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August 2, 2024

Financial Highlights for 1st Quarter FY2024

(Under Japanese GAAP) (Unaudited)

Company name:	Kawasaki Kisen Kaisha, Ltd.
Listing:	Prime Market of Tokyo Stock Exchange
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 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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 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	%
Three months ended June 30, 2024	267,609	21.2	30,717	58.3	74,846	58.6	72,543	96.7
Three months ended June 30, 2023	220,711	(3.4)	19,409	2.8	47,202	(82.3)	36,882	(86.2)

Note: Comprehensive income for the three months ended June 30, 2024: ¥ 148,274 million [13.9%]

For the three months ended June 30, 2023: ¥ 130,184 million[(62.4)%]

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Three months ended June 30, 2024	104.67	-
Three months ended June 30, 2023	49.72	-

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 three-months ended June 30, 2023, have been re-presented retrospectively.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2024	2,145,937	1,665,254	76.1
As of March 31, 2024	2,109,432	1,624,600	75.5

Reference: Shareholders' equity:

As of June 30, 2024: ¥ 1,631,995 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	-				
Year ending March 31, 2025 (Forecast)		42.50	-	42.50	85.00

*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
Cumulative second quarter ending September 30, 2024	533,000	16.8	60,000	35.7	166,500	101.6	162,000	166.4	236.36
Year ending March 31, 2025	1,020,000	6.5	102,000	21.2	220,000	65.8	210,000	105.9	308.53

*Revision to Consolidated Financial Forecasts most recently announced: None

Percentage change year-on-year and percentage change from the same period of the previous fiscal year are 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 quarter 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 June 30, 2024	714,728,067 shares
As of March 31, 2024	714,728,067 shares

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

As of June 30, 2024	39,588,182 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)

Three months ended June 30, 2024	693,062,964 shares
Three months ended June 30, 2023	741,822,802 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 Quarterly 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 Quarterly Financial Results

(1) Description of Operating Results

(Billion yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Change	% Change
Operating revenues	220.7	267.6	46.8	21.2%
Operating income (loss)	19.4	30.7	11.3	58.3%
Ordinary income (loss)	47.2	74.8	27.6	58.6%
Profit (loss) attributable to owners of the parent	36.8	72.5	35.6	96.7%

Exchange Rate (¥/US\$) (3-month average)	135.81	155.02	19.21	14.1%
Fuel oil price (US\$/MT) (3-month average)	609	629	20	3.3%

The Company recorded 37.2 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the consolidated cumulative first quarter of this fiscal year and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 37.8 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 three-months ended June 30, 2024, and the results for the three-months ended June 30, 2023, that have been re-presented retrospectively.

Performance per segment was as follows.

(Billion yen)

		Three months ended June 30, 2023	Three months ended June 30, 2024	Change	% Change
Dry bulk	Operating revenues	72.0	88.3	16.2	22.6%
	Segment profit (loss)	1.4	7.6	6.1	413.6%
Energy resource transport	Operating revenues	23.1	25.6	2.5	10.9%
	Segment profit (loss)	2.1	1.2	(0.9)	(44.5%)
Product logistics	Operating revenues	122.6	151.1	28.5	23.3%
	Segment profit (loss)	44.3	66.4	22.0	49.6%
Other	Operating revenues	2.8	2.4	(0.4)	(14.8%)
	Segment profit (loss)	0.7	0.4	(0.3)	(38.0%)
Adjustments and eliminations	Segment profit (loss)	(1.6)	(0.8)	0.7	-%
Total	Operating revenues	220.7	267.6	46.8	21.2%
	Segment profit (loss)	47.2	74.8	27.6	58.6%

(i) Dry Bulk Segment

Dry Bulk Business

In the Cape-size sector, transportation of iron ore and bauxite from the Atlantic to East Asia was steady. In May, iron ore exports from Western Australia increased. Market rates stayed firm due to generally steady transportation demand including these.

In the medium-small vessel sector, market rates stayed firm as the export volume was large despite the off-season of grain production in South America, and coal was shipped steadily in the Pacific region.

Under these circumstances, 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 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 secure stable profit.

On the other hand, due to one-time factors, 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, overall recovery continued as the supply shortages of semiconductors and auto parts were generally resolved. 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 remained almost flat year-on-year. In the towage business and warehouse business, work volume stayed firm. As for the international logistics business, air cargo transportation demand in forwarding business, including demand relating to semiconductors, was on a gradual recovery trend. In the finished car transportation business, the port congestion in Australia continued, but demand was still high and both land transportation volume and storage volume increased.

Short Sea and Coastal Business

In the short sea business, while the transportation volume in steel products increased year-on-year, the transportation volume of bulk cargoes declined due to anticipated market fluctuations. As a result, the total transportation volume remained almost flat year-on-year. In the coastal business, despite the impact of sluggish consumption due to the high price level, the cargo movement of construction materials increased, and the transportation volume increased year-on-year. The transportation volume of dedicated vessels for tramp services increased year-on-year due to stable operations.

Containership Business

In the container ship business, container – freight movement showed a recovery trend due to the strong personal consumption in North America and Europe with the mitigate inflation. On the other hand, due to the prolonged use of detouring route via the Cape of Good Hope caused by the Middle East unstable situation, the vessel supply and demand was tightened with the shortage of containers in some specific regions. As a result, short-term freight rates have increased not only in North America and Europe routes but also in other routes, resulting in a year-on-year increase both in revenue and profit.

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 Group's ship management service, travel agency service, and real estate and administration service. The segment recorded a year-on-year decrease both in revenue and profit.

(2) Description of Financial Position

Total assets at the end of the consolidated first Quarter of this fiscal year were ¥2,145.9 billion, an increase of ¥36.5 billion from the end of the previous fiscal year as a result of an increase in investment securities and other factors.

Total liabilities decreased by ¥4.1 billion to ¥480.6 billion as a result of a decrease in Short-term loans and current portion of long-term loans and other factors compared to the end of the previous fiscal year.

Total net assets were ¥1,665.2 billion, an increase of ¥40.6 billion compared to the end of the previous fiscal year as a result of an increase in foreign currency translation adjustments 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 made on May 7, 2024)	Current Forecast * (at the time of announcement of the 1st Quarter result)	Change	% Change
Operating revenues	980.0	1,020.0	40.0	4.1%
Operating income (loss)	93.0	102.0	9.0	9.7%
Ordinary income (loss)	135.0	220.0	85.0	63.0%
Profit (loss) attributable to owners of the parent	120.0	210.0	90.0	75.0%

Exchange Rate (¥/US\$)	140.95	147.18	6.23	4.4%
Fuel Oil Price (US\$/MT)	640	637	(3)	(0.5%)

* As for the Current Forecast, there is no change from the forecast that announced in the news release on July 25, 2024, titled "Notice on Revision to Consolidated Financial Forecasts for the Fiscal Year ending March 2025".

In the Dry Bulk Segment, despite some factors of concern, such as uncertainty about the future of the Chinese economy, and the continued geopolitical risks in 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 some fluctuations. The Group will keep watching changes in transportation demand and trade patterns and 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 maximize 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, LPG carriers, drillship and FPSO.

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 this fiscal year is expected to be at the same level as the last fiscal year. In the towage business and the warehouse business, the Group expects the same level of profits as the last fiscal year. As for the international logistics business, in the forwarding business, the Group expects that demand for ocean and air transportation and freight rates will recover slowly and anticipates market fluctuations due to the situation in the Middle East. In the finished car transportation business operated overseas, both land transportation volume and storage volume are expected to remain firm.

In the short sea business, with the growing market rates, the Group will continue to manage the market exposures appropriately and strive to improve the balance of payment by reducing operation costs and improving vessel operation efficiency. In the coastal business, while car transportation and passenger transportation by ferry are expected to remain flat year-on-year due to firm demand, the volume of truck transportation is expected to decrease year-on-year. As for liner transportation, the Group will aim to improve balance of payments by cargo acquisition such as securing construction materials for which active cargo movement is expected, and by adjusting vessel allocation. In tramp services, the Group expects smooth operation of dedicated ships.

In the container ship business, it is expected to take some time for the stable situation in the Middle East and the geopolitical business environment has been complexed. The outlook for the supply-demand environment is uncertain from the second quarter onwards. "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 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 current consolidated fiscal year ending March 31, 2025, the Company plans for basic dividend of 40.00 yen and additional dividend of 45.00 yen per share, in total of annual dividend 85.00 yen per share (an interim dividend of 42.50 yen per share and a year-end dividend of 42.50 yen per share), as we announced on May 7, 2024.

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 June 30, 2024
ASSETS		
Current assets :		
Cash and deposits	272,616	214,954
Accounts and notes receivable - trade and contract assets	129,632	132,052
Raw materials and supplies	42,513	41,901
Deferred and prepaid expenses	25,629	25,319
Other current assets	19,297	27,091
Allowance for doubtful accounts	(1,411)	(1,415)
Total current assets	<u>488,278</u>	<u>439,904</u>
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	324,106	334,875
Buildings and structures, net	9,600	9,739
Machinery, equipment and vehicles, net	3,245	3,362
Land	15,548	15,573
Construction in progress	51,364	59,709
Other, net	6,452	6,804
Total vessels, property and equipment	<u>410,318</u>	<u>430,065</u>
(Intangible assets)		
Other intangible assets	6,036	6,145
Total intangible assets	<u>6,036</u>	<u>6,145</u>
(Investments and other assets)		
Investment securities	1,139,971	1,202,298
Long-term loans receivable	20,479	21,697
Asset for retirement benefits	2,387	2,454
Other investments and other assets	43,684	45,164
Allowance for doubtful accounts	(1,723)	(1,792)
Total investments and other assets	<u>1,204,799</u>	<u>1,269,821</u>
Total non-current assets	<u>1,621,154</u>	<u>1,706,033</u>
Total assets	<u>2,109,432</u>	<u>2,145,937</u>

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
LIABILITIES		
Current liabilities :		
Accounts and notes payable - trade	77,596	73,005
Short-term loans and current portion of long-term loans	49,135	44,219
Accrued income taxes	3,399	4,575
Provision for loss related to the Anti-Monopoly Act	3,821	3,821
Provision for loss on chartering contracts	5,442	4,085
Other provisions	3,811	1,997
Other current liabilities	66,701	61,863
Total current liabilities	209,908	193,568
Non-current liabilities :		
Bonds	8,000	8,000
Long-term loans, less current portion	206,107	215,147
Provision for directors' and audit and supervisory board members' retirement benefits	38	35
Provision for directors' stock benefits	2,300	1,823
Provision for periodic dry docking of vessels	16,542	19,303
Liability for retirement benefits	4,855	4,960
Other non-current liabilities	37,079	37,846
Total non-current liabilities	274,924	287,115
Total liabilities	484,832	480,683
NET ASSETS		
Shareholders' equity:		
Common stock	75,457	75,457
Capital surplus	29,102	29,103
Retained earnings	1,178,723	1,215,586
Treasury stock	(7,648)	(79,473)
Total shareholders' equity	1,275,636	1,240,673
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	13,030	13,368
Deferred gain (loss) on hedges	3,076	3,909
Revaluation reserve for land	4,677	4,676
Foreign currency translation adjustments	294,822	368,597
Retirement benefits liability adjustments	681	770
Total accumulated other comprehensive income	316,289	391,322
Non-controlling interests	32,674	33,258
Total net assets	1,624,600	1,665,254
Total liabilities and net assets	2,109,432	2,145,937

Consolidated Statement of Operations

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Marine transportation and other operating revenues	220,711	267,609
Marine transportation and other operating costs and expenses	183,944	218,005
Gross profit (loss)	36,767	49,603
Selling, general and administrative expenses	17,357	18,886
Operating income (loss)	19,409	30,717
Non-operating income :		
Interest income	792	1,086
Dividend income	728	813
Equity in earnings of unconsolidated subsidiaries and affiliates	22,688	37,287
Foreign exchange gains	5,455	6,753
Other non-operating income	857	601
Total non-operating income	30,523	46,542
Non-operating expenses :		
Interest expenses	2,440	1,697
Other non-operating expenses	289	714
Total non-operating expenses	2,730	2,412
Ordinary income (loss)	47,202	74,846
Extraordinary income :		
Gain on sales of non-current assets	1,566	2,226
Other extraordinary income	666	16
Total extraordinary income	2,232	2,242
Extraordinary losses :		
Loss on retirement of non-current assets	12	0
Loss on liquidation of subsidiaries and affiliates	24	—
Other extraordinary losses	4	—
Total extraordinary losses	41	0
Profit (loss) before income taxes	49,393	77,088
Income taxes :		
Current	3,153	3,600
Deferred	8,944	606
Total income taxes	12,097	4,206
Profit (loss)	37,295	72,881
Profit (loss) attributable to non-controlling interests	412	338
Profit (loss) attributable to owners of the parent	36,882	72,543

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	37,295	72,881
Other Comprehensive income :		
Net unrealized holding gain (loss) on investment securities	2,810	438
Deferred gain (loss) on hedges	(739)	(14)
Foreign currency translation adjustments	10,037	7,279
Retirement benefits liability adjustments	178	76
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	80,602	67,612
Total other comprehensive income	92,889	75,393
Comprehensive income	130,184	148,274
(Breakdown)		
Comprehensive income attributable to owners of parent	129,314	147,577
Comprehensive income attributable to non-controlling interests	869	697

7. Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not Applicable.

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

In the current cumulative first quarter, treasury stock increased by ¥71,873 million following the Company's repurchase of 31,870,200 shares of common stock in accordance with a resolution of the Board of Directors at its meeting held on May 7, 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 decreased by ¥1,493 million, operating income (loss) is decreased by ¥227 million, ordinary income (loss) is decreased by ¥1,915 million, and profit (loss) before income taxes is decreased by ¥1,724 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 three months ended June 30, 2024. The total amount of Depreciation and Amortization which includes Depreciation and Amortization of Intangible assets is as follows.

(Millions of yen)

	FY2023 1st quarter (from April 1, 2023 to June 30, 2023)	FY2024 1st quarter (from April 1, 2024 to June 30, 2024)
Depreciation and Amortization	10,664	11,771

Segment information

Three months ended June 30, 2023

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	71,438	22,538	121,358	2,850	218,186	-	218,186
Other revenues	611	640	1,243	29	2,525	-	2,525
Operating revenues from customers	72,049	23,178	122,602	2,880	220,711	-	220,711
Inter-group revenues and transfers	12	5	1,617	14,974	16,610	(16,610)	-
Total revenues	72,062	23,184	124,219	17,855	237,321	(16,610)	220,711
Segment profit (loss)	1,480	2,189	44,390	791	48,852	(1,650)	47,202

Three months ended June 30, 2024

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	86,168	24,720	150,429	2,423	263,741	-	263,741
Other revenues	2,142	977	717	30	3,867	-	3,867
Operating revenues from customers	88,311	25,697	151,146	2,453	267,609	-	267,609
Inter-group revenues and transfers	19	3	1,150	17,081	18,254	(18,254)	-
Total revenues	88,330	25,701	152,297	19,535	285,864	(18,254)	267,609
Segment profit (loss)	7,601	1,215	66,411	491	75,720	(873)	74,846

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 first quarter of fiscal year 2023 is presented based on the changed policy.

(Significant Subsequent Event)

(Cancellation of Treasury Stock)

At the meeting of the Board of Directors held on July 26, 2024, the Company resolved to cancel a portion of the Company's treasury stock pursuant to Article 178 of the Companies Act of Japan.

- | | |
|--|---|
| 1. Type of shares to be cancelled | Common stock of the Company |
| 2. Total number of shares to be cancelled | 39,556,000 shares |
| | (5.53% of total number of shares outstanding before the cancellation) |
| 3. Scheduled date of cancellation | August 7, 2024 |
| 4. Total number of shares outstanding after the cancellation | 675,172,067 shares |

Total number of shares acquired in accordance with the resolution of the Board of Directors meeting held on May 7, 2024 was 39,556,000 shares.