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November 4, 2026

Financial Highlights for 2nd Quarter FY2026

(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:	Takenori Igarashi, Representative Executive Officer, President & CEO
Inquiries:	Ryo Kato, General Manager, Corporate Sustainability, Environment Management, IR and Communication Group
Telephone:	+81-3-6890-9620
Scheduled date to file semi-annual securities report:	November 9, 2026
Scheduled date to commence dividend payments:	December 3, 2026
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 six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(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	%
Six months ended September 30, 2026	602,020	20.3	51,225	19.3	118,398	98.4	124,517	81.4
Six months ended September 30, 2025	500,565	(7.0)	42,955	(29.7)	59,669	(68.1)	68,632	(62.5)

Note: Comprehensive income for the six months ended September 30, 2026: ¥ 106,592 million [71.9%]
For the six months ended September 30, 2025: ¥ 61,999 million [(46.7)%]

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Six months ended September 30, 2026	203.63	-
Six months ended September 30, 2025	108.61	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of September 30, 2026	2,313,833	1,787,045	75.5
As of March 31, 2026	2,343,989	1,841,988	76.9

Reference: Shareholders' equity

As of September 30, 2026: ¥1,746,895 million

As of March 31, 2026: ¥1,802,703 million

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, 2026	-	60.00	-	60.00	120.00
Year ending March 31, 2027	-	60.00			
Year ending March 31, 2027 (Forecast)			-	60.00	120.00

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

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of the parent		Profit (loss) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2027	1,170,000	14.9	91,000	8.1	190,000	74.2	190,000	42.9	316.46

*Revision to Consolidated Financial Forecasts most recently announced: None

4. Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company ("K" Line Ship Management Holdings, Ltd.)

Excluded: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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: None

(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 September 30, 2026	639,172,067 shares
As of March 31, 2026	639,172,067 shares

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

As of September 30, 2026	51,726,181 shares
As of March 31, 2026	7,077,375 shares

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

Six months ended September 30, 2026	611,495,360 shares
Six months ended September 30, 2025	631,908,613 shares

*Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*Assumption for the forecast of consolidated financial results for the year ending March 31, 2027

The forecast is based on currently available information that KLINE deems to be reasonable. Actual results may differ from the forecast as a result of various factors.

Refer to “5. Qualitative Information on Financial Results (3) Description of Information on Future Outlook, Including Forecast of Consolidated Financial Results” for assumptions related to the forecast.

5. Qualitative Information on Financial Results

(1) Description of Operating Results

(Billion yen)

	Six months ended September 30, 2025	**Six months ended September 30, 2026**	Change	% Change
Operating revenues	500.5	**602.0**	101.4	20.3%
Operating income (loss)	42.9	**51.2**	8.2	19.3%
Ordinary income (loss)	59.6	**118.3**	58.7	98.4%
Profit (loss) attributable to owners of the parent	68.6	**124.5**	55.8	81.4%

Exchange Rate (¥/US$) (6-month average)	146.18	**160.47**	14.29	9.8%
Fuel oil price (US$/MT) (6-month average)	547	**788**	241	44.1%

The Company recorded 70.2 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the first half of the current fiscal year and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 65.7 billion yen of this amount.

Performance per segment was as follows.

(Billion yen)

		Six months ended September 30, 2025	**Six months ended September 30, 2026**	Change	% Change
Dry Bulk	Operating revenues	144.3	**189.5**	45.2	31.3%
	Segment profit (loss)	1.3	**16.0**	14.6	-%
Energy Resource Transport	Operating revenues	49.1	**60.2**	11.0	22.5%
	Segment profit (loss)	5.4	**4.8**	(0.6)	(11.3%)
Product Logistics	Operating revenues	305.5	**351.5**	45.9	15.0%
	Segment profit (loss)	57.3	**98.1**	40.7	71.1%
Other	Operating revenues	1.4	**0.6**	(0.7)	(52.4%)
	Segment profit (loss)	0.0	**0.6**	0.5	916.0%
Adjustments and eliminations	Segment profit (loss)	(4.5)	**(1.2)**	3.3	-%
Total	Operating revenues	500.5	**602.0**	101.4	20.3%
	Segment profit (loss)	59.6	**118.3**	58.7	98.4%

Following the reorganization with the aim of strengthening the Group's in-house ship management structure, ship management service, which was previously included in the "Other", is reclassified into the Dry Bulk segment, the Energy Resource Transport segment and the Product Logistics segment and the "Other", respectively, from the beginning of the current fiscal year.

In addition, the LNG bunkering business, which was previously included in the Energy Resource Transport segment, has been reclassified to the "Other", in order to present the condition of each segment more appropriately.

Segment information for the first half of both fiscal years 2026 and 2025 is presented based on the changed segment classification.

(i) Dry Bulk Segment

Dry Bulk Business

In the Cape-size sector, market rates generally stayed firm, thanks to the continuing active cargo movement of iron ore, bauxite, and others.

In the medium-small vessel sector, market rates remained firm, supported not only by the growth in demand for coal transportation due to the situation in the Middle East, but also by the steady cargo movement of grain, nickel ore, and others.

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

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

(ii) Energy Resource Transport Segment

LNG Carrier Business, Crude Oil and LPG Carrier Business, Electricity Business, CCS Business and Offshore Wind Business

For crude oil tankers and LPG carriers, charter rates improved against the backdrop of the rising market. For LNG carriers, revenue increased due to such factors as foreign exchange rate fluctuations.

The overall Energy Resource Transport segment recorded a year-on-year increase in revenue but a decrease in profit due mainly to the absence of temporary profit recorded at an equity-method affiliate in the same period of the previous fiscal year and other factors.

(iii) Product Logistics Segment

Car Carrier Business

In the car carrier business, due to the continuing port congestion in some areas and the ongoing tense situation in the Middle East, the Group was affected by the longer voyage duration and the decline in the fleet capacity utilization rate resulting from transportation through alternate routes, and the increase in fuel costs and other operating costs.

Logistics Business

In the domestic logistics and port business, the container terminal handling volume, the work volume in the towage business, and the handling volume in the warehousing business all stayed firm. As for the international logistics sector, the air transportation volume of semiconductor-related cargo in the forwarding business increased year-on-year, resulting in the overall business in this sector generally staying firm. In the finished car transportation business, new car sales, a key factor influencing cargo volume at Australian ports, stayed at the same level as the previous year, and both transportation and storage volumes remained generally stable.

Short Sea and Coastal Business

In the short sea business, despite the decrease in the transportation of steel products and coal, the overall transportation volume stayed at the same level year-on-year thanks to the increase in the transportation of biomass fuel. In the coastal business, the volume of ferry transportation increased year-on-year for trucks, cars, and passengers. As for liner transportation, as the number of voyages decreased due to the adverse weather on the Hokkaido route and the docking of the vessels for the Shimizu route, the overall transportation volume decreased year-on-year. The volume of tramp services increased year-on-year, except for coal carriers.

Containership Business

In the containership business, short-term freight rates increased as supply and demand tightened due to robust cargo demand, particularly to North America, as well as port congestion, longer voyage distances resulting from the use of the Cape of Good Hope route, and the situation in the Middle East.

Although operating costs increased due to factors such as rising fuel prices and vessel supply increased due to new ship deliveries, the performance of ONE, an equity-method affiliate of the Company, recorded a year-on-year increase in both revenue and profit.

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

(iv) Other

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

(2) Description of Financial Position

Total assets at the end of the first half of the current fiscal year were ¥2,313.8 billion, a decrease of ¥30.1 billion from the end of the previous fiscal year as a result of a decrease in cash and deposits and other factors.

Total liabilities increased by ¥24.7 billion to ¥526.7 billion as a result of an increase in bonds and other factors compared to the end of the previous fiscal year.

Total net assets were ¥1,787.0 billion, a decrease of ¥54.9 billion compared to the end of the previous fiscal year as a result of an increase in treasury stock and other factors.

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

(Billion yen)

	Prior Forecast (at the time of announcement of the 1st quarter result)	Current Forecast * (at the time of announcement of the 2nd quarter result)	Change	% Change
Operating revenues	1,070.0	1,170.0	100.0	9.3%
Operating income (loss)	85.0	91.0	6.0	7.1%
Ordinary income (loss)	135.0	190.0	55.0	40.7%
Profit (loss) attributable to owners of the parent	135.0	190.0	55.0	40.7%

Exchange Rate (¥/US$)	153.50	155.85	2.34	1.5%
Fuel Oil Price (US$/MT)	718	805	87	12.1%

* As for the Current Forecast, there is no change from the forecast that announced in the news release on October 23, 2026, titled “Notice on Revision to Consolidated Financial Forecasts for the Fiscal Year ending March 2027”.

In the Dry Bulk segment, despite geopolitical risks, such as the situation in the Middle East, and the growing uncertainty in the trends in the Chinese economy, the Group expects transportation demand to remain firm. Although the volume of new ship deliveries is expected to be limited for Cape-size vessels and slightly large for medium-small vessels, the Group expects that the overall vessel supply will be constrained, the supply-demand environment will remain favorable, and market rates will stay firm overall. The Group will work on improving vessel operation efficiency and reducing costs. Leveraging its strong customer base to meet diverse transportation needs, the Group will strive to enhance stable sources of revenue by increasing mid- and long-term contracts, and maximize profit, while maintaining appropriate and swift risk control.

In the Energy Resource Transport segment, where uncertainties in the business environment are anticipated due to the situation in the Middle East and other factors, while leveraging its long-standing record of transactions with customers related to LNG carriers, large crude oil tankers, and thermal coal carriers, the Group will steadily carry out existing contracts, primarily mid- and long-term contracts, and promote the acquisition of new contracts to maintain and expand earnings.

As for the Product Logistics segment, in the car carrier business, the Group expects that the finished car movement will remain robust, driven by the steady growth in global car sales. However, with the forecast that the tense situation in the Middle East will continue for some time, the Group will closely monitor the latest developments concerning future changes in transportation demand and their impact on fleet deployment and continue efforts to optimize its fleet and further improve the efficiency of vessel operation and allocation.

In the logistics business, regarding the domestic logistics and port business, the container terminal handling volume, the work volume in the towage business and the handling volume in the warehousing business are expected to stay at the same level as the previous fiscal year. As for the international logistics sector, in the forwarding business, despite the continuing uncertainty in the demand for ocean and air transportation due to geopolitical risks, such as the situation in the Middle East, the handling volume is projected to stay flat year-on-year. In the overseas finished car transportation business, both transportation and storage volumes are expected to remain stable.

In the short sea business, the Group expects an increase in the overall transportation volume from the previous fiscal year, driven by the increase in the transportation volume of biomass fuel. In the coastal business, the volume of ferry transportation is expected to remain firm for trucks and generally stay flat for cars and passengers compared with the previous fiscal year. As for liner transportation, despite the continuing decline in paper-related cargo on the Hokkaido route, the transportation volume is expected to be generally on par with the previous fiscal year, as the transportation of steel frames and construction materials is expected to remain firm. The transportation volume on the Shimizu-Oita route is also expected to be on par with the previous fiscal year. The transportation volume of tramp services is expected to remain generally in line with the previous fiscal year, except for coal carriers.

In the containership business, the business environment remains uncertain due to the impact of geopolitical risks, including the situation in the Middle East, and tariff policies of various countries. ONE will closely monitor changes in the situation, continue to provide flexible vessel allocation and efficient operations in line with demand, and strive to maintain stable business operations.

Our basic policy, positioning the maximization of shareholder value as a key management priority, is to improve corporate value and shareholder interests over the medium and long term by proactively promoting shareholder returns, including share buybacks. This is achieved by taking cash flow into consideration and actively promoting investments essential for enhancing corporate value while maintaining strict investment discipline, ensuring both capital efficiency and financial stability necessary to improve our corporate value while being conscious of the optimal capital structure.

Based on this basic policy, regarding the dividend for the fiscal year ending March 31, 2027, the Company plans for basic dividend of 40.00 yen and an additional dividend of 80.00 yen per share, in total of annual dividend 120.00 yen per share (an interim dividend of 60.00 yen per share and a year-end dividend of 60.00 yen per share), as announced on February 3, 2026.

Furthermore, regarding the own share repurchase conducted based on the resolution at the meeting of the Board of Directors held on May 29, 2026, as announced on September 18, 2026, the Company acquired 44,429,000 shares at a total repurchase amount of 122,480,506,523 yen. All of the own shares acquired through such repurchase were cancelled on October 2, 2026. Please refer to (Cancellation of Treasury Stock) on the page of (Significant Subsequent Event) for details.

6. Consolidated Financial Statements

Consolidated Balance Sheet

(Million yen)

	As of March 31, 2026	**As of September 30, 2026**
ASSETS		
Current assets :		
Cash and deposits	322,548	**190,086**
Accounts and notes receivable - trade and contract assets	126,892	**135,773**
Raw materials and supplies	44,477	**53,135**
Deferred and prepaid expenses	24,283	**24,577**
Other current assets	29,230	**27,414**
Allowance for doubtful accounts	(993)	**(1,085)**
Total current assets	546,439	**429,902**
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	375,746	**375,914**
Buildings and structures, net	10,479	**10,337**
Machinery, equipment and vehicles, net	3,075	**3,345**
Land	16,016	**15,498**
Construction in progress	82,627	**114,078**
Other, net	5,705	**7,584**
Total vessels, property and equipment	493,650	**526,758**
(Intangible assets)		
Other intangible assets	10,371	**8,674**
Total intangible assets	10,371	**8,674**
(Investments and other assets)		
Investment securities	1,201,899	**1,254,903**
Long-term loans receivable	17,341	**16,844**
Asset for retirement benefits	7,341	**7,664**
Other investments and other assets	67,924	**70,050**
Allowance for doubtful accounts	(978)	**(964)**
Total investments and other assets	1,293,527	**1,348,497**
Total non-current assets	1,797,549	**1,883,931**
Total assets	2,343,989	**2,313,833**

Consolidated Balance Sheet

(Million yen)

	As of March 31, 2026	**As of September 30, 2026**
LIABILITIES		
Current liabilities :		
Accounts and notes payable - trade	86,720	**80,723**
Short-term loans and current portion of long-term loans	57,635	**38,161**
Accrued income taxes	10,885	**9,346**
Provision for loss related to the Anti-Monopoly Act	1,638	**1,612**
Provision for loss on chartering contracts	2,716	**1,343**
Other provisions	4,832	**4,427**
Other current liabilities	70,726	**96,158**
Total current liabilities	235,156	**231,774**
Non-current liabilities :		
Bonds	21,300	**46,300**
Long-term loans, less current portion	157,082	**163,232**
Provision for directors' and other officers' retirement benefits	29	**30**
Provision for directors' stock benefits	2,752	**2,770**
Provision for periodic dry docking of vessels	21,508	**21,333**
Liability for retirement benefits	4,465	**4,481**
Other non-current liabilities	59,704	**56,863**
Total non-current liabilities	266,844	**295,013**
Total liabilities	502,000	**526,787**
NET ASSETS		
Shareholders' equity :		
Common stock	75,457	**75,457**
Capital surplus	39,055	**39,280**
Retained earnings	1,311,450	**1,397,419**
Treasury stock	(7,692)	**(130,202)**
Total shareholders' equity	1,418,271	**1,381,954**
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	18,416	**16,561**
Deferred gain (loss) on hedges	5,644	**5,792**
Revaluation reserve for land	4,545	**4,531**
Foreign currency translation adjustments	352,952	**335,307**
Retirement benefits liability adjustments	2,872	**2,748**
Total accumulated other comprehensive income	384,432	**364,941**
Non-controlling interests	39,285	**40,149**
Total net assets	1,841,988	**1,787,045**
Total liabilities and net assets	2,343,989	**2,313,833**

Consolidated Statement of Operations

(Million yen)

	Six months ended September 30, 2025	**Six months ended September 30, 2026**
Marine transportation and other operating revenues	500,565	**602,020**
Marine transportation and other operating costs and expenses	416,711	**506,581**
Gross profit (loss)	83,853	**95,439**
Selling, general and administrative expenses	40,898	**44,214**
Operating income (loss)	42,955	**51,225**
Non-operating income :		
Interest income	2,851	**3,361**
Dividend income	2,296	**2,063**
Equity in earnings of unconsolidated subsidiaries and affiliates	19,663	**70,241**
Other non-operating income	1,190	**810**
Total non-operating income	26,002	**76,476**
Non-operating expenses :		
Interest expenses	4,345	**4,033**
Foreign exchange losses	3,260	**2,769**
Other non-operating expenses	1,682	**2,500**
Total non-operating expenses	9,288	**9,304**
Ordinary income (loss)	59,669	**118,398**
Extraordinary income :		
Gain on sales of non-current assets	10,326	**13,988**
Other extraordinary income	3,790	**891**
Total extraordinary income	14,117	**14,879**
Extraordinary losses :		
Loss on sales of non-current assets	0	**42**
Compensation for damage	—	**111**
Provision for loss on litigation	188	**—**
Other extraordinary losses	71	**37**
Total extraordinary losses	260	**191**
Profit (loss) before income taxes	73,526	**133,086**
Income taxes :		
Current	5,595	**8,343**
Deferred	(2,202)	**(1,342)**
Total income taxes	3,393	**7,000**
Profit (loss)	70,132	**126,085**
Profit (loss) attributable to non-controlling interests	1,500	**1,567**
Profit (loss) attributable to owners of the parent	68,632	**124,517**

Consolidated Statement of Comprehensive Income

(Million yen)

	Six months ended September 30, 2025	**Six months ended September 30, 2026**
Profit (loss)	70,132	**126,085**
Other Comprehensive income :		
Net unrealized holding gain (loss) on investment securities	1,172	**(1,901)**
Deferred gain (loss) on hedges	(238)	**120**
Foreign currency translation adjustments	(1,028)	**(4,277)**
Retirement benefits liability adjustments	(97)	**(173)**
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	(7,941)	**(13,261)**
Total other comprehensive income	(8,133)	**(19,493)**
Comprehensive income	61,999	**106,592**
(Breakdown)		
Comprehensive income attributable to owners of the parent	60,436	**105,041**
Comprehensive income attributable to non-controlling interests	1,562	**1,551**

Consolidated Statement of Cash Flows

(Million yen)

	Six months ended September 30, 2025	**Six months ended September 30, 2026**
Cash flows from operating activities :		
Profit (loss) before income taxes	73,526	**133,086**
Depreciation and amortization	26,110	**26,098**
Increase (decrease) in liability for retirement benefits	19	**32**
(Increase) decrease in asset for retirement benefits	(481)	**(323)**
Increase (decrease) in retirement benefits liability adjustments	(125)	**(250)**
Increase (decrease) in provision for directors' and other officers' retirement benefits	1	**1**
Increase (decrease) in provision for periodic dry docking of vessels	814	**(91)**
Increase (decrease) in provision for loss on chartering contracts	(1,607)	**(1,372)**
Increase (decrease) in provision for loss on litigation	188	**—**
Increase (decrease) in provision for directors' stock benefits	(744)	**17**
Interest and dividend income	(5,147)	**(5,424)**
Interest expenses	4,345	**4,033**
Foreign exchange losses (gains)	(2,025)	**843**
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(19,663)	**(70,241)**
(Gain) loss on sales of vessels, property and equipment	(10,326)	**(13,946)**
Loss on compensation for damage	—	**111**
(Increase) decrease in accounts and notes receivable - trade and contract assets	(5,599)	**(9,488)**
(Increase) decrease in inventories	4,509	**(8,738)**
(Increase) decrease in other current assets	(181)	**(1,193)**
Increase (decrease) in accounts and notes payable - trade	590	**(2,654)**
Increase (decrease) in other current liabilities	4,389	**6,652**
Other, net	(2,568)	**2,390**
Subtotal	66,023	**59,544**
Interest and dividends income received	131,877	**8,624**
Interest expenses paid	(4,370)	**(3,929)**
Payments for cancellation of chartered vessels	(83)	**—**
Income taxes paid	(4,803)	**(9,785)**
Net cash provided by (used in) operating activities	188,643	**54,454**
Cash flows from investing activities :		
Payments into time deposits	(4,359)	**(3,364)**
Proceeds from withdrawal of time deposits	3,293	**3,289**
Purchase of marketable securities and investment securities	(7,303)	**(11,970)**
Proceeds from sales of marketable securities and investment securities	1,884	**7,589**
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	**1,603**
Purchase of vessels, property and equipment	(45,316)	**(40,746)**
Proceeds from sales of vessels, property and equipment	47,909	**14,681**
Purchase of intangible assets	(2,230)	**(2,559)**
Payments of long-term loans receivable	(952)	**(390)**
Collection of long-term loans receivable	387	**2,019**
Other, net	380	**(566)**
Net cash provided by (used in) investing activities	(6,307)	**(30,414)**

Consolidated Statement of Cash Flows

(Million yen)

	Six months ended September 30, 2025	**Six months ended September 30, 2026**
Cash flows from financing activities :		
Increase (decrease) in short-term loans, net	970	**609**
Proceeds from long-term loans	14,641	**26,545**
Repayments of long-term loans and obligations under finance leases	(68,365)	**(44,700)**
Proceeds from issuance of bonds	7,300	**25,000**
Purchase of treasury stock	(2)	**(122,566)**
Cash dividends paid	(31,899)	**(38,292)**
Cash dividends paid to non-controlling interests	(227)	**(326)**
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	**(250)**
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	18,040	**—**
Other, net	351	**(126)**
Net cash provided by (used in) financing activities	(59,190)	**(154,107)**
Effect of exchange rate changes on cash and cash equivalents	2,767	**(2,453)**
Net increase (decrease) in cash and cash equivalents	125,913	**(132,520)**
Cash and cash equivalents at beginning of the period	201,557	**319,716**
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	—	**19**
Cash and cash equivalents at end of the period	327,470	**187,215**

7. Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not Applicable.

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

(Stock Repurchase)

In the first half of the current fiscal year, treasury stock increased by ¥122,480 million following the Company's repurchase of 44,429,000 shares of common stock in accordance with a resolution of the Board of Directors at its meeting held on May 29, 2026.

(Change in Accounting Standards)

(Change in Inventory Valuation Method)

The Company had adopted the moving-average method as its main valuation method for raw materials and supplies included in inventories. Effective from the fiscal year ending March 31, 2027, the Company changed to the first-in, first-out method as its main inventory valuation method.

This change in the valuation method resulted from the Company's determination that, in connection with the replacement of its core business system, the first-in, first-out method would provide a more appropriate basis for inventory valuation and the determination of periodic profit or loss.

The effect of this change in accounting policy was immaterial, and the change was not applied retrospectively.

Segment information

Six months ended September 30, 2025

(Million yen)

	Dry Bulk	Energy Resource Transport	Product Logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	142,309	47,382	305,069	1,359	496,121	-	496,121
Other revenues	2,057	1,806	517	62	4,444	-	4,444
Operating revenues from customers	144,367	49,188	305,586	1,422	500,565	-	500,565
Inter-group revenues and transfers	34	1,032	2,908	2,233	6,209	(6,209)	-
Total revenues	144,402	50,221	308,495	3,655	506,774	(6,209)	500,565
Segment profit (loss)	1,351	5,453	57,377	62	64,245	(4,576)	59,669

Six months ended September 30, 2026

(Million yen)

	Dry Bulk	Energy Resource Transport	Product Logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	**185,794**	**58,234**	**350,793**	**614**	**595,437**	**-**	**595,437**
Other revenues	**3,784**	**2,009**	**726**	**62**	**6,583**	**-**	**6,583**
Operating revenues from customers	**189,578**	**60,244**	**351,520**	**677**	**602,020**	**-**	**602,020**
Inter-group revenues and transfers	**2,242**	**1,326**	**2,793**	**113**	**6,475**	**(6,475)**	**-**
Total revenues	**191,821**	**61,570**	**354,313**	**790**	**608,496**	**(6,475)**	**602,020**
Segment profit (loss)	**16,031**	**4,835**	**98,156**	**637**	**119,661**	**(1,263)**	**118,398**

Following the reorganization with the aim of strengthening the Group's in-house ship management structure, ship management service, which was previously included in the "Other", is reclassified into the Dry Bulk segment, the Energy Resource Transport segment and the Product Logistics segment and the "Other", respectively, from the beginning of the current fiscal year.

In addition, the LNG bunkering business, which was previously included in the Energy Resource Transport segment, has been reclassified to the "Other", in order to present the condition of each segment more appropriately.

Segment information for the first half of both fiscal years 2026 and 2025 is presented based on the changed segment classification.

(Significant Subsequent Event)

(Cancellation of Treasury Stock)

At the meeting of the Board of Directors held on September 25, 2026, the Company resolved to cancel a portion of its treasury stock pursuant to Article 178 of the Companies Act of Japan, and the cancellation was completed on October 2, 2026.

1. Type of shares cancelled	Common stock of the Company
2. Total number of shares cancelled	44,429,000 shares (6.95% of total number of shares outstanding before the cancellation)
3. Date of cancellation	October 2, 2026
4. Total number of shares outstanding after the cancellation	594,743,067 shares