

## IINO Lines revises full-year profit forecast upward due to improved profitability of large LPG carriers and dry bulk carriers; two large ethane carriers to be delivered this fiscal year

This is a transcript of FY2025 2Q financial results briefing, which was held on November 5, 2025.  
Speaker: Yusuke Otani, President and Representative Director

| Table of Contents                                                                                                                                                         |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>FY2025 2Q Results</b>                                                                                                                                                  | <b>P. 03</b> |
| <b>Financial Forecasts for FY2025</b>                                                                                                                                     | <b>P. 07</b> |
| <b>Market Forecasts for FY2025</b>                                                                                                                                        | <b>P. 10</b> |
| <b>Mid-term Management Plan (FY2023-2025)</b>                                                                                                                             | <b>P. 16</b> |
| (Numerical Financial Targets <a href="#">P.18</a> / Shareholder Returns (Dividends) <a href="#">P.19</a> / Sustainability and Business Initiatives <a href="#">P.20</a> ) |              |
| <b>Reference Information</b>                                                                                                                                              | <b>P. 22</b> |
| (Business Performance <a href="#">P.22</a> / Status of Facilities and Investment Plan <a href="#">P.26</a> / Existing Vessels and Orderbook <a href="#">P.29</a> )        |              |

The Adventure to Our Sustainable Future 2 IINO LINES

Good morning, everyone. I am Yusuke Otani, the representative director and president of IINO Kaiun Kaisha, Ltd. Thank you very much for participating in the fiscal year 2025 interim financial results briefing.

Today, I will explain the overview of the fiscal year 2025 interim financial results, the full-year earnings forecast for fiscal year 2025, and the market outlook. I would also like to share the progress of our mid-term management plan, which is now in its final fiscal year.

| Financial Highlights                                                                           |               |                  |                 |            |
|------------------------------------------------------------------------------------------------|---------------|------------------|-----------------|------------|
| <b>FY2025 2Q Results</b> : Net sales and profit decreased YoY due to a softer shipping market. |               |                  |                 |            |
|                                                                                                | (Billion Yen) |                  |                 |            |
|                                                                                                | Net Sales     | Operating Profit | Ordinary Profit | Net Income |
| FY2024 2Q                                                                                      | 74.0          | 9.9              | 9.0             | 9.6        |
| FY2025 2Q                                                                                      | 61.1          | 5.8              | 6.6             | 7.5        |
| Year on Year                                                                                   | ▲17.4%        | ▲41.7%           | ▲26.4%          | ▲22.4%     |

Compared to the previous forecast announced on July 31, 2025, although net sales decreased, operating profit increased due to the sustained strength of the large LPG carrier market and the recovery in market conditions for dry bulk carriers. In addition, ordinary profit and profit attributable to owners of the parent company significantly exceeded the previous forecast, partly due to the depreciation of the yen against the U.S. dollar during the six months ended September 30, 2025.

| FY2025 Full-year forecasts: |           |                  |                 |            |
|-----------------------------|-----------|------------------|-----------------|------------|
|                             | Net sales | Operating Profit | Ordinary Profit | Net Income |
| Previous Forecast (July 31) | 130.0     | 10.2             | 10.5            | 11.5       |
| Revised Forecast (Oct. 31)  | 126.0     | 11.8             | 12.5            | 12.6       |
| Previous vs Revised         | ▲3.1%     | +15.7%           | +19.0%          | +9.6%      |

Go to P.8 for details

Regarding the dividend for the fiscal year ending March 2026, based on our dividend policy of a 40% payout ratio against full-year earnings, we plan to increase both the interim and year-end dividends by 2 yen from the most recent forecast (announced on May 8, 2025), resulting in an interim dividend of 24 yen a year-end dividend of 24 yen, a year-end and a total annual dividend of 48 yen.

| Dividend forecast for FY2025:      |         |                                                           |       |
|------------------------------------|---------|-----------------------------------------------------------|-------|
|                                    | Interim | Year-end                                                  | Total |
| FY2024 Results                     | 25      | 33 (Ordinary dividend: 20 yen / Special dividend: 13 yen) | 58    |
| FY2025 Forecast (as of October 31) | 24      | 24                                                        | 48    |
| Difference                         | ▲1      | ▲9                                                        | ▲10   |

Go to P.19 for details

The Adventure to Our Sustainable Future 4 IINO LINES

To begin, let me present the results for the first half of the 2025 fiscal year.

In the first half of fiscal year 2025, we recorded net sales of 61.12 billion yen, operating profit of 5.77 billion yen, ordinary profit of 6.58 billion yen, and net income of 7.48 billion yen. The main factor behind the year-on-year decline in profits is the downturn in the chemical tanker market.

At the ordinary profit level, we recorded dividend income and equity-method investment gains, and at the net income level, we booked gains from the sale of vessels in Q1. However, net income amounted to approximately 7.5 billion yen, reflecting a year-on-year decrease of 2.1 billion yen.

| Financial Results by Consolidated and Segments |         |         |         |               |         |         |                                 |
|------------------------------------------------|---------|---------|---------|---------------|---------|---------|---------------------------------|
| Consolidated Financial Results                 |         |         |         | (Billion Yen) |         |         |                                 |
|                                                | FY2025  |         |         | FY2024        |         |         | Year on Year (A)-(B) Difference |
|                                                | 1Q      | 2Q      | 1H(A)   | 1Q            | 2Q      | 1H(B)   |                                 |
| Net Sales                                      | 29.8    | 31.3    | 61.1    | 38.2          | 35.8    | 74.0    | ▲ 12.9                          |
| Operating Profit                               | 2.3     | 3.5     | 5.8     | 5.3           | 4.6     | 9.9     | ▲ 4.1                           |
| Ordinary Profit                                | 2.2     | 4.4     | 6.6     | 6.4           | 2.5     | 9.0     | ▲ 2.4                           |
| Net Income                                     | 3.3     | 4.2     | 7.5     | 6.7           | 2.9     | 9.6     | ▲ 2.2                           |
| Exchange Rate (/¥)                             | ¥145.32 | ¥147.04 | ¥146.18 | ¥155.02       | ¥152.77 | ¥153.89 | ▲ ¥7.71                         |
| Bunker Price (/MT)*1                           | \$535   | \$526   | \$530   | \$649         | \$626   | \$637   | ▲ \$107                         |
| Financial Results by Segments                  |         |         |         | (Billion Yen) |         |         |                                 |
|                                                | FY2025  |         |         | FY2024        |         |         | Year on Year (A)-(B) Difference |
|                                                | 1Q      | 2Q      | 1H(A)   | 1Q            | 2Q      | 1H(B)   |                                 |
| Net Sales                                      | 29.8    | 31.3    | 61.1    | 38.2          | 35.8    | 74.0    | ▲ 12.9                          |
| Oceangoing Shipping                            | 23.7    | 25.2    | 48.9    | 32.1          | 29.6    | 61.7    | ▲ 12.8                          |
| Domestic / Short-sea Shipping                  | 2.6     | 2.7     | 5.3     | 2.9           | 2.8     | 5.7     | ▲ 0.4                           |
| Real Estate                                    | 3.5     | 3.5     | 7.0     | 3.2           | 3.4     | 6.7     | +0.3                            |
| Operating Profit                               | 2.3     | 3.5     | 5.8     | 5.3           | 4.6     | 9.9     | ▲ 4.1                           |
| Oceangoing Shipping                            | 1.3     | 2.6     | 3.9     | 4.7           | 3.4     | 8.1     | ▲ 4.2                           |
| Domestic / Short-sea Shipping                  | ▲ 0.1   | ▲ 0.1   | ▲ 0.2   | 0.1           | 0.2     | 0.2     | ▲ 0.4                           |
| Real Estate                                    | 1.0     | 1.1     | 2.1     | 0.5           | 1.0     | 1.6     | +0.6                            |

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5

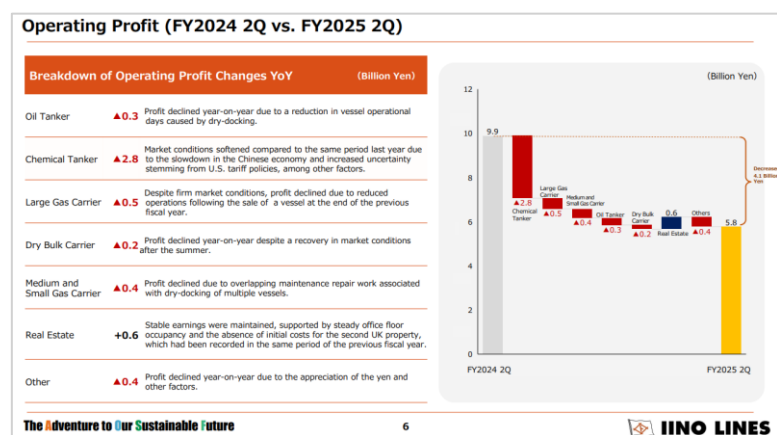
\*1 Complete fuel oil (Very Low Sulfur Fuel Oil)

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Next, I will explain the financial results by segment.

In the oceangoing shipping sector, both net sales and profits declined year-on-year, mainly due to the stronger yen compared to the previous year and the softening market conditions for chemical tankers, which represent our core business.. Details will be explained in the next slide.

In the real estate sector, the continued strong performance of our owned buildings, along with the absence of acquisition costs for the second UK property recorded in Q1 of fiscal year 2024 contributed to a year-on-year increase in both revenue and profit.



This slide shows the difference in operating profit by segment compared to the same period last year.

Overall, operating profit for this interim period was approximately 5.8 billion yen, a decrease of approximately 4.1 billion yen compared to the same period last year. The main factor behind this decline was the chemical tanker sector.

For chemical tankers, the market recorded its highest freight rates ever in the first half of fiscal 2024. However, this fiscal year has seen a decline in chemical product demand due to slowing demand from China's economic slowdown and heightened uncertainty stemming from U.S. tariff policies. Consequently, market conditions have softened compared to the same period last year.

On the other hand, although continued voyages around the Cape of Good Hope - prompted by the worsening situation in the Red Sea - helped support market conditions through extended transport distances, the business was significantly impacted by the softening market, resulting in a profit decline of 2.8 billion yen.

For large gas carriers, the LPG tanker market temporarily declined as uncertainty cargo movements between the U.S. and China increased due to the impact of U.S. tariff policies. However, trade routes shifted as shipments from the U.S. to India and from the Middle East to China increased, leading to higher ton-miles and resulting in a firm market trend.

However, the sale of a vessel at the end of the previous fiscal year reduced operational capacity, resulting in a profit decline of approximately 480 million yen.

Additionally, we have ordered two large ethane carriers for a European shipper. One vessel was completed in September, and the other is scheduled for completion in January next year, with contributions to future earnings anticipated.

For dry bulk carriers, the market conditions softened at the beginning of the period due to the slowdown in the Chinese economy and reduced shipments between China and the United States resulting from the trade war between the two countries. However, grain exports from South America increased following a boost in production, spurring a market recovery from the summer onward.

Although dedicated vessels continued to operate smoothly and contributed to the Company's earnings, and the tramp fleet benefited from the market recovery, there was a year-on-year profit decline of 190 million yen.

In the real estate sector, the company has seen a 550 million yen increase in profit, due to continued full occupancy and stable income from domestic buildings, combined with the expiration of initial costs related to the acquisition of the second UK property in fiscal 2024.

Furthermore, the appreciation of the yen- fluctuating by approximately 8 yen compared to the previous year- has also contributed to the decline in profit.

This concludes the overview of the financial results for the first half of fiscal year 2025. Next, I will explain the full-year performance outlook for fiscal year 2025.

For the full year of fiscal year 2025, we anticipate net sales of 126 billion yen, operating profit of 11.8 billion yen, ordinary profit of 12.5 billion yen, and net income of 12.6 billion yen. Since the last disclosure in July, while net sales has been revised downward, there have been upward revisions at each profit stage.

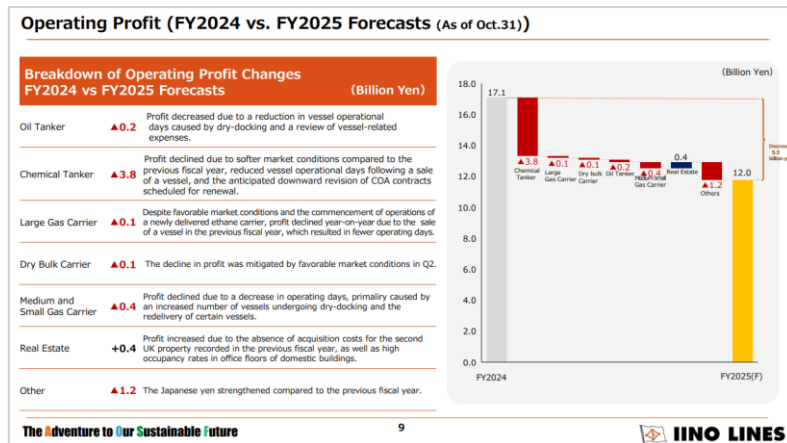
Compared to the most recent earnings forecast, we expect improvements in the profitability of large LPG carriers and dry bulk carriers. Additionally, the change in the exchange rate assumption for the second half from 140 yen to 145 yen is a contributing factor to the upward revision.

Furthermore, a major factor contributing to the difference in profits between the first and second half of the fiscal year is foreign exchange.

While our exchange rate assumption in July was 140 yen, the actual rate remained in the upper 140 yen range. Consequently, the second quarter results included valuation gains on dollar-denominated assets on the balance sheet.

On the other hand, for the second half, although the current exchange rate is in the 150 yen range, we anticipate that it will strengthen to the 145 yen assumption during the period, leading to expected evaluation losses on dollar-denominated assets due to revaluation.

If the exchange rate fluctuates by 1 yen, the impact on operating income will amount to 80 million yen over six months. If the yen weakens, it will positively affect profits, while a transition to a strong yen will negatively impact profits.



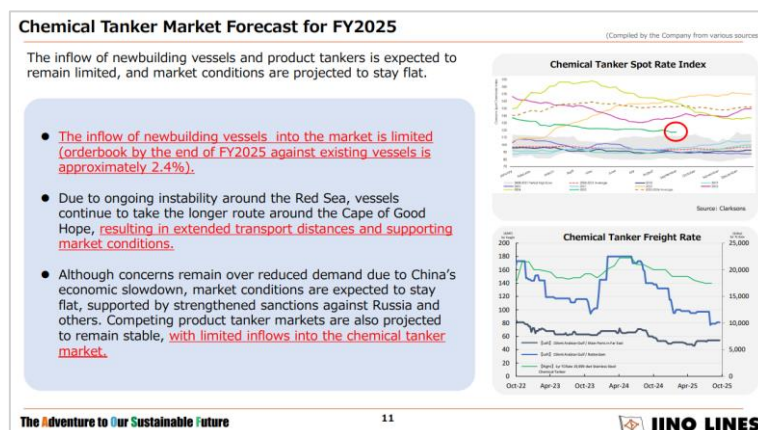
This slide shows the difference in operating profit by segment compared to the previous year.

In the chemical tanker sector, we expect market conditions to remain stable going forward. However, due to the impact of the current softening market conditions being factored into some COAs (contracts of affreightment) scheduled for renewal, and a decrease in operations due to factors such as the sale of vessels, we anticipate a profit decrease of approximately 3.8 billion yen.

For large gas carriers, as explained earlier, in addition to the completion of two large ethane carriers, we have raised our full-year market assumptions from the July forecast, anticipating continued robust market conditions. However, due to the sale of a vessel at the end of last fiscal year, we expect a profit decline of approximately 100 million yen for fiscal year 2025 as that profit will be lost.

In the dry bulk carriers, while the market conditions in Q2 were better than anticipated and contributed to profits, we are forecasting a profit decline of 7 million yen compared to the previous year.

Additionally, regarding exchange rates, we anticipate a profit decline of 1.15 billion yen based on the assumption that the yen will remain approximately 7 yen stronger than last year.



Next, I will explain the market outlook for shipping and real estate, starting with the market forecast for chemical tankers.

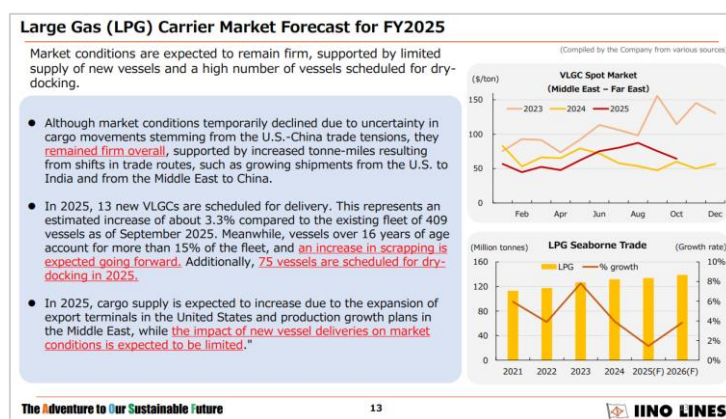
For the second half of fiscal year 2025, we anticipate the market will remain stable, with limited newbuilding vessels and product tankers entering the chemical tanker market.

The impact of tariff measures by the United States is expected to be limited as the types of chemicals traded between the U.S. and China are not numerous.

The orderbook for new chemical tankers remains limited, at about 2.4% until the end of fiscal year 2025. Additionally, navigation in the Red Sea is not expected to resume immediately, and navigation around the Cape of Good Hope is likely to continue to be a tightening factor in supply and demand.

Regarding competing product tankers, Europe is moving to procure petroleum products from other regions due to the impact of sanctions against Russia, resulting in longer transport distances. Furthermore, while domestic production is advancing within China, factors such as the shipment of cargo that cannot be fully consumed domestically to other countries are expected to boost transport demand.

Given this background, the product tanker market has remained firm, and the inflow into the chemical tanker market is considered limited. Although there are concerns about a decrease in demand due to China's economic stagnation, we expect the chemical tanker market to remain flat from its current level.



Next, I will explain the outlook for large LPG carriers.

The market forecast for the second half of 2025 may be influenced by changes in the global situation, but we anticipate it will continue to remain solid.

On the demand side, in addition to the planned expansion of export terminals in the United States in the second half of 2025, there are also production increase plans in the Middle East, which we expect will lead to an increase in transportation demand.

In terms of supply, large LPG carriers are a type of vessel with a relatively high influx of new building vessels. However, the aging of ships in the market is progressing, and considering the expected scrapping in the future, as well as the fact that 75 ships are scheduled for dry-docking this year, we believe the impact of new building vessels on market conditions will be limited.

The trade war that erupted in April this year between the United States and China has created uncertainty in the market, leading to a temporary decline in conditions. However, cargo that traditionally flowed from the United States to China has shifted to new trade routes from the United States to India and from the Middle East to China, resulting in increased transportation distances and a stable market situation.

We had initially anticipated that port fee collection by the United States for ships built in China, which began on October 14, along with China's countermeasures, would not have a direct impact on our company. However, on October 30, both the United States and China agreed to suspend the port



fee measures imposed on each other for one year. We believe it is necessary to continue monitoring how this agreement will affect the market going forward.



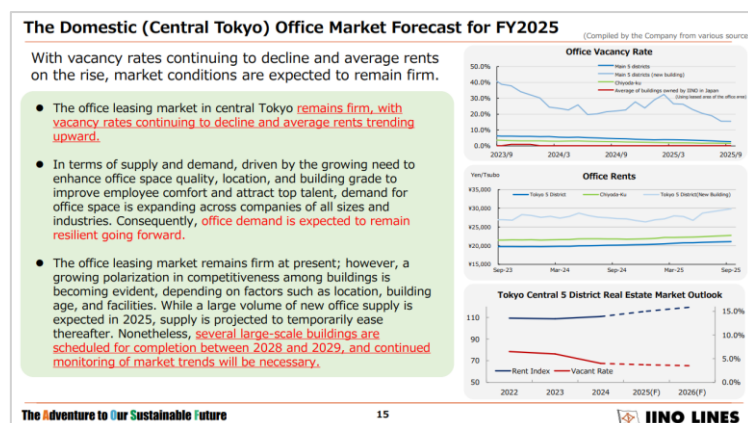
Next, I will explain the dry bulk shipping market conditions.

In the second quarter, the market conditions were favorable due to the prolonged grain exports from South America compared to previous years. In the second half, although there is a delay in the recovery of the Chinese economy, it is expected that the market will remain relatively stable, albeit at a lower level than in the second quarter.

At the MEPC meeting of the International Maritime Organization (IMO) held in October, it was decided to extend the deliberation on the international treaty amendment proposal for the net zero framework aimed at reducing GHG emissions from international shipping by one year.

However, in the short term, the trend of strengthening environmental regulations is expected to continue, and it is believed that the dismantling of aging ships will progress. Considering the balance with the anticipated new building a significant increase beyond the annual average appears unlikely.

For more information on the market for chemical tankers, large LPG carriers, and dry bulk carriers, please refer to our website around the middle of each month for the latest information.



In the real estate, I will explain the outlook for office building in central Tokyo.

Currently, the vacancy rate is declining, and there is a trend of rising average rents, indicating that the indicators are performing steadily. On the demand side, there is a noticeable demand for high-quality buildings from the perspective of securing talent and human capital, and we expect office indicators to remain robust in the future.

Furthermore, the office buildings owned by our company are almost fully occupied, and the vacancy rate is at a low level compared to the overall market.

| Numerical Financial Targets(Details)            |                |          |         |             |         |                               |             |
|-------------------------------------------------|----------------|----------|---------|-------------|---------|-------------------------------|-------------|
| (Billion Yen)                                   |                |          |         |             |         |                               |             |
|                                                 | FY 2022 Result | FY2023   |         | FY2024      |         | FY2025                        | FY2030 Plan |
|                                                 |                | Plan     | Result  | Plan        | Result  | Plan Forecast (as of Oct. 31) |             |
| Exchange Rate Assumptions (/ \$)                | ¥135.07        | ¥125     | ¥143.82 | ¥125        | ¥152.73 | ¥125                          | ¥145.59     |
| Bunker Oil Price <sup>1</sup> Assumptions (/MT) | \$ 802/MT      | \$ 700   | \$ 620  | \$ 700      | \$ 612  | \$ 700                        | \$ 525      |
| Net Sales                                       | 141.3          | 123.0    | 138.0   | 120.0~130.0 | 141.9   | 125.0~135.0                   | 126.0       |
| Operating Profit                                | 20.0           | 11.7     | 19.1    | 12.0~13.0   | 17.1    | 13.0~14.0                     | 11.8        |
| Shipping                                        | 16.2           | 8.6      | 15.5    | 8.5~9.3     | 13.6    | 9.3~10.0                      | 8.0         |
| Real Estate                                     | 3.8            | 3.1      | 3.5     | 3.5~3.7     | 3.5     | 3.7~ 4.0                      | 3.8         |
| Ordinary Profit                                 | 20.9           | 11.1     | 21.8    | 11.5~12.5   | 17.4    | 13.0~14.0                     | 12.5        |
| Net Income                                      | 23.4           | 10.0     | 19.7    | 11.0~12.0   | 18.4    | 12.0~13.0                     | 12.6        |
| EBITDA <sup>2</sup>                             | 34.2           | 25.5     | 33.3    | 27.0~28.0   | 32.5    | 28.0~29.0                     | 27.1        |
| ROE                                             | 23.3%          | 9%       | 16.3%   | 9~10%       | 13.2%   | 9~10%                         | 8~9%        |
| ROIC <sup>3</sup>                               | 11.2%          | 4.5%     | 8.6%    | 4~5%        | 7.5%    | 4~5%                          | 5~6%        |
| D/E Ratio (times)                               | 1.04           | Max. 1.5 | 0.90    | Max. 1.5    | 0.84    | Max. 1.5                      | About 1.0   |
|                                                 |                |          |         |             |         |                               | Max. 2.0    |

<sup>1</sup> Unit price of Very Low Sulfur Fuel Oil (in Singapore)  
<sup>2</sup> Operating Profit + Depreciation + Dividend Income and Equity in Earnings of Affiliates of main business investments  
<sup>3</sup> Net Operating Profit After Adjusted Taxes ÷ Invested Capital

The Adventure to Our Sustainable Future 18 IINO LINES

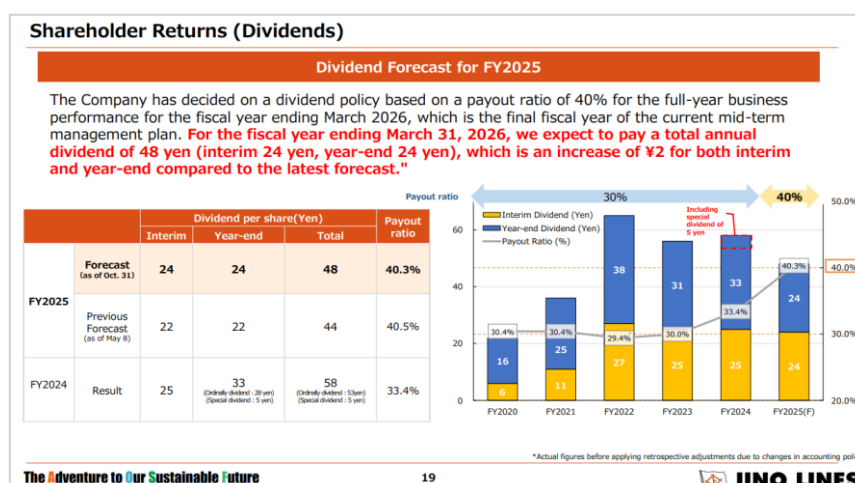
Next, I would like to explain the progress of our mid-term management plan, which is now in its final year. Here are the details regarding the achievement of financial numerical targets.

For fiscal year 2025, operating profit, ordinary profit, and EBITDA are expected to fall short of targets due to lower-than-anticipated performance in the shipping sector.

Although the outlook remains uncertain, we will continue our efforts towards achieving the goals set forth in our mid-term management plan.

Regarding our investment plan, we have achieved progress of approximately 85% to 90% toward the target of 100 billion yen set under the mid-term management plan. We will continue our efforts to reach the full target within the remaining six months.

Furthermore, regarding the next mid-term management plan, we are actively formulating it based not only on discussions within the Board of Directors but also by incorporating feedback received from investors. We are encouraging younger employees who will lead the company into the future to share their ideas on the ideal vision ahead. The announcement is scheduled for around May next year.



Lastly, I would like to discuss shareholder returns. In order to further enhance the return of profits to shareholders and to promote management that is conscious of cost of capital and stock prices, we have decided to implement dividends based on a dividend payout ratio of 40% against full-year results for fiscal year 2025, which is the final year of the current mid-term management plan.

In addition to this policy, as previously explained, we have revised upward our full-year earnings forecast for this fiscal year. Consequently, we plan to pay a total annual dividend of 48 yen, which is an increase of 2 yen for both interim and year-end dividends compared to the previous disclosure in July.

We will continue to enhance corporate value through management focused on sustainable growth and strive to increase the amount of dividends by improving revenue rates to provide substantial shareholder returns.

This concludes today's presentation on the financial results for the Q2 of fiscal year 2025.  
Thank you very much for your attention.

End