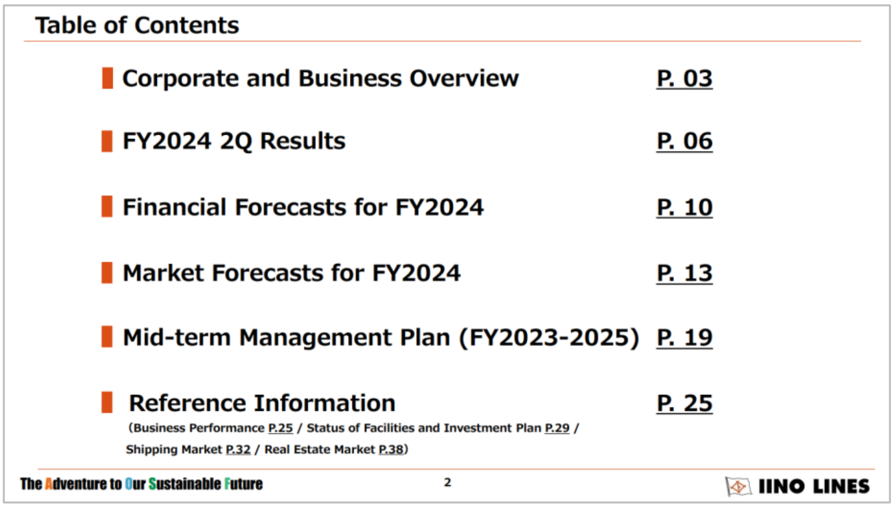
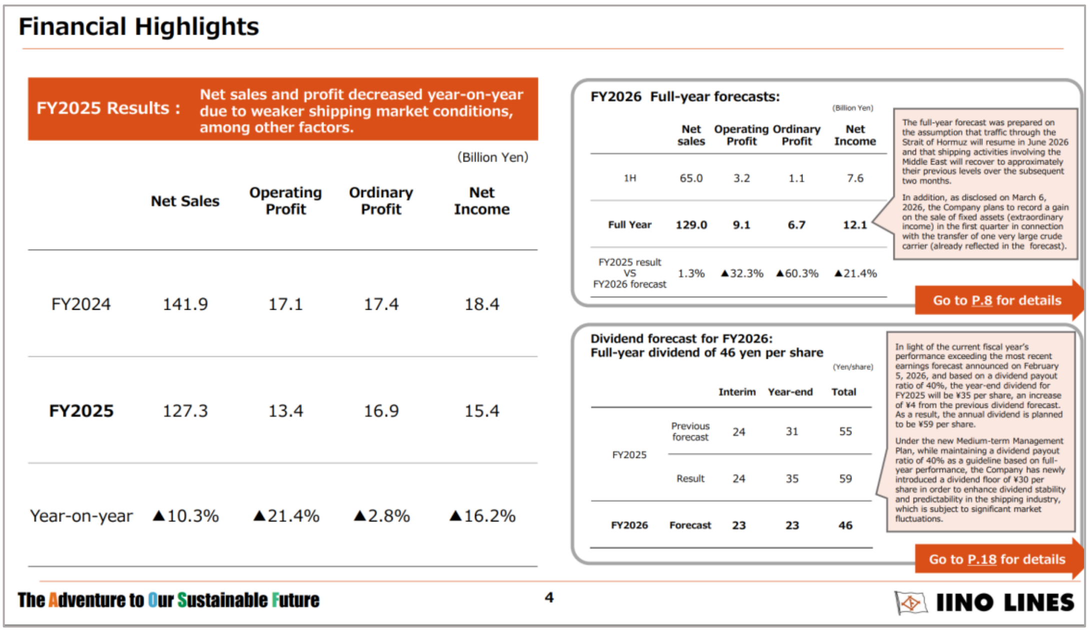
IINO Lines Announces Lower Profit Amid Softened Shipping Market but Exceeds Previous Forecast; Year-End Dividend Increased, Accelerating Growth Investment Focused on Capital Efficiency Under New Medium-Term Management Plan

This is a transcript of FY2025 financial results and new medium-term management plan briefing, which was held on May 11, 2026.
Speaker: Yusuke Otani, President and Representative Director



Good afternoon, everyone. I'm Yusuke Otani, President and Representative Director of IINO Kaiun Kaisha, Ltd. Thank you very much for taking the time to attend our briefing on the FY2025 full-year financial results and our new medium-term management plan.

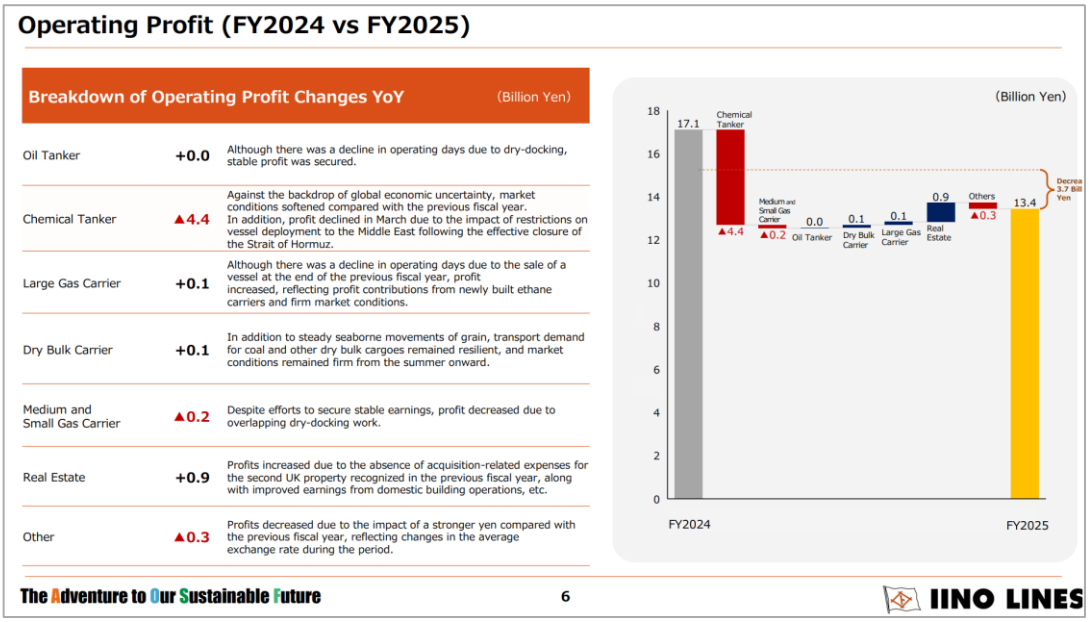
Today, I will explain the overview of the FY2025 full-year financial results, as well as the full-year financial forecasts and the market forecasts for FY2026. After that, I will review the previous medium-term management plan and then explain the new medium-term management plan, "Transformation for a Sustainable Future."



First, I will explain the financial results for FY2025.
For FY2025, net sales were 127.3 billion yen, operating profit was 13.44 billion yen, ordinary profit was 16.89 billion yen, and net income was 15.39 billion yen, representing decreases in both revenue and profit compared to the previous fiscal year.

The main factors behind the decrease in profit compared with the previous year will be explained on the next slide, but they include the softening of the chemical tanker market and the impact of the effective closure of the Strait of Hormuz.

At the ordinary profit level, foreign exchange gains and share of profit of entities accounted for using equity method were recorded, and at the net income level, gains on vessel sales were recorded; however, net income was approximately 15.3 billion yen, representing a decrease of 2.98 billion yen compared with the previous fiscal year.

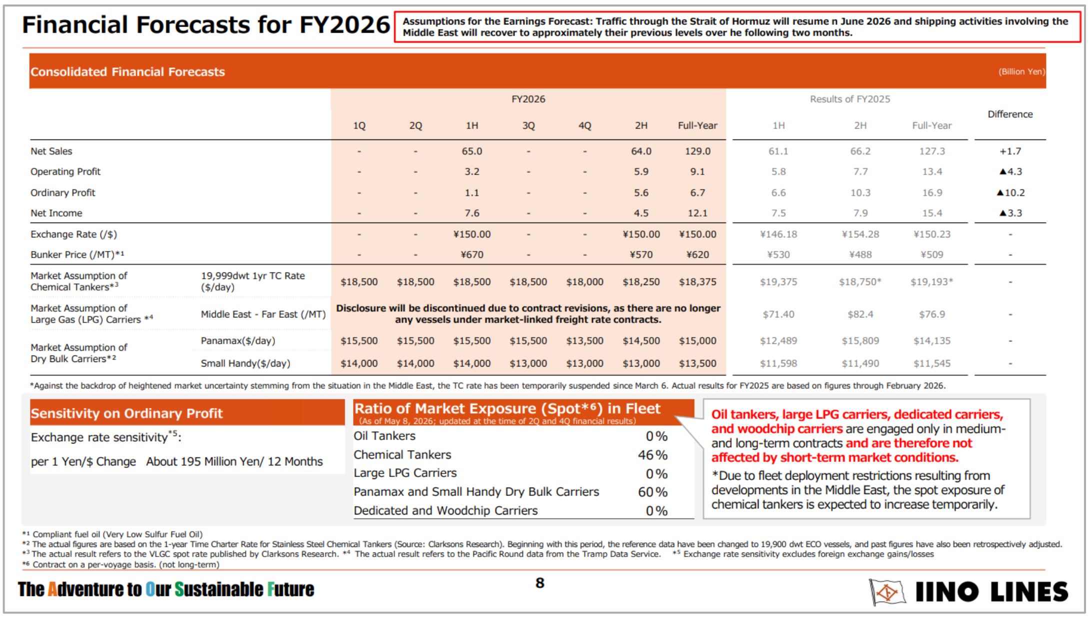


The slide shows the year-on-year difference in operating profit by segment. Overall, operating profit for FY2025 was approximately 13.4 billion yen, representing a decrease of about 3.7 billion yen year-on-year.

The main factor behind the decrease in profit was the deterioration in earnings from chemical tankers, as market conditions softened compared with the previous year against a backdrop of global economic uncertainty, including the slowdown of the Chinese economy.

As a result, vessel allocation to the Middle East, which is the core operating area for our chemical tankers, was constrained, and costs such as fuel expenses associated with changes in vessel deployment increased significantly, leading to a decrease in profit.

This concludes the overview of the FY2025 full-year financial results.



Financial Forecasts for FY2026

Assumptions for the Earnings Forecast: Traffic through the Strait of Hormuz will resume n June 2026 and shipping activities involving the Middle East will recover to approximately their previous levels over he following two months.

Consolidated Financial Forecasts (Billion Yen)

		FY2026							Results of FY2025			Difference
		1Q	2Q	1H	3Q	4Q	2H	Full-Year	1H	2H	Full-Year	
Net Sales		-	-	65.0	-	-	64.0	129.0	61.1	66.2	127.3	+1.7
Operating Profit		-	-	3.2	-	-	5.9	9.1	5.8	7.7	13.4	▲4.3
Ordinary Profit		-	-	1.1	-	-	5.6	6.7	6.6	10.3	16.9	▲10.2
Net Income		-	-	7.6	-	-	4.5	12.1	7.5	7.9	15.4	▲3.3
Exchange Rate (/$)		-	-	¥150.00	-	-	¥150.00	¥150.00	¥146.18	¥154.28	¥150.23	-
Bunker Price (/MT)*1		-	-	¥670	-	-	¥570	¥620	¥530	¥488	¥509	-
Market Assumption of Chemical Tankers*3	19,999dwt 1yr TC Rate ($/day)	$18,500	$18,500	$18,500	$18,500	$18,000	$18,250	$18,375	$19,375	$18,750*	$19,193*	-
Market Assumption of Large Gas (LPG) Carriers *4	Middle East - Far East (/MT)	Disclosure will be discontinued due to contract revisions, as there are no longer any vessels under market-linked freight rate contracts.							$71.40	$82.4	$76.9	-
Market Assumption of Dry Bulk Carriers*2	Panamax($/day)	$15,500	$15,500	$15,500	$15,500	$13,500	$14,500	$15,000	$12,489	$15,809	$14,135	-
	Small Handy($/day)	$14,000	$14,000	$14,000	$13,000	$13,000	$13,000	$13,500	$11,598	$11,490	$11,545	-

*Against the backdrop of heightened market uncertainty stemming from the situation in the Middle East, the TC rate has been temporarily suspended since March 6. Actual results for FY2025 are based on figures through February 2026.

Sensitivity on Ordinary Profit

Exchange rate sensitivity*5:

per 1 Yen/$ Change About 195 Million Yen/ 12 Months

Ratio of Market Exposure (Spot*6) in Fleet
(As of May 8, 2026; updated at the time of 2Q and 4Q financial results)

Oil Tankers	0%
Chemical Tankers	46%
Large LPG Carriers	0%
Panamax and Small Handy Dry Bulk Carriers	60%
Dedicated and Woodchip Carriers	0%

Oil tankers, large LPG carriers, dedicated carriers, and woodchip carriers are engaged only in medium- and long-term contracts **and are therefore not affected by short-term market conditions.**

*Due to fleet deployment restrictions resulting from developments in the Middle East, the spot exposure of chemical tankers is expected to increase temporarily.

*1 Compliant fuel oil (Very Low Sulfur Fuel Oil)
*2 The actual figures are based on the 1-year Time Charter Rate for Stainless Steel Chemical Tankers (Source: Clarksons Research). Beginning with this period, the reference data have been changed to 19,900 dwt ECO vessels, and past figures have also been retrospectively adjusted.
*3 The actual result refers to the VLGC spot rate published by Clarksons Research. *4 The actual result refers to the Pacific Round data from the Tramp Data Service. *5 Exchange rate sensitivity excludes foreign exchange gains/losses
*6 Contract on a per-voyage basis. (not long-term)

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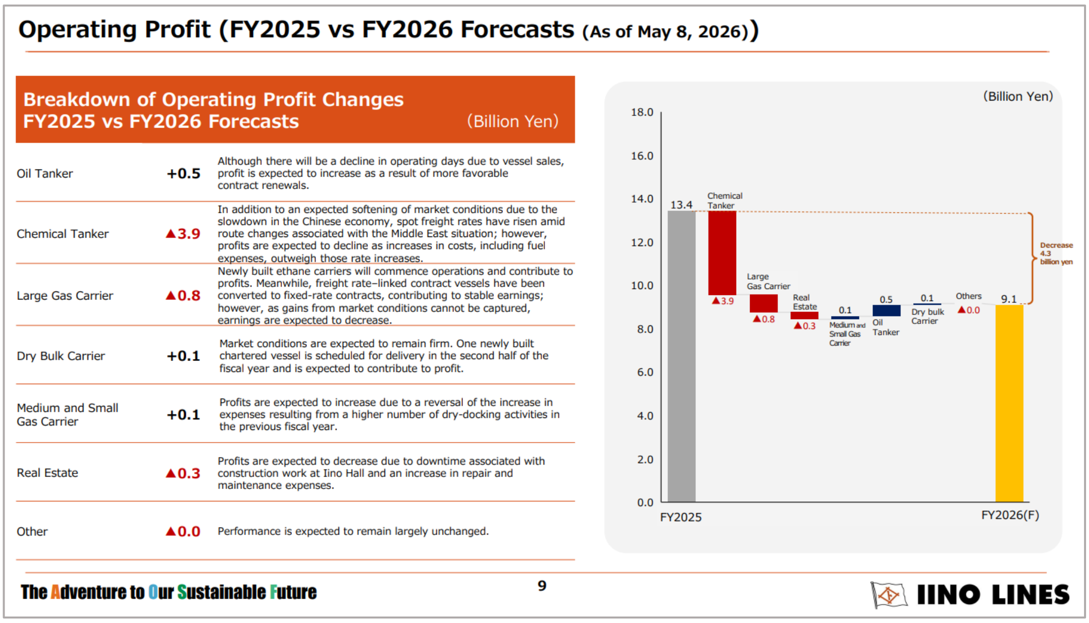
Next, I will explain financial forecasts for FY2026.
For FY2026, we forecast net sales of 129.0 billion yen, operating profit of 9.1 billion yen, ordinary profit of 6.7 billion yen, and net income of 12.1 billion yen. Accordingly, we expect an increase in net sales but a decrease in profit compared with FY2025.

As a premise for the financial forecasts, regarding the current closure of the Strait of Hormuz, we assume that navigation will resume during June this year and that maritime transport with the Middle East will recover to previous levels over approximately two months thereafter.

With regard to market assumptions for large gas carriers, due to changes in contract structures, vessels previously under contracts linked to freight market conditions have shifted to medium- to long-term contracts that are not affected by short-term market conditions, and therefore we have discontinued disclosure from this time.

Regarding the spot ratio within the fleet, the spot ratio for chemical tankers had previously been around 30%, but we expect a temporary increase due to vessel allocation restrictions resulting from the situation in the Middle East.

The exchange rate assumption is set at 150 yen for the full year. If the exchange rate fluctuates by 1 yen, the impact on ordinary profit is 195 million yen on an annual basis.
If the yen depreciates, it will have a positive impact on profit, while if the yen appreciates, it will have a negative impact on profit.



The slide shows the year-on-year difference in operating profit by segment, and we expect a decrease in profit of approximately 4.3 billion yen.

While increases in profit are expected for crude oil tankers, dry bulk carriers, and medium and small sized gas carriers, in the chemical tanker segment we expect a decrease in profit of approximately 3.9 billion yen, reflecting a softening of market conditions due to the slowdown of the Chinese economy as well as the impact of vessel allocation constraints associated with the situation in the Middle East.

Although spot freight rates have risen due to route changes associated with the situation in the Middle East, the Company plans to secure profitability by actively capturing spot cargoes from other regions, including the United States; however, as the rapid increase in costs such as fuel expenses is not offset by the rise in spot freight rates, we expect a decrease in profit.

In the large gas carrier segment, while two newly built ethane carriers will commence operations and contribute to earnings, changes in the contract structure of a vessel previously linked to freight market conditions have eliminated downside risk; however, at the same time, it is no longer possible to expect increases in earnings from market upside, and as a result we expect a decrease in profit of approximately 0.8 billion yen compared with the previous fiscal year.

With regard to large LPG carriers, market conditions have recently surged temporarily due to the impact of the situation in the Middle East and congestion at the Panama Canal; however, we anticipate the possibility that supply and demand may become imbalanced, given factors such as the scheduled delivery of a large number of new vessels and delays in new projects including ammonia.

The shift to fixed contracts prevents the capture of upside from market increases and serves as a temporary factor causing a decrease in profit; however, we believe it will contribute to stable earnings going forward.

In addition, in the real estate business, we expect a decrease in profit due to the suspension of operations associated with construction work at IINO Hall as well as an increase in maintenance expenses.

Although a decline in profit is expected, we intend to improve earnings through continued efforts in efficient vessel allocation and cost reduction.

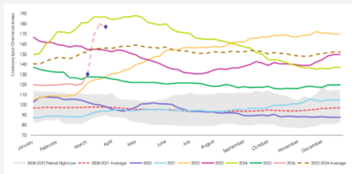
Chemical Tanker Market Forecast for FY2026

“While there are supporting factors for market conditions, such as the extension of transport distances via the Cape of Good Hope, uncertainty remains high in the Middle East region, and the outlook continues to be unclear.”

- The number of newly built chemical tankers is expected to increase. (As of the end of FY2026, the orderbook-to-existing fleet ratio is approximately 12%.)
- Meanwhile, new demand from loading regions serving as alternatives to the Middle East, together with the continued instability in and around the Red Sea, has led to a structural extension of transport distances via the Cape of Good Hope, which supports market conditions.
- For competing product tankers, market conditions have strengthened against the backdrop of heightened tensions in the Middle East and strengthened sanctions, including those against Russia, and inflows into the chemical tanker market are expected to be limited.
- In addition to the situation in the Red Sea, uncertainty surrounding Middle East routes remains high amid rising geopolitical risks stemming from the effective closure of the Strait of Hormuz.

(Compiled by the Company from various sources)

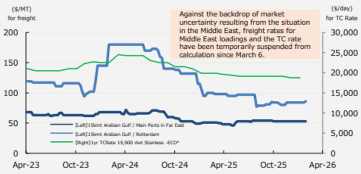
Chemical Tanker Spot Rate Index



*Due to the impact of the situation in the Middle East, freight rates have surged; however, this reflects only freight rates on certain routes and does not necessarily represent actual conditions. In addition, fuel costs have increased, and the changes in freight rates do not directly translate into earnings.

Source: Clarksons

Chemical Tanker Freight Rate



*From 3Q 2026, the reference data has been changed to the 19,900 dwt ECO vessel, and past data has also been revised retroactively.

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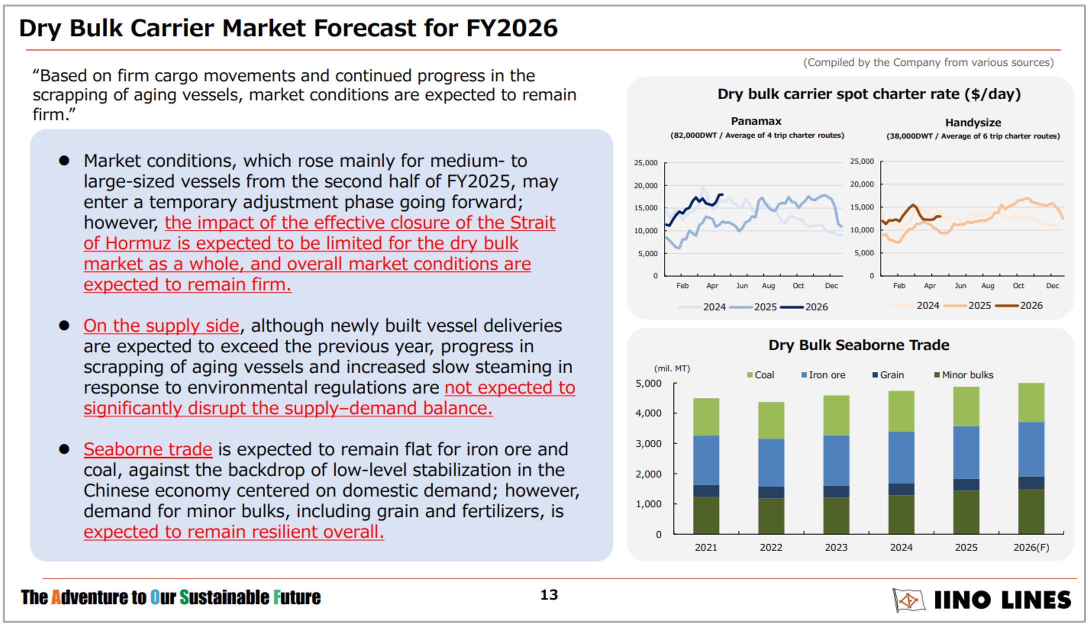
Next, I will explain the outlook for market conditions in shipping and real estate.

First, I will begin with the outlook for the chemical tanker market.
Regarding the chemical tanker market in FY2026, while there are factors supporting the market such as longer transportation distances due to routing via the Cape of Good Hope, uncertainty surrounding the situation in the Middle East remains high, and the outlook is unclear.

Factors supporting the market include expected new demand from regions replacing the Middle East, increased ton-miles due to routing via the Cape of Good Hope, and the rise in market conditions for competing product tankers, which limits the likelihood of product tankers entering the chemical tanker market.

The chemical tanker spot freight rate index shown in the upper right of the slide represents the average across all routes.

Although the dotted portion may appear to show a sharp rise in freight rates due to the current situation in the Middle East, freight rates for Middle East loadings have not been calculated since March 6, as they reflect indicative rates for certain routes such as between the United States and Europe, and therefore do not necessarily accurately reflect actual conditions. In addition, due to the increase in fuel costs, the rise in freight rates does not directly translate into earnings.

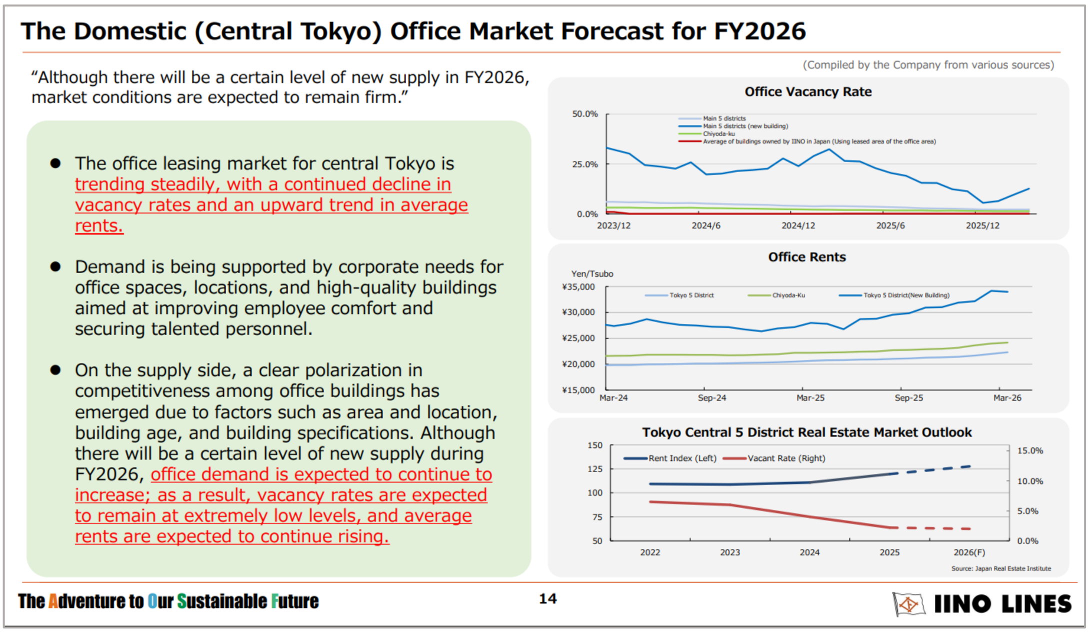


Next, I will explain the dry bulk carriers.
While market conditions improved toward the latter half of FY2025, particularly for medium- and large-sized vessels, we expect that in FY2026 the market will remain generally firm, supported by steady cargo movements.

On the supply side, although the volume of new vessel deliveries is expected to exceed that of the previous year, we do not expect the supply-demand balance to be significantly disrupted due to factors such as scrapping of aging vessels and slower operations in response to environmental regulations.

Regarding the impact of the closure of the Strait of Hormuz, we believe the overall impact on market conditions will be limited; however, if rising fuel prices and supply concerns persist, increased demand for coal as a power generation fuel may have a positive effect on the market.

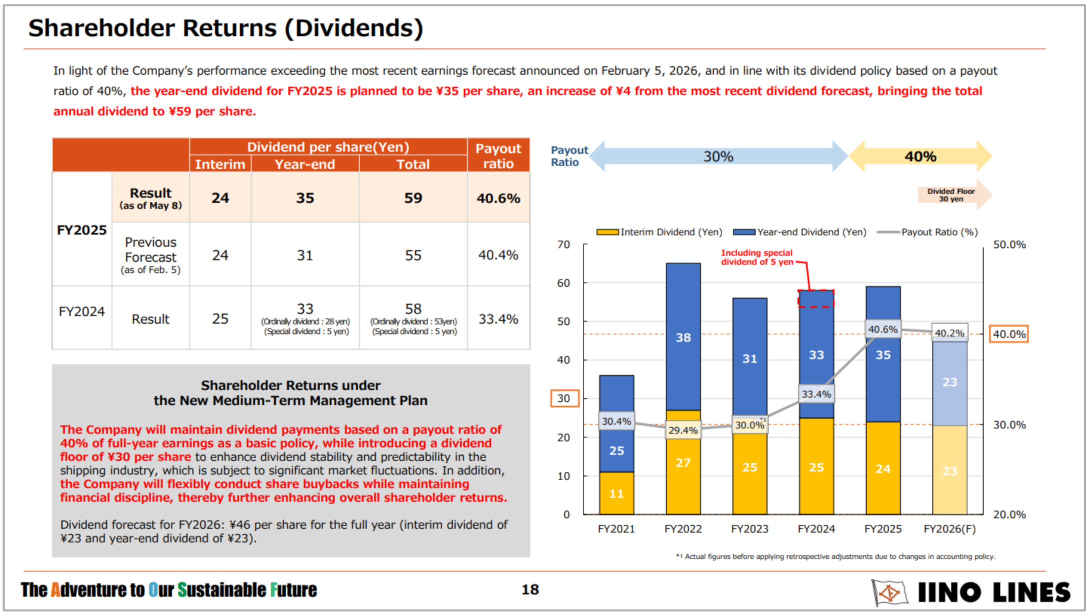
We publish the latest information on the chemical tanker and dry bulk markets on our website around the middle of each month, and we encourage you to refer to it.



Next, with regard to the real estate business, I will explain the outlook for the office building market in central Tokyo.

The current office leasing market in central Tokyo is expected to remain steady, although a certain level of new office supply is anticipated in FY2026.

Our office buildings are almost fully occupied, and vacancy rates remain at a low level compared to the overall market.

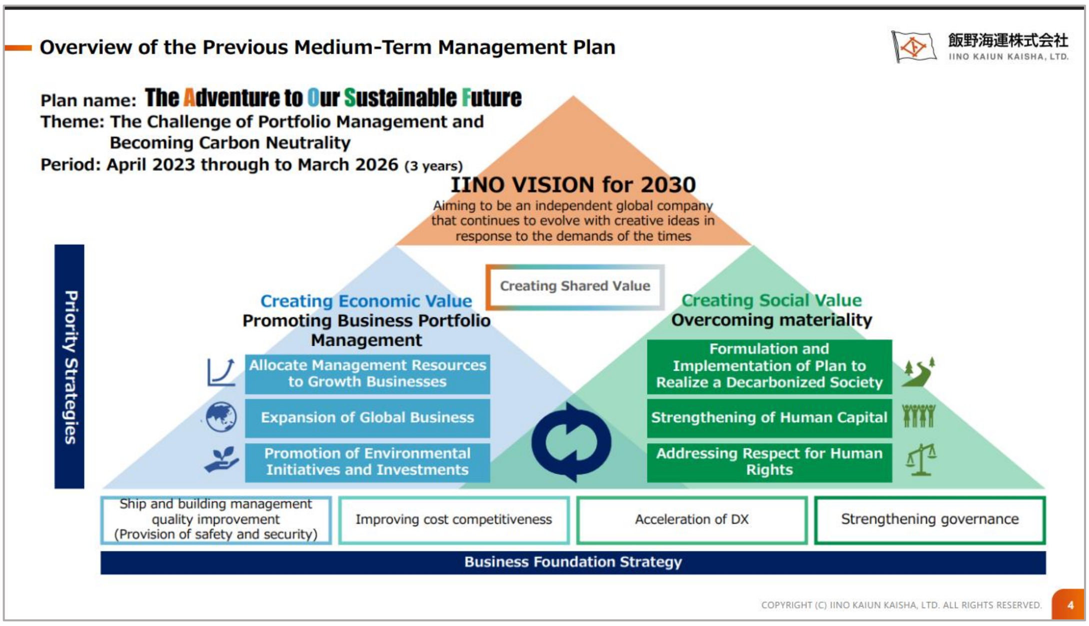


I will now explain the shareholder return policy for FY2025. Under the previous medium-term management plan, the dividend payout ratio was initially set at 30%, but it was raised to 40% in the FY2025.

As the results for the current fiscal year exceeded the forecast as of February 5, the year-end dividend is planned to be increased by 4 yen to 35 yen per share, resulting in an annual dividend of 59 yen per share. Shareholder return policies from this fiscal year onward will be explained later in the new medium-term management plan.

This concludes the explanation of the FY2025 results, including shareholder returns, as well as the

FY2026 financial forcasts and market forecasts.

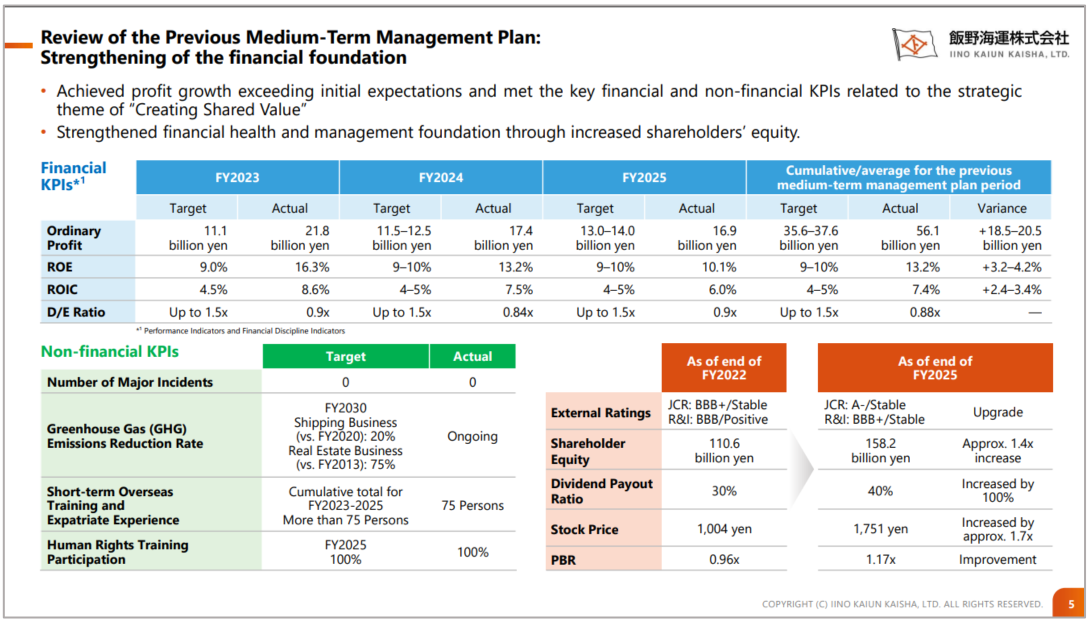


Before explaining the new medium-term management plan, I will briefly review the previous plan, "The Adventure to Our Sustainable Future."

In the previous medium-term management plan launched in FY2023, we set the theme of "The Challenge of Portfolio Management and Becoming Carbon Neutrality," and, aiming to create shared value through both economic and social value creation, we embarked on the challenge of business portfolio management for sustainable growth, based on the conventional IINO MODEL.

As a result, we achieved our numerical targets for three consecutive years, and at the same time, we executed growth investments of approximately 100 billion yen largely in line with the plan. As a result of these investments, from FY2026 through FY2030, an annual profit contribution of approximately 3 to 4 billion yen is expected, and this forms part of the earnings base of the new medium-term management plan.

Through these initiatives, the stability of the business portfolio has improved, and the financial base of the Group has been further strengthened.



Financial KPIs*1	FY2023		FY2024		FY2025		Cumulative/average for the previous medium-term management plan period		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Variance
Ordinary Profit	11.1 billion yen	21.8 billion yen	11.5–12.5 billion yen	17.4 billion yen	13.0–14.0 billion yen	16.9 billion yen	35.6–37.6 billion yen	56.1 billion yen	+18.5–20.5 billion yen
ROE	9.0%	16.3%	9–10%	13.2%	9–10%	10.1%	9–10%	13.2%	+3.2–4.2%
ROIC	4.5%	8.6%	4–5%	7.5%	4–5%	6.0%	4–5%	7.4%	+2.4–3.4%
D/E Ratio	Up to 1.5x	0.9x	Up to 1.5x	0.84x	Up to 1.5x	0.9x	Up to 1.5x	0.88x	—

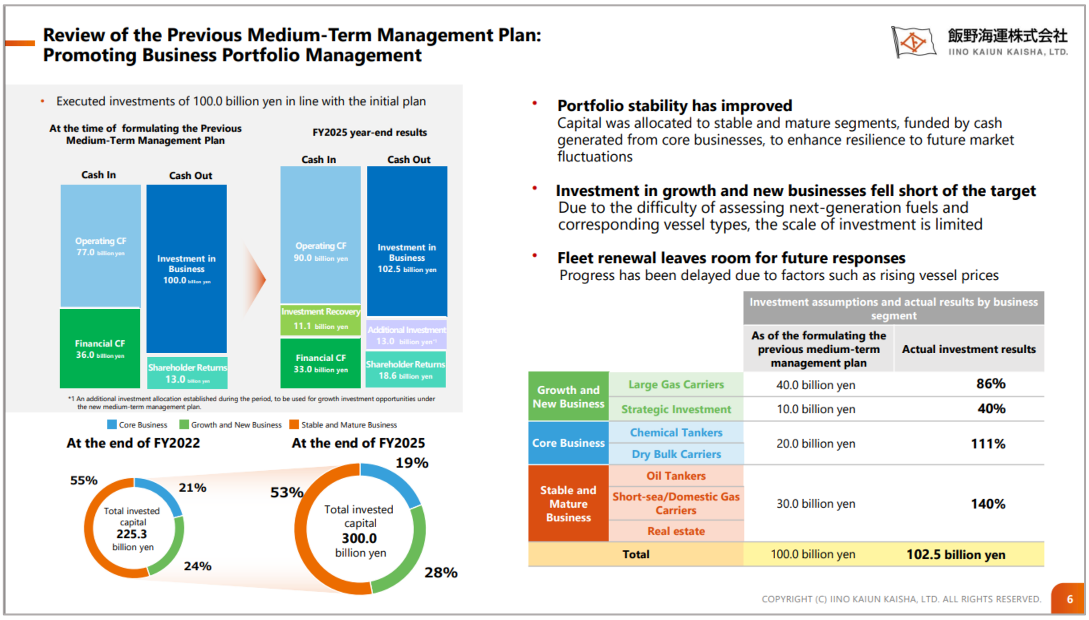
*1 Performance Indicators and Financial Discipline Indicators

Non-financial KPIs	Target	Actual
Number of Major Incidents	0	0
Greenhouse Gas (GHG) Emissions Reduction Rate	FY2030 Shipping Business (vs. FY2020): 20% Real Estate Business (vs. FY2013): 75%	Ongoing
Short-term Overseas Training and Expatriate Experience	Cumulative total for FY2023-2025 More than 75 Persons	75 Persons
Human Rights Training Participation	FY2025 100%	100%

	As of end of FY2022	As of end of FY2025	
External Ratings	JCR: BBB+/Stable R&I: BBB/Positive	JCR: A-/Stable R&I: BBB+/Stable	Upgrade
Shareholder Equity	110.6 billion yen	158.2 billion yen	Approx. 1.4x increase
Dividend Payout Ratio	30%	40%	Increased by 100%
Stock Price	1,004 yen	1,751 yen	Increased by approx. 1.7x
PBR	0.96x	1.17x	Improvement

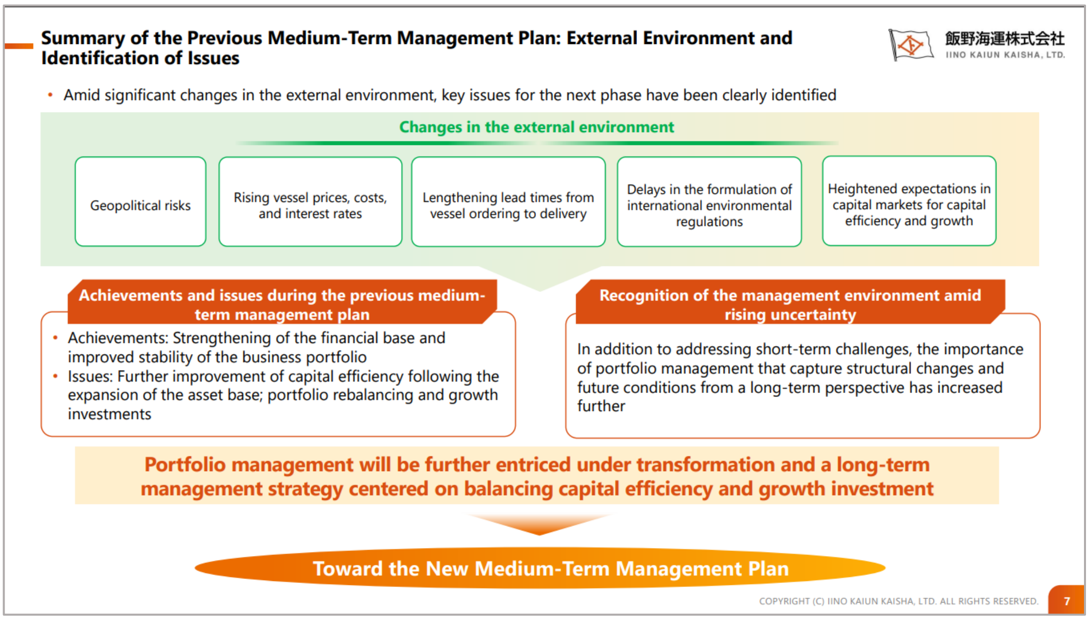
With regard to the achievement status of the specific financial KPIs, although there were rapid changes in the business environment, including changes in logistics associated with the Russia–Ukraine war and the extension of voyage distances due to the situation in the Red Sea, in addition to the acquisition of new business, and supported by the depreciation of the yen, we achieved profit growth that significantly exceeded the initial targets.

With respect to financial KPIs, ordinary profit, ROE, and ROIC all significantly exceeded the plan, and shareholders' equity increased by approximately 1.4 times, greatly improving financial soundness. With respect to non-financial KPIs, while the GHG reduction rate is currently being aggregated, it is expected to be generally achieved.



		Investment assumptions and actual results by business segment	
		As of the formulating the previous medium-term management plan	Actual investment results
Growth and New Business	Large Gas Carriers	40.0 billion yen	86%
	Strategic Investment	10.0 billion yen	40%
Core Business	Chemical Tankers Dry Bulk Carriers	20.0 billion yen	111%
Stable and Mature Business	Oil Tankers Short-sea/Domestic Gas Carriers Real estate	30.0 billion yen	140%
Total		100.0 billion yen	102.5 billion yen

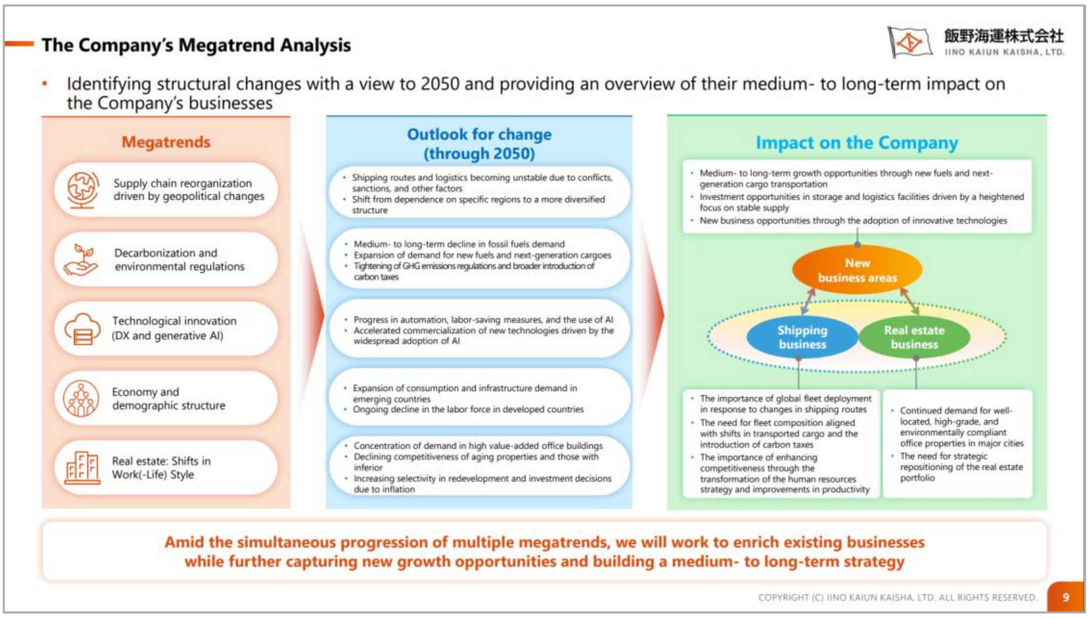
With regard to investments, we executed approximately 100 billion yen as initially planned, and invested capital increased steadily, and based on cash generated from core and stable businesses, we were able to enhance the stability of the overall portfolio; however, investment in growth and new businesses ultimately fell short of expectations.



While the financial base and the stability of management have improved, further improvement of capital efficiency, rebalancing of the business portfolio, and further acceleration of growth investments have become clearly identified as key issues for the next phase.

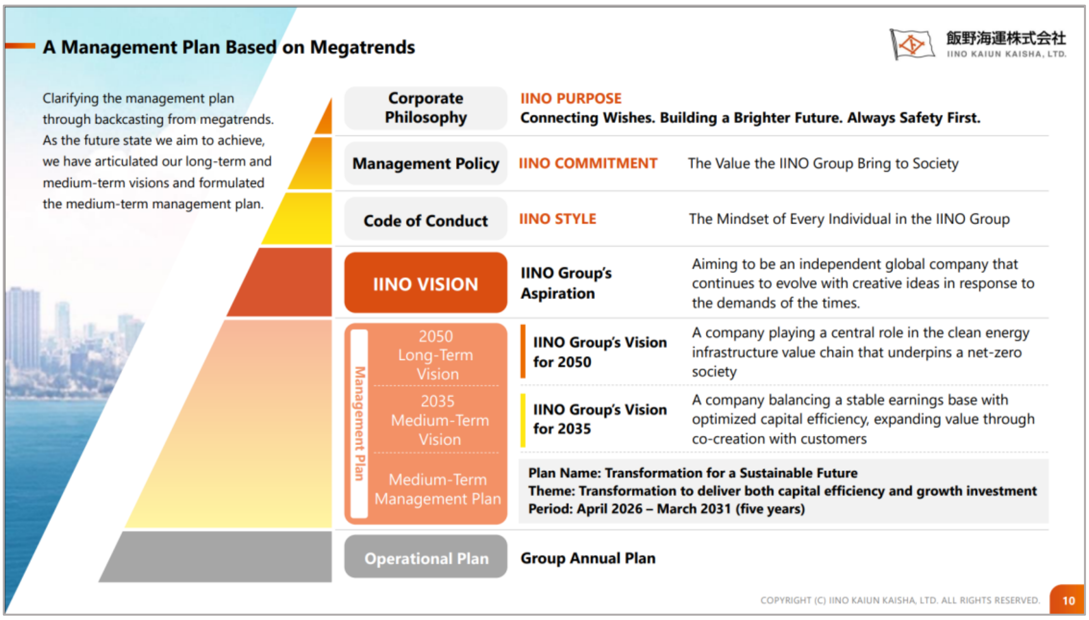
In addition, the emergence of geopolitical risks, including those in the Middle East, and the significant changes in supply chains associated with such developments, indicate that structural changes in the business environment are progressing. The importance of growth strategies that take a long-term perspective on the future environment has increased more than ever, and we have determined that it is necessary to further deepen business portfolio management.

Based on this recognition, under a long-term management strategy centered on transformation that balances capital efficiency and growth investments, we began formulating a new medium-term management plan with the aim of further deepening portfolio management.



Now, I wil explain the new medium-term management plan, “Transformation for a Sustainable Future.”

In formulating the new medium-term management plan, we conducted a megatrend analysis and, with a view to 2050, organized the impacts on the Company in order to formulate medium- to long-term strategies, including new fuels and next-generation cargo, environmental initiatives, restructuring of the real estate business, and new growth and investment opportunities related to our business.



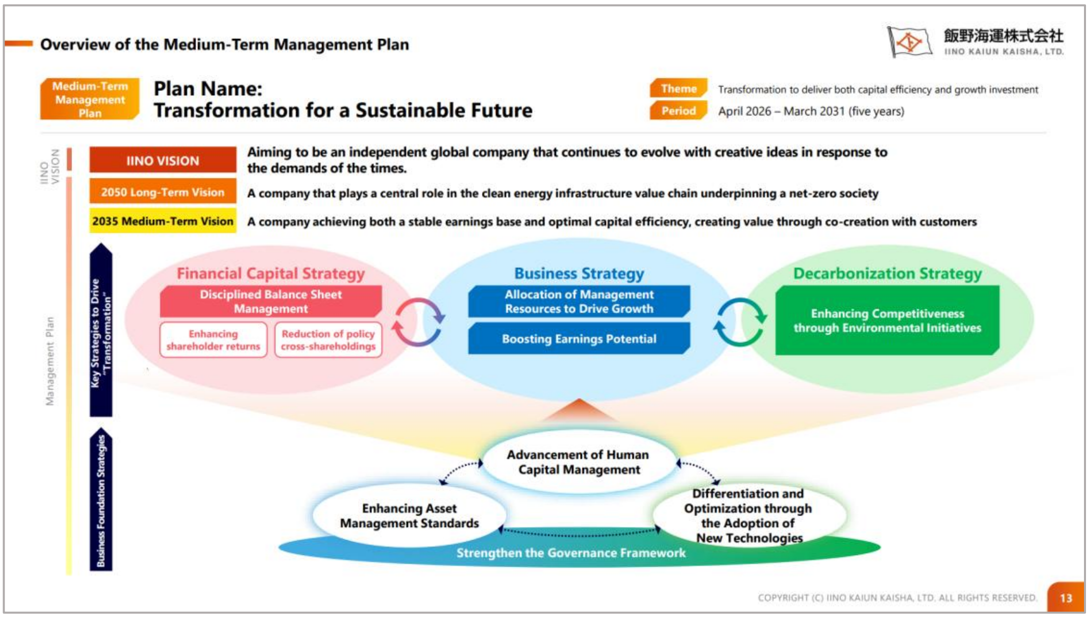
Based on these megatrends, we first developed a long-term vision for 2050 by backcasting. We aim not only to transport cargo but also to expand beyond transportation and evolve by entering related business value chains.

In addition, as a medium-term vision for 2035, we aim to create value through co-creation with customers cultivated over many years in order to expand our business domains. These medium- to long-term visions together with the new medium-term management plan are organized as our overall management plan.

In formulating this plan, we not only involved members of the Board of Directors, but also conducted surveys among employees so that each individual could consider the future vision, and we actively gathered opinions, including from younger employees, on what the Company should be in the future.

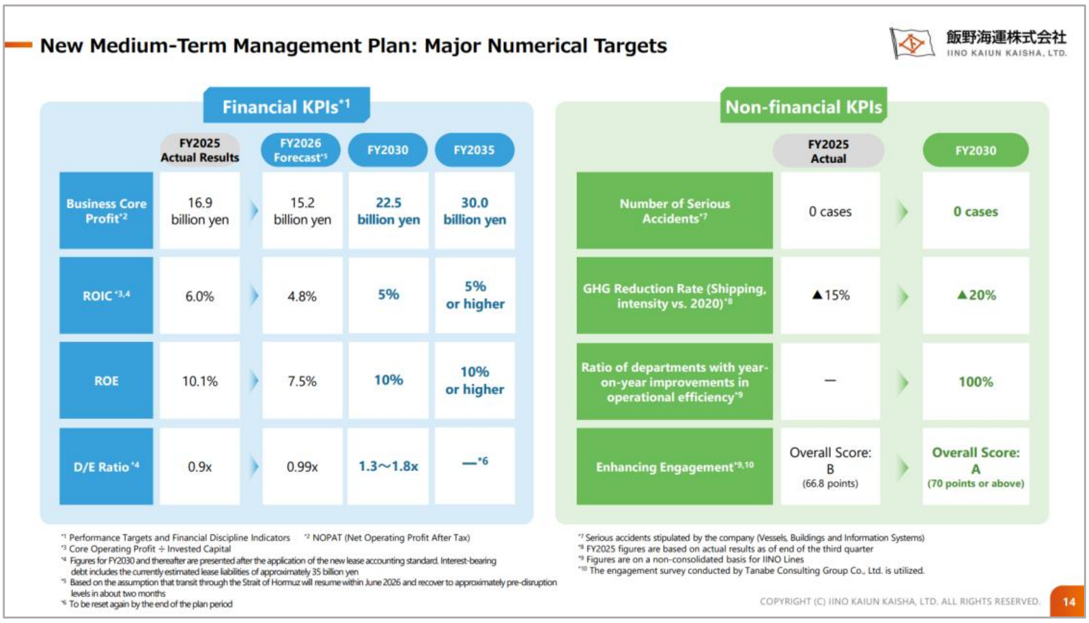
This plan has been formulated by backcasting from the 2050 long-term vision. With the aim of achieving the 2050 long-term vision, we have set the 2035 medium-term vision as a milestone point, and have positioned the five-year period from 2026 to 2030 as the period of the new medium-term management plan, serving as a transformation phase toward the 2035 medium-term vision.

Whereas the previous plan represented a “Challenge and Adventure” toward a “Sustainable Future”, this plan sets “Transformation” as its theme in order to realize a sustainable future by balancing capital efficiency and growth investments, and reflects our intention to further evolve in the name “Transformation.”



In this plan, we have established three key strategies—business strategy, financial capital strategy, and decarbonization strategy—as priority strategies to drive transformation.

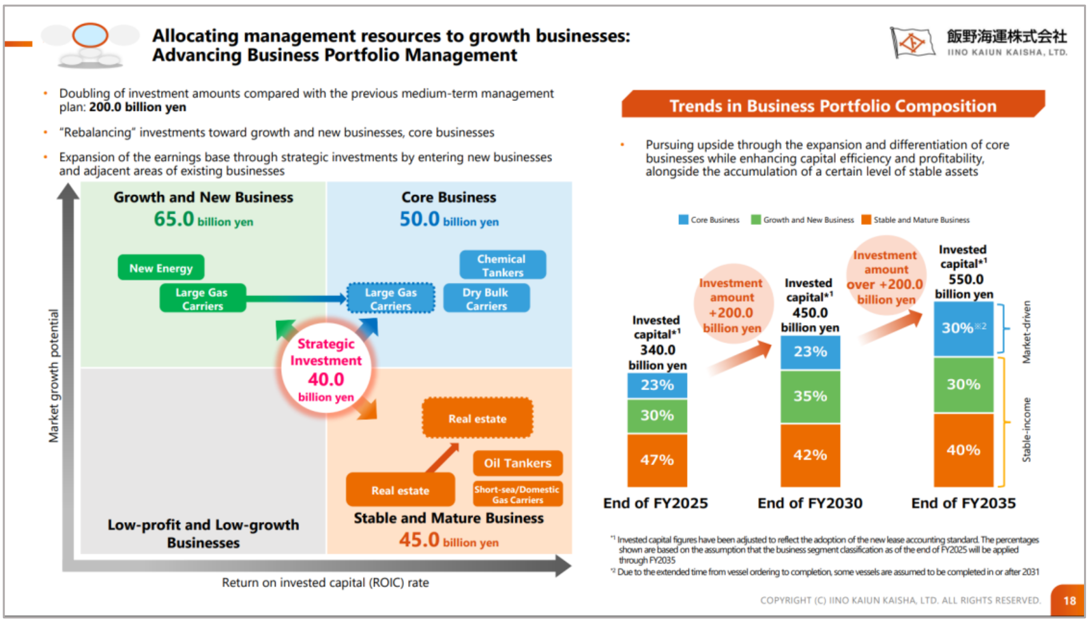
In particular, as foundational measures to enhance earning power within the business strategy, we will increase corporate value through human capital management, enhancing asset management standards, differentiation and optimization through the adoption of new technologies, and strengthen the governance framework.



The slide presents the financial and non-financial KPIs under the new medium-term management plan. First, as financial KPIs for FY2030, we have set business core profit, defined as net operating profit after tax, at 22.5 billion yen, ROIC at 5%, ROE at 10%, and the D/E ratio at between 1.3 and 1.8 times.

In the previous medium-term management plan, ordinary profit was used as a KPI; however, given that assets such as vessels are replaced over their lifecycle and include gains and losses on sale, and by managing profit before interest expenses, in order to separate the impact of financing and represent the earning power of the business itself, we have adopted net operating profit after tax before interest, which corresponds to the numerator of our ROIC, as core operating profit.

As for non-financial KPIs, in addition to the number of serious accidents and the GHG reduction rate in the shipping business, as KPIs related to the promotion of human capital management aimed at enhancing earning power, we have established new quantitative targets for improving operational efficiency and enhancing employee engagement.



I will now explain the key strategies. Among the three key strategies mentioned earlier, I will first explain the business strategy in detail.

Under this plan, we will double the level of investment compared with the previous medium-term management plan and plan approximately 200 billion yen in growth investments over five years. In particular, we will carry out a "rebalancing" by shifting investment toward growth and new businesses as well as core businesses, and advance the deepening of business portfolio management.

Specifically, of the 200 billion yen in investments, 65 billion yen will be allocated to growth and new businesses, 50 billion yen to core businesses, 45 billion yen to stable and mature businesses, and an additional 40 billion yen will be allocated as strategic investments.

We position oceangoing gas carriers, for which transportation demand is expected to increase due to the transition to next-generation fuels and the promotion of GHG reduction, as a growth business, and we intend to develop them into a core business in the future.

In the core businesses, centered on the large stainless-steel fleet of chemical tankers, which symbolizes our differentiation, we will proceed with investments aimed at expanding our operating fleet, including vessels with environmental features.

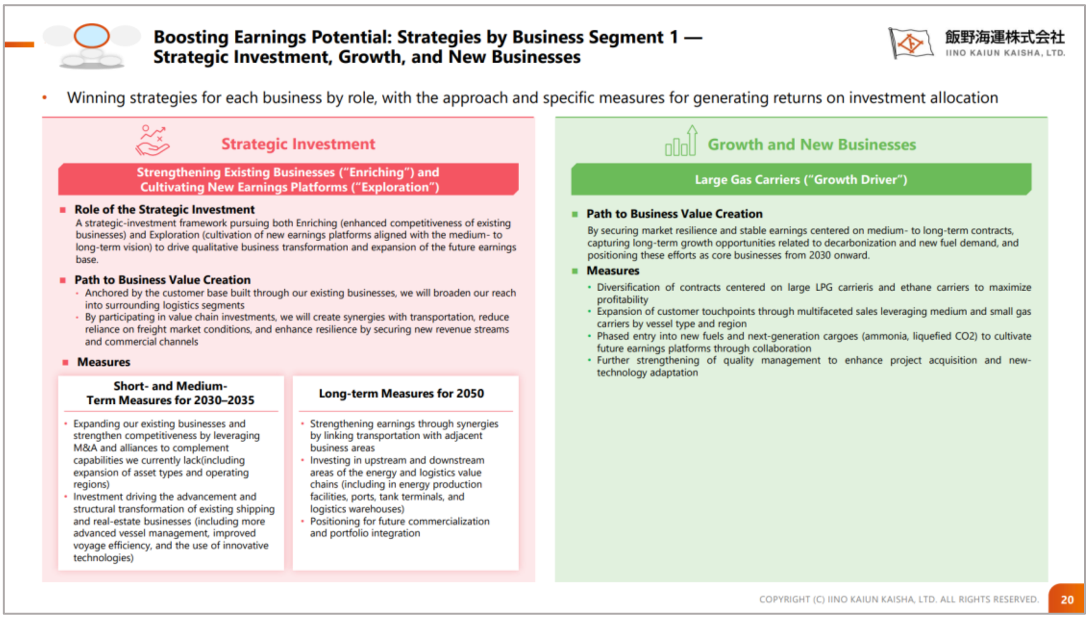
In stable and mature businesses, in order to maintain and expand stable sources of revenue that form the foundation of our management, we will continue investments while slightly controlling the proportion of invested capital.

In addition, by allocating 40 billion yen for strategic investments, we will expand existing businesses through alliances and enter new areas that have synergies with our existing businesses, thereby planning to further expand our earnings base.

As the period from vessel ordering to delivery has been lengthening, and sufficient fleet development requires time, we will also make additional investments of more than 200 billion yen during the five years from FY2031 to FY2035, aiming to enhance capital efficiency and profitability by capturing upside through expansion and differentiation of core businesses, while steadily accumulating a certain level of stable assets.

While further refining our existing strengths in each business, we will advance measures to create new growth opportunities, and thereby enhance our earning power.

In the following slides, we have organized the concepts and specific measures for generating returns on investment allocation in each business, and I will explain each of them in detail.

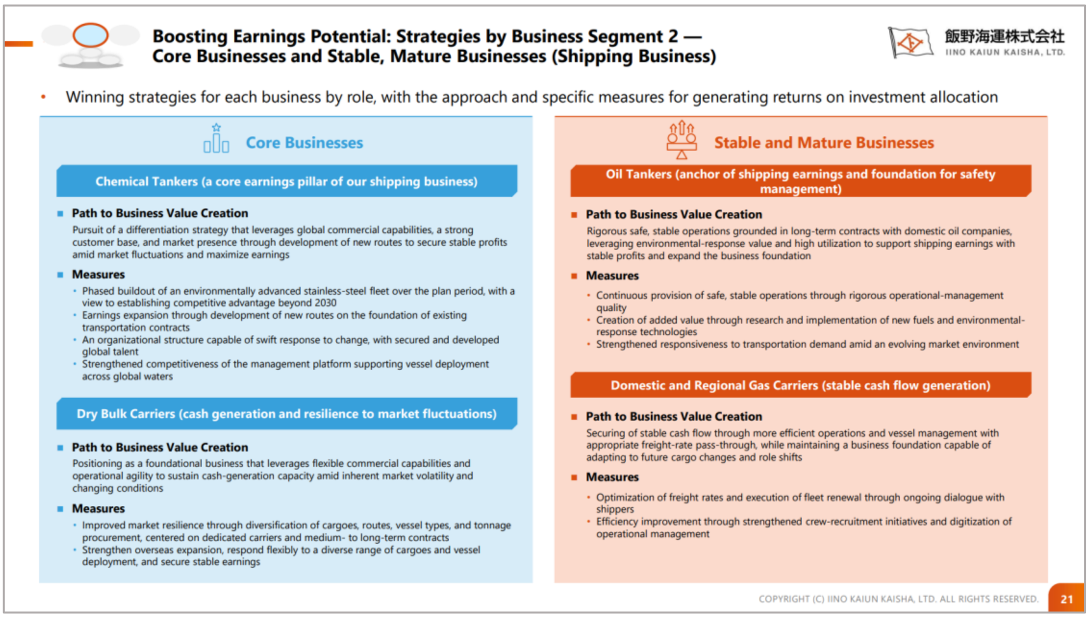


Next, I will explain strategic investments and growth and new businesses. In strategic investments, we will strengthen existing businesses and develop new earnings bases. We will actively utilize M&A and alliances to expand existing businesses and enhance competitiveness.

As a long-term initiative toward 2050, we will expand beyond our traditional shipping and real estate businesses into surrounding business areas, with a view to becoming involved in value chains that allow us to exert greater control over market conditions.

In growth and new businesses, we position ocean-going gas carriers as a growth driver, while securing stable earnings primarily through medium- to long-term contracts, and by capturing new fuels and next-generation cargo such as ammonia and liquefied CO_2, we will develop this into a core business after 2030.

By implementing integrated operations that leverage the characteristics of both large vessels and small- to medium-sized vessels, we will increase points of contact with a wide range of customers, and in order to capture growth opportunities, in the organizational restructuring in June, we will integrate the ocean-going gas carrier divisions handling different vessel types.



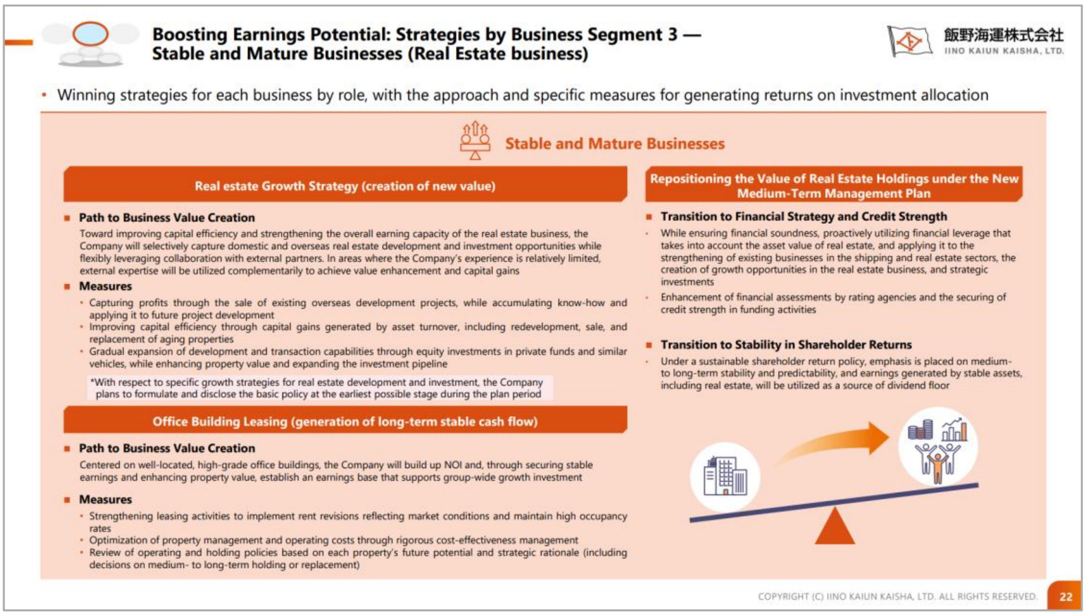
Next, I will explain the core businesses and the stable and mature businesses.

The chemical tanker business, which is currently our core business, will continue to be positioned as the main pillar of the Group's earnings. Looking ahead to beyond 2030, by proceeding during the period of this plan with the development and renewal of our environmentally compliant stainless-steel fleet, we will further strengthen our business foundation by expanding new routes in addition to existing transportation routes, and, while promoting differentiation, aim to maximize earnings while securing stable profits.

The dry bulk carrier business is positioned as a foundational business that generates stable cash flow even during periods of market fluctuations, and we will implement measures to enhance resilience to market conditions and secure stable earnings.

Next, I will explain the stable and mature businesses.
The oil tanker business is based on long-term contracts and is positioned as a stable source of earnings within the business portfolio.

The domestic and regional gas carrier business will secure stable cash flow, while maintaining a business foundation that enables us to respond to future changes in logistics and the development of new fuels and next-generation cargo.



I will now explain the real estate business, which is positioned as a stable and mature business. The real estate business has three key points: growth strategy, office building leasing, and repositioning the value of real estate holdings.

Regarding the first point, growth strategy, in order to improve capital efficiency and strengthen the overall profitability of the real estate business, we will capture domestic and overseas real estate development and investment opportunities while considering collaboration with external partners, and aim to achieve value enhancement and capital gains.

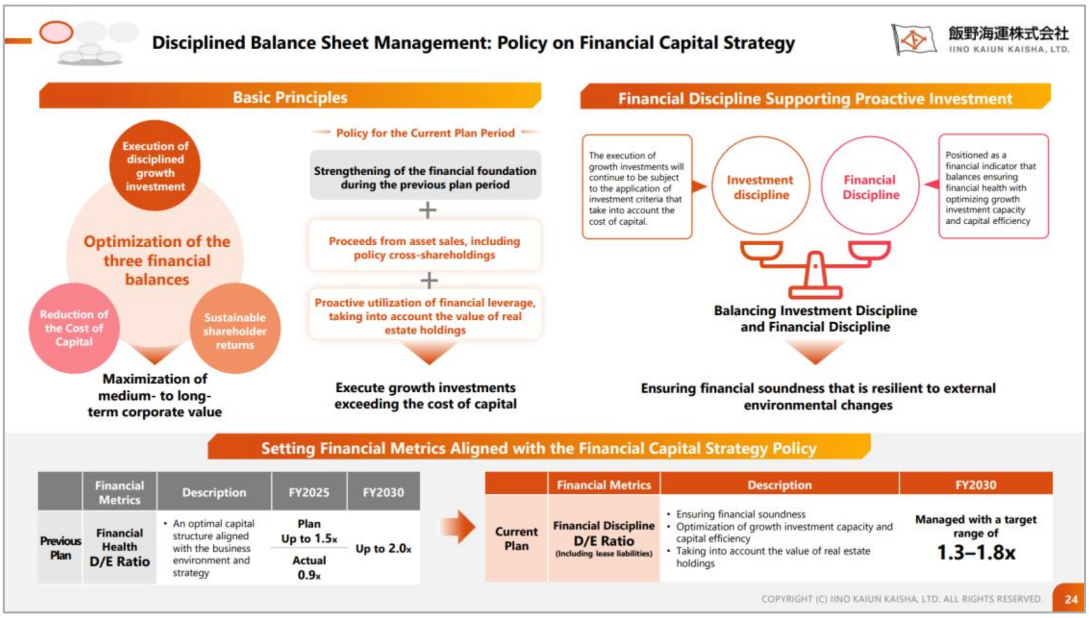
We will capture profits from the sale of existing overseas development projects, and aim to improve capital efficiency through asset turnover, including redevelopment, sale, and replacement of aging properties.

In addition, we will promote various measures, such as gradually enhancing our capabilities in development and transactions through equity investments in private funds. With regard to specific measures for the growth strategy, we intend to formulate the basic policy at as early a stage as possible during the period of this plan and disclose it.

With respect to the second point, office building leasing, we will establish it as an important earnings base of the Group that generates long-term stable cash flow. By reviewing our holding policy while assessing the future potential and strategic rationale of each property, we will aim to maximize value.

As the third point, we will utilize the value of owned real estate as part of our financial and capital strategy, contributing to creditworthiness and the stability of shareholder returns. Specifically, while taking into account the asset value of owned real estate, we will actively utilize financial leverage, and use it for growth investments aimed at strengthening existing businesses in both shipping and real estate, as well as creating growth opportunities in the real estate business.

In addition, with regard to shareholder returns, we place importance on continuity and predictability over the medium to long term, and will utilize income generated by stable assets, including real estate, as a source for dividend floor.



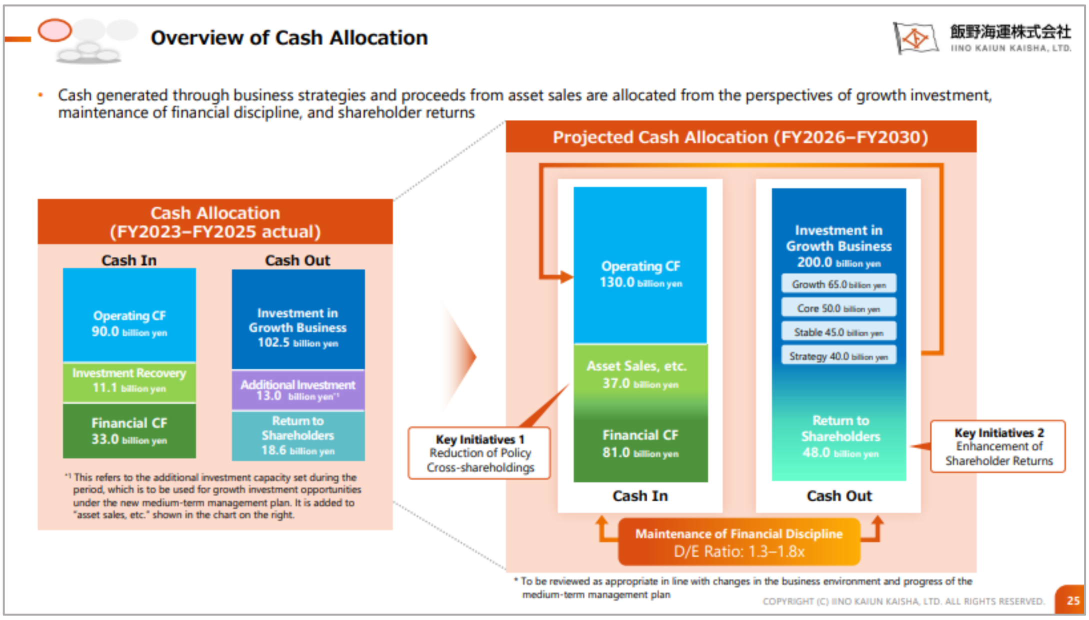
	Financial Metrics	Description	FY2025	FY2030
Previous Plan	Financial Health D/E Ratio	• An optimal capital structure aligned with the business environment and strategy	Plan Up to 1.5x / Actual 0.9x	Up to 2.0x

	Financial Metrics	Description	FY2030
Current Plan	Financial Discipline D/E Ratio (Including lease liabilities)	• Ensuring financial soundness • Optimization of growth investment capacity and capital efficiency • Taking into account the value of real estate holdings	Managed with a target range of 1.3–1.8x

Next, I will explain the financial and capital strategy, which is the second key strategy. The slide shows our approach to balance sheet management. Our basic policy is to aim to maximize corporate value over the medium to long term by optimizing the balance among disciplined growth investments, reduction of capital costs, and sustainable shareholder returns.

During the period of this plan, based on the strengthened financial position achieved under the previous medium-term management plan, through the active use of financial leverage taking into account proceeds from asset sales including cross-shareholdings as well as the value of owned real estate, we will execute growth investments that exceed the cost of capital.

In addition, in making investments, we will maintain both investment discipline based on capital costs and financial discipline, targeting a D/E ratio of between 1.3 and 1.8 times by FY2030.

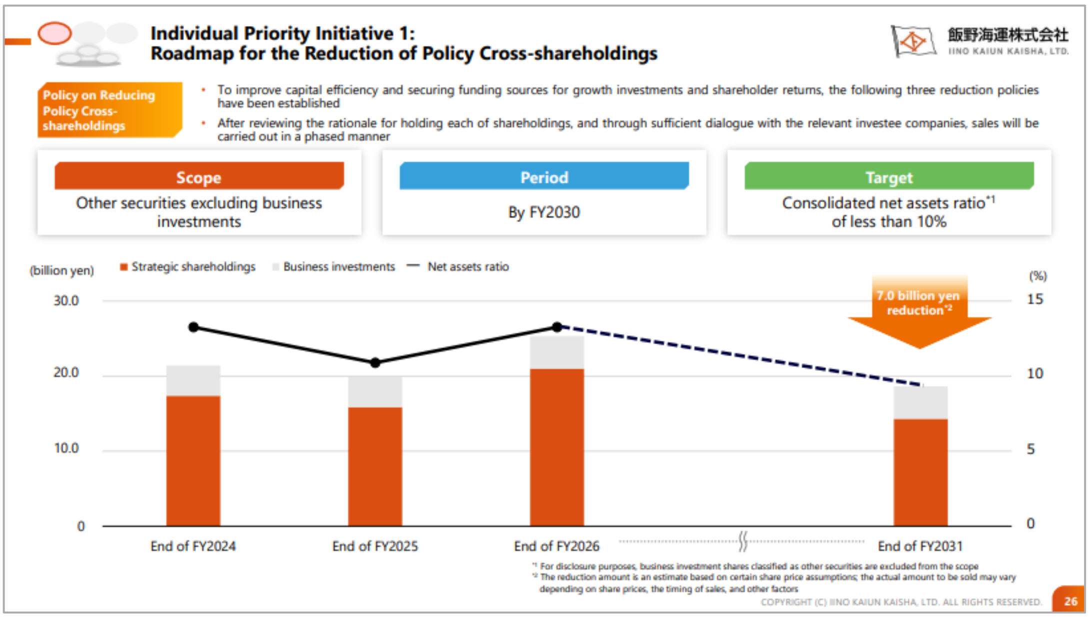


I will now explain the overview of cash allocation. Using operating cash flow, proceeds from asset sales, and financial cash flow as the main sources, our basic policy is to allocate these in a well-balanced manner to growth investments and shareholder returns.

As of the end of March 2026, the D/E ratio is approximately 0.9 times, and the financial position has been strengthened through the accumulation of retained earnings during the previous medium-term management plan period.

Furthermore, through financial cash flow, by utilizing leverage while maintaining financial discipline and taking into account the value of owned real estate, we will allocate 200 billion yen over the five-year period of this plan to growth investments aimed at strengthening future earning power.

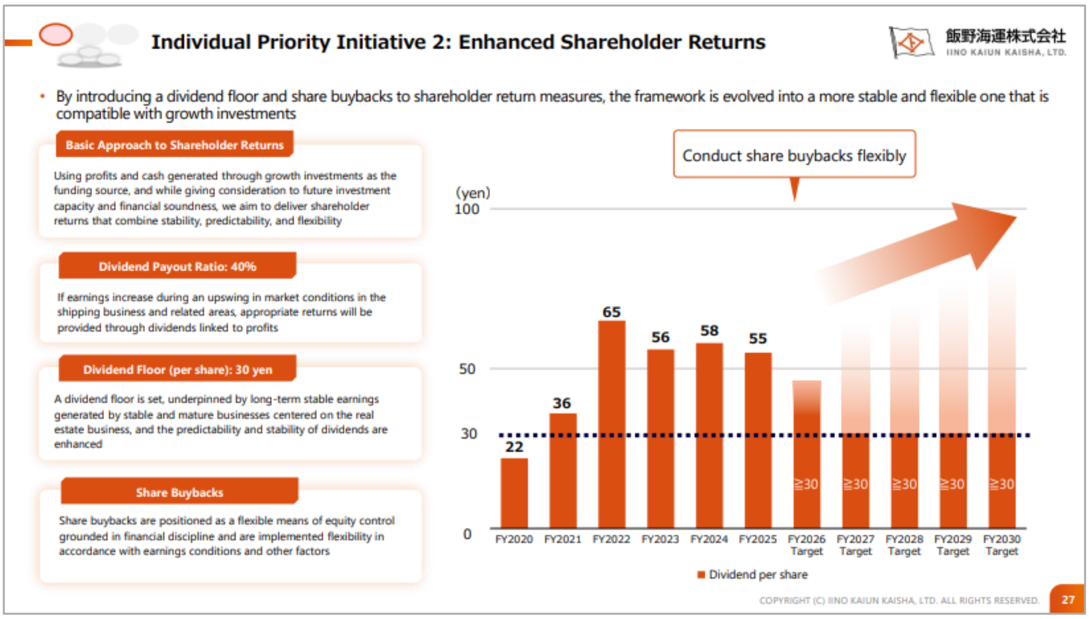
We plan 48 billion yen for shareholder returns, and will pursue both growth investments and shareholder returns.



I will now explain the reducing policy cross-shareholdings. From the perspective of improving capital efficiency and securing funds for growth investments and shareholder returns, the Group will reduce cross-shareholdings.

By FY2030, we will reduce the ratio of policy cross-shareholdings to net assets to below 10% and achieve a reduction of 7.0 billion yen. In doing so, we will examine the significance of each holding and proceed in stages, while engaging in sufficient dialogue with investee companies and taking market conditions into account.

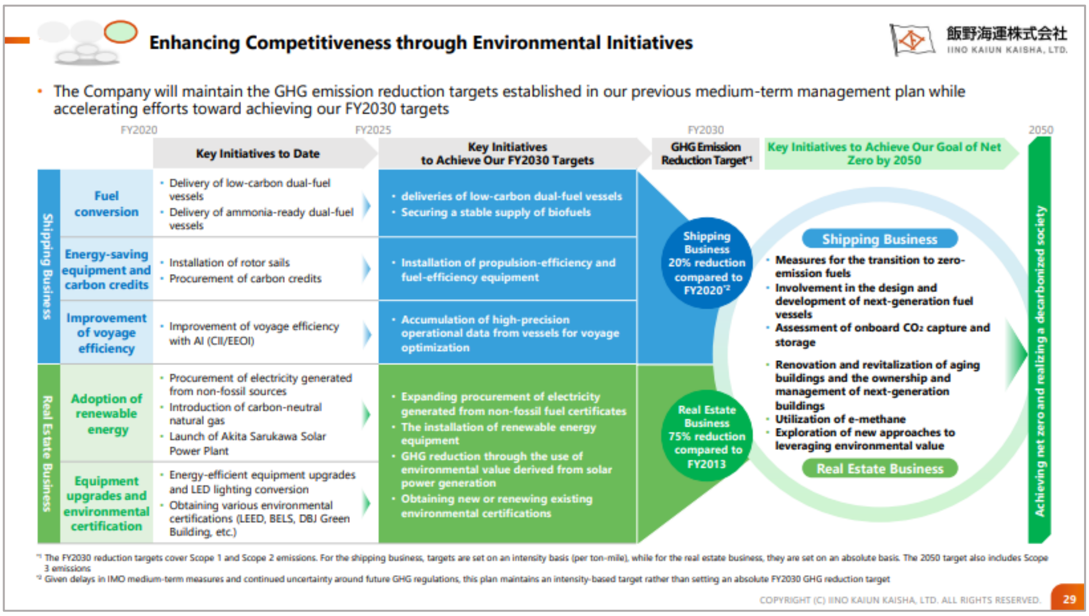
Funds generated in this way will be allocated to growth investments and shareholder returns, thereby increasing capital turnover and contributing to the enhancement of corporate value.



I will now explain the enhancement of shareholder returns. As a basic policy, using profits and cash generated through growth investments as the source, while taking into account future investment capacity and financial soundness, we aim to achieve shareholder returns that combine stability, predictability, and flexibility.

Specifically, we will set a dividend payout ratio of 40% and a dividend floor of 30 yen per share, and implement flexible share buybacks. Through these measures, we will enhance the stability and predictability of shareholder returns even amid market fluctuations.

While maintaining a balance among growth investments, financial discipline, and shareholder returns, we will continue to aim for the enhancement of corporate value and the realization of robust shareholder returns.



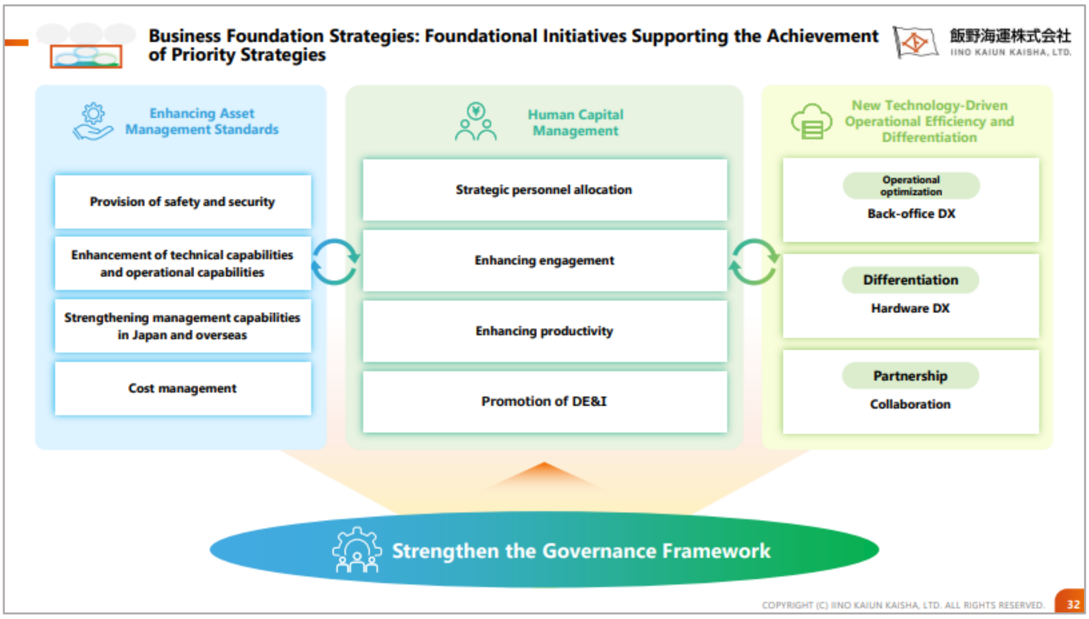
I will explain the decarbonization strategy, which is the third key strategy. In the shipping business, by promoting fuel transition, introducing fuel efficiency improvement technologies, and optimizing voyages using AI and other tools, we will steadily reduce GHG emissions intensity per ton-mile.

Furthermore, we will promote initiatives toward decarbonization by making phased investments in next-generation fuel vessels.

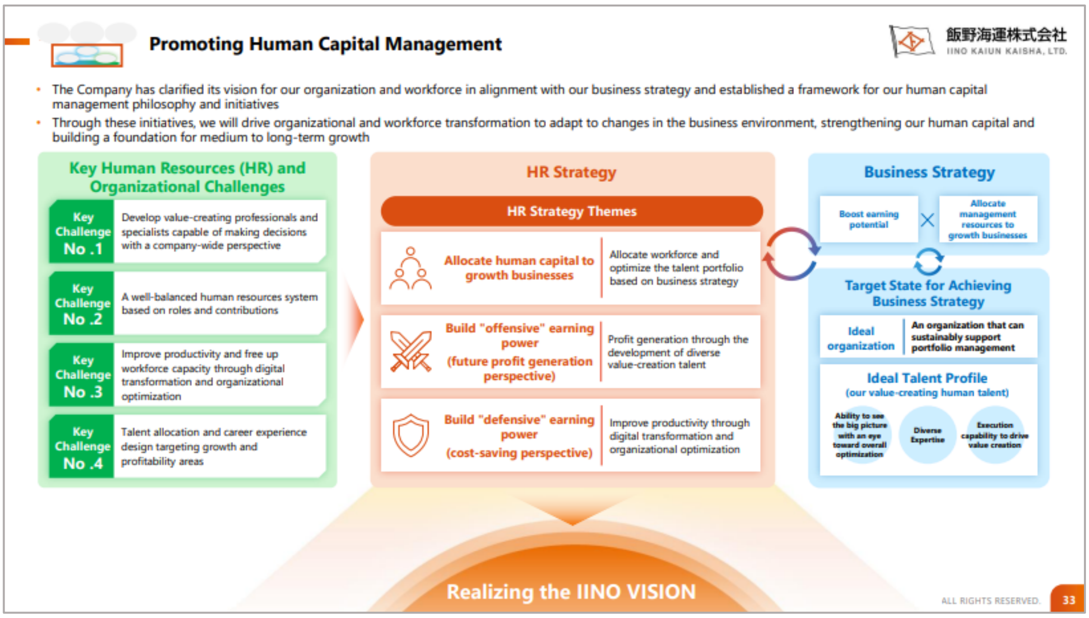
On the other hand, as the formulation of a medium-term framework for GHG emission reduction measures at the International Maritime Organization (IMO) has been delayed and the outlook remains unclear, we will maintain intensity-based targets per transport ton-mile rather than absolute emission targets, consistent with the previous medium-term management plan.

In the real estate business, by expanding the procurement of electricity with non-fossil certificates, introducing renewable energy facilities, and acquiring and maintaining environmental certifications, we will steadily reduce GHG emissions and continue efforts toward achieving net zero by 2050.

Through steadily advancing initiatives tailored to the characteristics of each business, we will achieve both the reduction of environmental impact and the strengthening of competitiveness, thereby contributing to sustainable enhancement of corporate value.

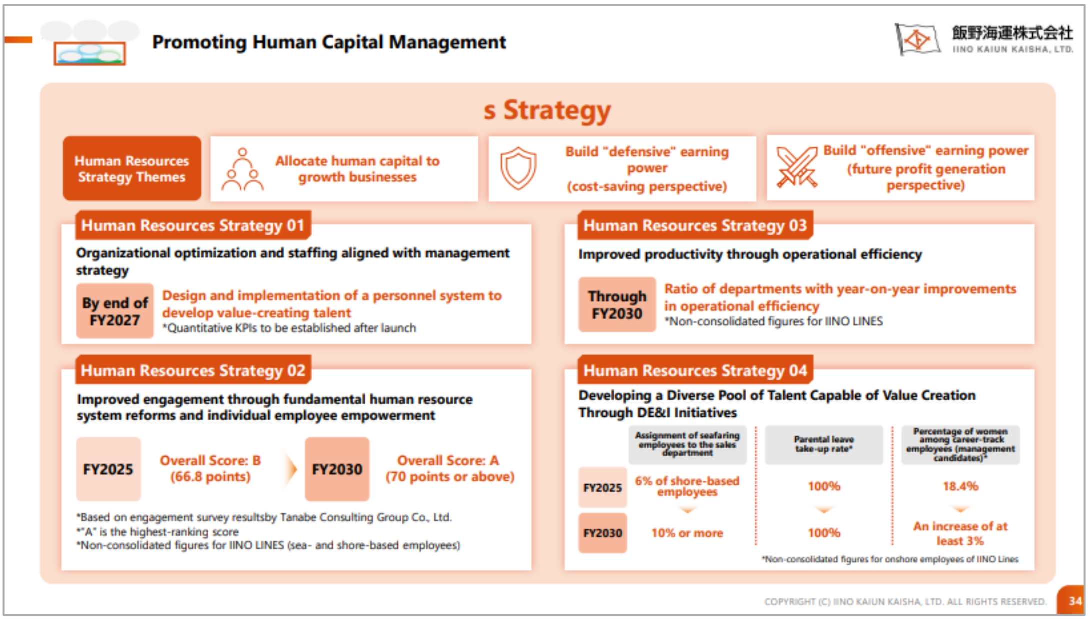


I will now explain the business foundation strategy. We position the business foundation strategy as the foundation for ensuring the steady execution of the key strategies. The business foundation strategy consists of promoting human capital management, enhancing asset management standards, achieving differentiation and optimization through the adoption of new technologies, and strengthen the governance framework.



In promoting human capital management, we will clarify the desired state of the organization and human resources aligned with our business strategy, and by organizing the concepts and frameworks of human capital management, we will promote the transformation of our organization and human resources in response to changes in the business environment, thereby strengthening human capital and building a medium- to long-term growth foundation.

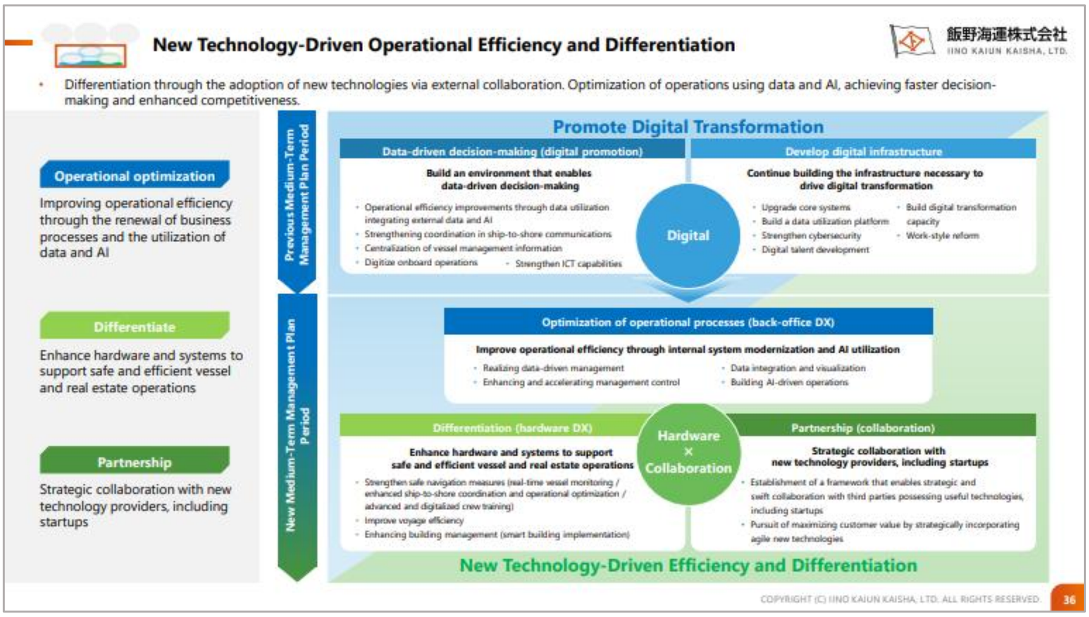
By incorporating human capital strategies into our business strategy, we will further enhance our earning power.



With regard to human resource strategy, we will set KPIs and manage them.

Not limited to qualitative evaluation, we will use indicators such as the results of engagement surveys and the progress of personnel exchanges between seafaring and land-based operations, as well as metrics such as the increase in the ratio of female employees in career-track positions, to manage and monitor them quantitatively.

With regard to the enhancement of asset management standards, for important assets such as vessels and real estate, we will establish a high-quality management system that balances "safety and security" and "earning power," and enhance the accuracy of cost management and risk management.



With regard to differentiation and optimization through the adoption of new technologies, we will continue the development of digital infrastructure and the utilization of data that we have promoted under the previous medium-term management plan, and advance the optimization of business processes.

In addition, while incorporating new technologies through collaboration with external partners, we will develop systems for vessels and real estate, and lead to differentiation in high-quality operations and services.

With regard to the strengthen the governance framework, we will continue to strengthen the functions of the Board of Directors, and further enhance the effectiveness of management oversight and decision-making. At the same time, we will advance the refinement of compensation systems that contribute to the enhancement of corporate value over the medium to long term, and enhance disclosure and communication with capital markets.

We will also work to strengthen our risk management framework, and by further strengthening trust from stakeholders, we will aim to achieve sustainable growth and further enhancement of corporate value.

In addition, as part of the initiatives under the business infrastructure strategy that supports these key strategies, we will change the organizational structure of administrative divisions. For details of the new medium-term management plan and the organizational changes, please refer to the material on the new medium-term management plan available on our website, or the announcement dated April 23, 2026, titled "Announcement of Executive Appointments and Organizational Changes"

This concludes the explanation of the FY2025 full-year financial results and the new medium-term management plan.

Finally, based on the financial foundation strengthened under the previous medium-term management plan, under the new medium-term management plan, while balancing growth investments with an awareness of capital efficiency and maintaining disciplined management, we will strive to further enhance corporate value.

We sincerely appreciate your continued understanding and support.
Thank you very much for your attention.

End