.

In this market environment, by consistently fulfilling long-term contracts, the tanker business as a whole posted a year-on-year increase in profits.

<Offshore>

The FPSO business, which has been securing stable profit through existing long-term charter contracts, reported a year-on-year increase in profit, thanks to the start of a new charter contract.

<Liquefied gas>

In the LNG carrier business, some long-term contracts expired, and profit remained at the same level year-on-year, despite acquiring new contracts. The FSRU business posted a year-on-year decrease in profit due to termination of a previous contract and commencement of a new project.

(C) Product Transport Business

<Containerships>

At OCEAN NETWORK EXPRESS PTE. LTD. (ONE), the Company's equity-method affiliate, spot freight rates remained low due to increased new vessel deliveries and slow consumption growth in the face of persistent inflation. As a result, ONE reported a sharp drop in profit year-on-year.

<Car Carriers>

Shipping demand for completed cars generally held firm in response to the automotive supply chain recovery. Shipping demand on each shipping route changed from one minute to the next depending on the car sales in each country, and we achieved a year-on-year increase in profit by flexibly revising vessel allocation plans.

<Other Product Transport>

Container handling volumes in the terminal business decreased due to sluggish cargo movements at overseas terminals, despite firm cargo movements at domestic terminals. In the logistics business, profit levels declined due to weak air and sea freight rates and, as a result, the terminal and logistics business posted lower profits year-on-year.

(D) Wellbeing & Lifestyle Business

<Real Property Business>

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

<Ferries and Coastal RoRo Ships>

Cargo transportation decreased, as the RoRo ships operated by MOL Sunflower Ltd. However, passenger transportation increased sharply, mainly thanks to the entry into service of new LNG-fueled ferries, and as a result, the ferries and coastal RoRo ships business as a whole achieved higher profit than a year earlier.

<Cruise Business>

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

(E) Associated Businesses

In the tugboat business, operation frequency tended to be down year-on-year but posted a year-on-year increase in profit with the effects of a tugboat service fee revision. The trading company business posted lower profits year-on-year due to the deterioration of the business environment.

(F) Others

Other businesses include ship operations, ship management, ship chartering and financing. This segment posted higher profits year-on-year.

(2) Outlook for FY2023

(For consolidated full fiscal year 2023)

(¥ Billion)

(======================================			
	Previous outlook (As announced on October 31, 2023)	Current outlook (As of announcement of Q3 financial results)	Year-on-year Comparison / Variance
Revenue	1,590.0	1,615.0	25.0 / 1.6%
Operating profit	90.0	93.0	3.0 / 3.3%
Ordinary profit	220.0	225.0	5.0 / 2.3%
Profit attributable to owners of parent	220.0	235.0	15.0 / 6.8%

	(Assumptions for the 2nd Half FY2023)	(Assumptions for Q4 FY2023)	
Exchange rate	¥141.31/US\$	¥140.98/US\$	¥(0.33)/US\$
Bunker price *1	US\$560/MT	US\$500/MT	US\$(60)/MT
Compliant fuel price *2	US\$660/MT	US\$640/MT	US\$(20)/MT

^{*1} HSFO (High Sulfur Fuel Oil) average price *2 VLSFO (Very Low Sulfur Fuel Oil) average price

A) Dry Bulk Business

The Capesize bulker market maintained the strong momentum seen in December; however, rates are expected to fall as we move to a slowdown in shipments in February, as seen every year, reflecting the rainy season in Brazil and the cyclone season in Australia.

The market rates for Panamax, Handymax, and smaller vessels are expected to remain somewhat firmer than usual, with vessel supply and demand likely to remain tight, given the drought in the Panama Canal and geopolitical risks in the Middle East.

Although we are making efforts to acquire highly profitable cargoes and balance vessel capacity and cargo volumes, the dry bulk business as a whole will likely be severely impacted by market fluctuations in some businesses and is expected to post lower profits than the previous forecast.

(B) Energy Business

The very large crude oil carrier (VLCC) market rate is expected to remain firm due to an increase in alternative crude oil supplies from non-OPEC Plus countries such as the US and Brazil, a continued increase in ton-miles due to the avoidance of Russian crude oil, and a persistently tight vessel supply and demand situation due to limited new vessel deliveries, despite various causes for concern such as the continued OPEC Plus oil output cuts, China's slow economic recovery, and falling demand for crude oil due to slowdown of global economy.

Similarly, the product tanker market rates are likely to remain high, bolstered by a continued increase in tonmiles due to the avoidance of Russian products, and limited new vessel deliveries. The Chemical tanker market rates are expected to remain steady.

The offshore business is projected to continue generating stable profits.

In the liquefied gas business, the LNG carrier business is expected to continue to increase in profit due to improvement in profit and loss for each project.

The FSRU business is expected to post higher profit compared to the previous forecast with an existing vessel entering into operation under a new contract.

In this market environment, the energy business as a whole is expected to report higher profits than the previous forecast.

(C) Product Transport Business

In the containerships business, we expect to secure a certain profit level, due to the recent situation in the Middle East.

In the car carrier business, we assume that shipping demand for completed cars will remain firm as the US and other markets are still recovering from the car inventory shortages during the COVID-19 pandemic. Furthermore, with port congestion in certain regions also easing, transportation volume is likely to be firm, however the pace of recovery is expected to be a little slower than initially anticipated, and profits are expected to remain roughly in line with previous forecasts.

In the terminal business, we anticipate steady handling volumes, primarily at domestic terminals. In the logistics business, given the uncertain outlook for air and sea market rates, we will seek to stabilize earnings through initiatives such as flexible space procurement.

In this market environment, the product transport business as a whole is expected to achieve higher profits than the previous forecast.

(D) Wellbeing & Lifestyle Business

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

In the business of ferries and coastal RoRo ships, decreased profit in the cargo transportation business is feared due to a decrease in cargo volume. The passenger transport business is expected to continue performing strongly.

In the cruise business, we anticipate a recovery in demand owing to the easing of COVID-19 restrictions, and profitability is expected to improve.

In this market environment, the profitability of the wellbeing & lifestyle business is likely to be in line with the previous forecast.

(E) Associated Businesses

The performance of the tugboat business is projected to be mostly in line with the previous forecast.

5. Financial Position

Total assets as of December 31, 2023 increased by $\frac{1}{2}$ 359.9 billion compared to the balance as of the end of the previous fiscal year, to $\frac{1}{2}$ 3,924.1 billion. This was primarily due to the increase in Construction in progress.

Total liabilities as of December 31, 2023 increased by ¥ 5.4 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,632.0 billion. This was primarily due to the increase in Long-term bank loans.

Total net assets as of December 31, 2023 increased by $\frac{1}{2}$ 354.4 billion compared to the balance as of the end of the previous fiscal year, to $\frac{1}{2}$ 2,292.0 billion. This was primarily due to the increase in Foreign currency translation adjustments.

As a result, shareholders' equity ratio increased by 4.0% compared to the ratio as of the end of the previous fiscal year, to 58.0%.

6. Consolidated Financial Statements

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

(1) Consolidated Balance Sheets

		(¥ Million)
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	93,961	138,698
Trade receivables	124,134	127,05
Contract assets	8,329	9,92
Marketable securities	500	_
Inventories	50,787	58,09
Deferred and prepaid expenses	26,820	31,08
Other current assets	135,669	175,85
Allowance for doubtful accounts	(1,662)	(2,16)
Total current assets	438,541	538,54
Fixed assets		
Tangible fixed assets		
Vessels	708,682	759,10
Buildings and structures	132,943	135,77
Equipment and others	25,227	12,70
Furniture and fixtures	5,585	5,72
Land	299,710	344,64
Construction in progress	162,234	290,32
Other tangible fixed assets	7,856	6,05
Total tangible fixed assets	1,342,240	1,554,33
Intangible fixed assets	36,739	40,40
Investments and other assets		
Investment securities	1,430,873	1,555,51
Long-term loans receivable	116,893	96,53
Long-term prepaid expenses	8,550	7,23
Net defined benefit assets	20,987	21,26
Deferred tax assets	2,058	2,97
Other investments and other assets	191,173	112,96
Allowance for doubtful accounts	(23,811)	(5,61
Total investments and other assets	1,746,726	1,790,87
Total fixed assets	3,125,705	3,385,60
Total assets	3,564,247	3,924,15

(¥ Million)

		(+ MIIIIOII)
	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Trade payables	99,872	113,278
Short-term bonds	30,000	44,500
Short-term bank loans	339,354	256,981
Commercial papers	80,000	80,000
Accrued income taxes	6,979	27,466
Advances received	2,493	2,998
Contract liabilities	31,006	35,162
Provision for bonuses	11,660	5,119
Other current liabilities	67,808	55,226
Total current liabilities	669,176	620,732
Fixed liabilities	007,170	020,732
Bonds	150 500	151,000
	159,500	151,000 660,127
Long-term bank loans Lease liabilities	524,801	,
	17,509	29,845
Deferred tax liabilities	84,870	88,406
Net defined benefit liabilities	9,188	9,437
Provision for directors' and corporate auditors'	750	550
retirement benefits	10.050	10.050
Provision for periodic drydocking	19,078	18,859
Other fixed liabilities	141,751	53,119
Total fixed liabilities	957,449	1,011,347
Total liabilities	1,626,626	1,632,079
Net assets		
Owners' equity		
Common stock	65,589	65,757
Capital surplus	-	116,171
Retained earnings	1,571,582	1,641,344
Treasury stock	(558)	(201)
Total owners' equity	1,636,614	1,823,072
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	32,472	53,487
Unrealized gains on hedging derivatives, net of	77,590	98,452
Foreign currency translation adjustments	171,647	296,271
Remeasurements of defined benefit plans, net of tax	7,021	6,007
Total accumulated other comprehensive income	288,732	454,218
Share option	550	444
Non-controlling interests	11,724	14,338
Total net assets		•
	1,937,621	2,292,074
Total liabilities and net assets	3,564,247	3,924,154

(2) Consolidated Statements of Income

	-	(¥ Million)
	FY2022 (Apr. 1, 2022 - Dec. 31, 2022)	FY2023 (Apr. 1, 2023 - Dec. 31, 2023)
Shipping and other revenues	1,257,968	1,218,664
Shipping and other expenses	1,065,343	1,031,863
Gross operating income	192,625	186,801
Selling, general and administrative expenses	96,380	106,675
Operating profit	96,244	80,126
Non-operating income		
Interest income	10,045	15,393
Dividend income	6,716	12,564
Equity in earnings of affiliated companies	607,695	64,480
Foreign exchange gains	22,313	20,384
Reversal of allowance for doubtful accounts	3,317	17,94
Others	7,641	3,832
Total non-operating income	657,729	134,60
Non-operating expenses		
Interest expenses	12,589	15,48
Others	2,129	1,98
Total non-operating expenses	14,718	17,46
Ordinary profit	739,254	197,263
Extraordinary income		
Gain on sale of fixed assets	10,177	10,62
Gain on sale of shares of subsidiaries and associates	0	18,31
Others	14,468	13,40
Total extraordinary income	24,646	42,34
Extraordinary losses		
Loss on sale of fixed assets	219	253
Loss on building reconstruction	258	320
Others	4,162	81
Total extraordinary losses	4,640	1,39
Income before income taxes and non-controlling interests	759,260	238,211
Income taxes	33,648	33,76
Net income	725,611	204,452
Profit attributable to non-controlling interests	2,366	84
Profit attributable to owners of parent	723,245	203,60

(3) Consolidated Statements of Comprehensive Income

		(¥ Million)
	FY2022 (Apr. 1, 2022 - Dec. 31, 2022)	FY2023 (Apr. 1, 2023 - Dec. 31, 2023)
Net income	725,611	204,452
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	(4,036)	20,919
Unrealized gains on hedging derivatives, net of tax	14,512	7,355
Foreign currency translation adjustments	71,449	31,935
Remeasurements of defined benefit plans, net of tax	(764)	(1,014)
Share of other comprehensive income of associates accounted for using equity method	166,422	107,064
Total other comprehensive income	247,584	166,260
Comprehensive income	973,195	370,713
(Breakdown)		
Comprehensive income attributable to owners of parent	968,229	369,091
Comprehensive income attributable to non- controlling interests	4,965	1,621

[NOTE]

(Notes in the Event of Significant Changes in Shareholders' Equity)

Mainly due to partial share transfer of our consolidated subsidiary company, capital surplus for the third Quarter of the fiscal year increased by \(\frac{1}{2}\) 116,171 million.

(Changes in Accounting Estimates)

(Change in Useful Life)

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

As a result, operating profit, ordinary profit, and income before income taxes and non-controlling interests for the third Quarter of the fiscal year each increased by $\frac{1}{2}$ 1,284 million, compared to the previous method.

(4) Segment Information

Business segment information:

(¥ Million)

		Reportable Segment							
				Product Transport Business		Wellbeing & Lifestyle Business			
Q3 / FY2022 (Apr. 1 - Dec. 31, 2022)	Dry Bulk Business	Energy Business	Container ships	Car Carriers, Terminal and Logistics	Real Property	Ferries & Coastal RoRo Ships, Cruise	Associated Businesses	Sub Total	
Revenues 1.Revenues from external customers	344,497	297,421	40,972	448,438	29,935	46,129	35,521	1,242,916	
2.Inter-segment revenues	764	10,798	222	3,262	2,243	214	19,424	36,930	
Total Revenues	345,261	308,220	41,194	451,700	32,179	46,344	54,946	1,279,847	
Segment profit (loss)	52,319	34,808	566,292	70,703	7,453	(699)	2,368	733,246	

Q3 / FY2022 (Apr. 1 - Dec. 31, 2022)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues 1.Revenues from external customers	15,051	1,257,968	I	1,257,968
2.Inter-segment revenues	10,584	47,515	(47,515)	_
Total Revenues	25,635	1,305,483	(47,515)	1,257,968
Segment profit (loss)	1,594	734,841	4,413	739,254

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

^{* 2.} Adjustment in Segment profit (loss) of ¥ 4,413 million include the following: ¥ -1,202 million of corporate profit which is not allocated to segments, ¥ 4,203 million of adjustment for management accounting and ¥ 1,412 million of inter-segment transaction elimination.

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

(¥ Million)

		Reportable Segment							
			Product Trans	Product Transport Business		Wellbeing & Lifestyle Business			
Q3 / FY2023 (Apr. 1 - Dec. 31, 2023)	Dry Bulk Business	Energy Business	Container ships	Car Carriers, Terminal and Logistics	Real Property	Ferries & Coastal RoRo Ships, Cruise	Associated Businesses	Sub Total	
Revenues 1.Revenues from external customers	297,195	331,042	42,376	418,174	30,148	48,908	34,479	1,202,325	
2.Inter-segment revenues	859	10,457	238	3,309	2,609	235	26,131	43,842	
Total Revenues	298,055	341,499	42,615	421,484	32,758	49,143	60,610	1,246,167	
Segment profit (loss)	37,147	58,826	30,059	55,226	7,198	1,013	2,155	191,626	

Q3 / FY2023 (Apr. 1 - Dec. 31, 2023)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues 1.Revenues from external customers 2.Inter-segment	16,339	1,218,664	(55.010)	1,218,664
revenues	11,176	55,018	(55,018)	_
Total Revenues	27,515	1,273,683	(55,018)	1,218,664
Segment profit (loss)	4,094	195,721	1,542	197,263

- * 1. "Others" primarily consists of business segments that are not included in reportable segments, such as the ship operations business, the ship management business, the ship chartering business and the financing business.
- * 2. Adjustment in Segment profit (loss) of ¥ 1,542 million include the following: ¥ -6,943 million of corporate profit which is not allocated to segments, ¥ 8,279 million of adjustment for management accounting and ¥ 205 million of inter-segment transaction elimination.
- * 3. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.
- * 4. Notes to changes in reportable segments etc:

"Ferries & Coastal RoRo Ships Business," which was conventionally presented in "Product Transport Business," and "Cruise Business," which was conventionally presented in "Associated Businesses" have been disclosed independently as a new reportable segment named "Ferries & Coastal RoRo Ships, Cruise" due to restructure a part of organization.

As a result, Revenues and Segment profit (loss) during the third Quarter of the previous fiscal year are reclassified or adjusted to conform to the presentation for the fiscal year.

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

Due to the change, Segment profit (loss) for the third Quarter increased ¥ 1,284 million in the Ferries & Coastal RoRo Ships, Cruise Business, compared to the previous method.

[REFERENCE PURPOSE ONLY]

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

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

[Supplement]

1. Review of Quarterly Results

<FY2023>

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

^{*}Profit (Loss) attributable to owners of parent

<FY2022>

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

^{*}Profit (Loss) attributable to owners of parent

2. Depreciation and Amortization

eciation and Am	<u>ortization</u>			(¥ Millions)
	Nine months ended Dec.31, 2022	Nine months ended Dec.31, 2023	Increase / (Decrease)	FY2022
Vessels	52,494	57,425	4,930	68,311
Others	20,312	19,140	(1,172)	26,349
Total	72,807	76,565	3,758	94,660

3. Interest-bearing Debt

est setting sest				(¥ Millions)
	As of Mar.31, 2023	As of Dec.31, 2023	Increase / (Decrease)	As of Dec.31, 2022
Bank loans	864,155	917,109	52,954	891,194
Bonds	189,500	195,500	6,000	199,500
Commercial papers	80,000	80,000	0	6,000
Others	19,793	33,615	13,822	12,459
Total	1,153,448	1,226,225	72,777	1,109,153

4. Fleet Capacity

(No. of ships)

	Dry Bulk Business	Energy Business	Product Transport Business				
	Dry bulkers	Tankers, Liquefied gas carriers, Steaming coal carriers	Subtotal	Car carriers	Containerships		
	No.of ships	No.of ships	No.of ships	No.of ships	No.of ships		
Owned	46	181	70	50	20		
Chartered	232	148	56	42	14		
Others	-	7	-	-	-		
As of Dec.31, 2023	278	336	126	92	34		
As of Mar.31, 2023	276	333	136	96	40		

	Wellbeing & Lifestyle Business	Associated Businesses and Others	Total	
	Ferries & Coastal RoRo ships, Cruise ships Others			
	No.of ships	No.of ships	No.of ships	
Owned	13	58	368	
Chartered	3	23	462	
Others	-	1	8	
As of Dec.31, 2023	16	82	838	
As of Mar.31, 2023	18	82	845	

Note 1: Prior the FY2023 Q2 Financial Highlights, we had been reporting the number of ships owned, chartered and/or operated by us or our consolidated subsidiaries. However, to more accurately represent the size of our company's business, the energy segment primarily includes equity-method affiliated companies' fleets based on the ship types and the extent of our involvement in procurement, construction, and financing from this quarter.

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

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

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

5. Exchange Rates (Against the US dollar)

	Nine months ended Dec.31, 2022	Nine months ended Dec.31, 2023	Change			FY2022
Average rates	¥135.48	¥142.19	¥6.71	[5.0%]	JPY Depreciated	¥134.67
Term-end rates	¥132.70	¥141.83	¥9.13	[6.9%]	JPY Depreciated	¥133.53

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

<Overseas subsidiaries>

	As of Sep.30, 2022	As of Sep.30, 2023	Change			As of Dec.31, 2022
Term-end rates	¥144.81	¥149.58	¥4.77	[3.3%]	JPY Depreciated	¥132.70

6. Average Bunker Prices

	Nine months ended Dec.31, 2022	Nine months ended Dec.31, 2023	Increase / (Decrease)		
Purchase Prices	US\$787/MT	US\$619/MT	US\$(168)/MT		

Source: Clarksons Research

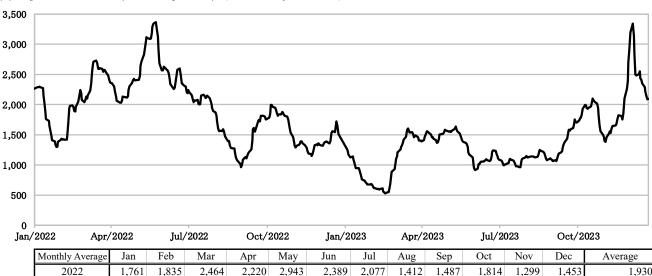
1,398

Source: Clarksons Research

7. Market Information

2023

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



1,082 Remark) The Graph and the table have different fluctuation ranges as the graph reflects daily figures while the table shows monthly averages.

1,040

1,150

1,393

1,831

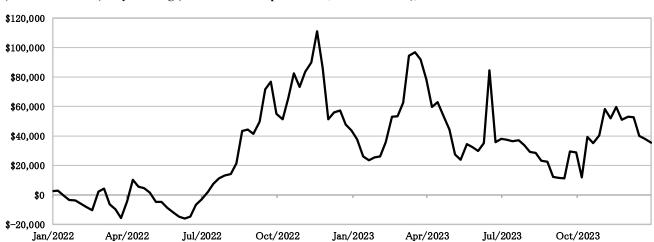
1,868

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

1,410

1,480

1,416

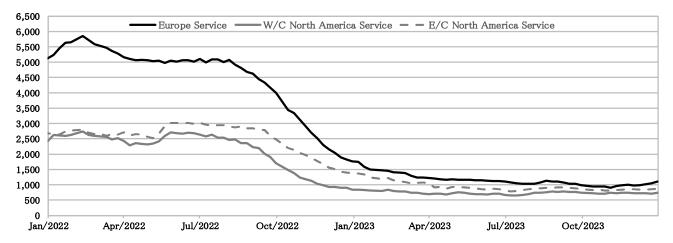


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2022	-1,128	-5,587	-6,886	3,493	-7,435	-13,042	6,196	30,887	58,844	68,153	92,660	51,181	23,111
2023	28,223	41,999	84,755	55,019	29,519	44,695	36,136	25,784	18,611	31,711	55,249	43,862	41,297

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

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

Source: Clarksons Research



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