

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 15, 2025

Company name: Meiji Shipping Group Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9115
 URL: <https://www.meiji-group.com/>
 Representative: Takaya Uchida, President, CEO
 Contact: Ayuko Takahashi, Director Executive Officer
 Phone: +81-3-3792-0811
 Scheduled date of Annual General Meeting of Shareholders: June 27, 2025
 Scheduled date of commencing dividend payments: June 30, 2025
 Scheduled date of filing annual securities report: June 27, 2025
 Availability of supplementary briefing material on annual financial results: No
 Schedule of annual financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	67,544	3.9	11,014	(3.4)	9,131	56.4	2,812	(45.8)
March 31, 2024	65,018	12.0	11,398	30.1	5,836	(9.4)	5,189	(19.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥11,694 million [(24.5)%]

Fiscal year ended March 31, 2024: ¥15,497 million [(26.5)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	83.11	—	6.2	3.2	16.3
March 31, 2024	153.53	—	13.3	2.1	17.5

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2025: ¥3,819 million

Fiscal year ended March 31, 2024: ¥1,089 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	293,278	91,214	16.3	1,407.36
As of March 31, 2024	276,457	81,413	15.5	1,266.98

(Reference) Equity: As of March 31, 2025: ¥47,756 million

As of March 31, 2024: ¥42,774 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	30,200	(6,749)	(13,512)	47,869
March 31, 2024	27,946	8,493	(24,603)	37,688

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	—	—	—	5.00	5.00	179	3.3	0.4
March 31, 2025	—	—	—	5.00	5.00	179	6.0	0.4
Fiscal year ending March 31, 2026 (Forecast)	—	—	—	—	—		—	

(Note) Dividend forecast for the fiscal year ending March 31, 2026 is not available at this point.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	29,100	(11.5)	1,600	(70.7)	900	(56.7)	3,400	338.7	100.20
Full year	57,200	(15.3)	3,000	(72.8)	2,100	(77.0)	4,400	56.5	129.67

* Notes:

(1) Significant changes in in the scope of consolidation during the period: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 36,000,000 shares

March 31, 2024: 36,000,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 2,066,895 shares

March 31, 2024: 2,239,201 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2025: 33,835,416 shares

Fiscal Year ended March 31, 2024: 33,799,592 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	2,951	1.5	705	(4.0)	2,198	(11.4)	1,586	(11.2)
March 31, 2024	2,908	4.0	735	(0.3)	2,481	57.9	1,787	63.6

	Basic earnings per share		Diluted earnings per share	
Fiscal year ended	Yen		Yen	
March 31, 2025	44.09		—	
March 31, 2024	49.67		—	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	29,545	13,263	44.9	368.56
As of March 31, 2024	27,303	11,473	42.0	318.82

(Reference) Equity: As of March 31, 2025: ¥13,263 million
As of March 31, 2024: ¥11,473 million

* These consolidated financial results are outside the scope of audit by certified public accountants and audit corporations.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on the information available at the time of preparation of this report and certain assumptions believed to be reasonable, and the Company does not assure the achievement of any of these. Actual results may differ significantly from the forecast due to a wide range of factors. Please refer to “Future Outlook” on page 4 of the attached supplementary materials for information regarding the underlying assumptions for financial results forecast, as well as explanatory and other notes regarding the use of financial results forecast.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year under Review

<Business environment>

During the fiscal year ended March 31, 2025 (the “fiscal year under review”), the global economy maintained solid growth, supported by an increase in real wages, lower interest rates, and a recovery of trade.

The U.S. economy remained strong, backed by a solid employment and income environment. The European economy maintained a recovery trend, while slowing price increases and improvement in the employment environment supported consumption. The Chinese economy achieved the government’s targeted growth rate, but domestic demand remained sluggish.

The Japanese economy continued its solid growth, mainly in domestic demand, backed by high corporate earnings. The yen’s depreciation persisted against a backdrop of widening interest rate differentials between Japan and the U.S. due to U.S. interest rate hikes.

<International shipping business>

Geopolitics and the global political situation caused significant turbulence to continue in the large tanker chartering market. In particular, avoidance of the Suez Canal and the Red Sea routes led to a declining trend due to a decrease in demand for shipping especially to China in the second half of 2024, although the market was largely firm in the first half of the year. In 2025, the market rebounded due to stronger sanctions against Russia by the U.S., and signs of recovery were visible, but conditions have remained uncertain with large fluctuations. The product tanker market also remained relatively stable until mid-2024 due to an increase in ton-miles resulting from alternative procurement of petroleum products from Russia and increased cargo movements of jet fuel, but took a downturn in the second half of the year. However, the market has rebounded and trended upward since the end of the year. The avoidance of the Suez Canal and the Red Sea routes has contributed to an increase in ton-miles, and developments in the situation in the Middle East are expected to continue having a significant impact. In particular, the selection of shipping routes from Asia to Europe has greatly impacted market conditions.

The LPG/LNG chartering market experienced volatile price movements, with demand varying widely throughout the period and LPG carrier charter rates falling suddenly after reaching historic highs in the first half of 2024. LNG carriers are expected to remain stagnant for the time being due to oversupply resulting from delays in global LNG production projects.

The bulker chartering market is affected by the economic situation in China, remained relatively high until mid-2024, but trended lower in the second half of the year and fell to the lowest level in two years during the Chinese New year 2025, showing signs of instability, especially for large vessels, mainly due to the tendency for shipping demand to be affected by iron ore port inventory and steel export volume. On the other hand, the small- and medium-sized vessels market remained more stable than the large vessels market due to Panama Canal passage restrictions and the increase in cargo movement of mainly grains, although oversupply situation was observed in some regions.

The car carrier chartering market remained historically high, as supply continued to be unable to keep up with strong shipping demand due to growth in automobile production and cargo movement. The increase in ton-miles resulting from the avoidance of the Suez Canal and Red Sea routes due to the situation in the Middle East have also made a significant impact. Meanwhile, the review of tariffs on automobiles by the new U.S. presidential administration may lead major automobile makers to relocate production and reorganize supply chains. Future developments will be watched closely.

In the containership chartering market as well, supply-demand tightened as a result of changes in shipping routes due to Panama Canal passage restrictions and the avoidance of the Suez Canal and Red Sea routes. The market conditions in 2024 improved over the previous year, when demand in reaction to the COVID-19 pandemic settled down. However, combined with an increase in shipping supply, the market has been on a downward trend since the end of 2024.

Under these conditions, net sales in the international shipping business for the fiscal year under review were ¥57,556 million (an increase of 3.3% year on year). This is mainly attributable to new operation of a tanker and

the depreciation of the yen, despite decreased utilization of five vessels sold in the previous fiscal year. Segment profit in the international shipping business amounted to ¥10,629 million (a decrease of 0.5% year on year).

<Hotel-related business>

For the hotel-related business, net sales stood at ¥9,418 million (an increase of 8.0% year on year) due to an increase in domestic individual customers and overseas customers. Meanwhile, segment profit stood at ¥151 million (a decrease of 63.5% year on year) due to an increase in operating expenses caused by factors including rising labor expenses and business outsourcing fees and soaring foodstuff and energy costs.

<Real estate leasing business>

Net sales in the real estate leasing business were ¥570 million (an increase of 3.5% year on year) with a segment profit of ¥233 million (a decrease of 23.5% year on year), owing in part to an increase in repair expenses.

As a result, for the fiscal year under review, net sales were ¥67,544 million (an increase of 3.9% year on year) and operating profit was ¥11,014 million (a decrease of 3.4% year on year). Ordinary profit was ¥9,131 million (an increase of 56.4% year on year) due to the recording of share of profit of entities accounted for using equity method of ¥3,819 million. The bottom line profit attributable to owners of parent came in at ¥2,812 million (a decrease of 45.8% year on year). This can be explained by the absence of extraordinary income (mainly gain on sales of vessel) of ¥7,386 million recorded in the same period of the previous fiscal year.

(2) Overview of Financial Position for the Fiscal Year under Review

Assets as of the end of the fiscal year under review increased by ¥16,821 million from the end of the previous fiscal year to ¥293,278 million. This is mainly attributable to a decrease in construction in progress as a result of shifting from four LNG vessels under construction to ownership of two newly established equity-method affiliates, offset by an increase in cash and deposits, an increase in vessels due to the completed construction of one vessel, and an increase in investment securities due to investments in the aforementioned two equity-method affiliates.

Liabilities increased by ¥7,020 million from the end of the previous fiscal year to ¥202,064 million. This is mainly attributable to an increase in other current liabilities and other non-current liabilities. Furthermore, net assets increased by ¥9,801 million from the end of the previous fiscal year to ¥91,214 million. This is mainly attributable to increases in retained earnings, accumulated other comprehensive income, and non-controlling interests.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents as of the end of the fiscal year under review increased by ¥10,181 million from the end of the previous fiscal year to ¥47,869 million. The conditions of each cash flow for the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year under review increased by ¥2,254 million from the previous fiscal year to ¥30,200 million. This is mainly attributable to the recording of profit before income taxes of ¥9,131 million and depreciation of ¥16,878 million.

(Cash flows from investing activities)

Net cash used by investing activities for the fiscal year under review was ¥6,749 million compared with ¥8,493 million provided for the previous fiscal year. This is primarily attributable to purchase of investment securities of ¥10,604 million, purchase of property, plant and equipment of ¥9,269 million, and proceeds from sale of property, plant and equipment of ¥13,802 million.

(Cash flows from financing activities)

Net cash used in financing activities for the fiscal year under review increased by ¥11,090 million from the previous fiscal year to ¥13,512 million. This is mainly attributable to repayments of long-term borrowings of ¥20,834 million, partially offset by proceeds from long-term borrowings of ¥7,245 million.

(4) Future Outlook

The growth rate of the global economy in 2025 is projected to be 3.3%, supported by the falling inflation and monetary easing. Meanwhile, conditions are expected to be uncertain due to U.S. protectionist policies, the slowdown of the Chinese economy, and political instability in Europe.

In these economic conditions, there shall be no change to the Group's management policy, and the Company will endeavor to further enhance its management foundations based on safety, security and stability.

In the international shipping business, net sales are expected to be ¥45,600 million (a decrease of 20.8% year on year) due to a decrease in utilization of four vessels scheduled to be sold and a decrease in charter fee income resulting from an increase in the number of vessels docked, in addition to our yen appreciation scenario. In terms of expenses, vessel costs are expected to decrease under our yen appreciation scenario, while the number of vessels docked is expected to increase compared to the fiscal year under review, thereby segment profit in the business is projected to be ¥2,450 million (a decrease of 77.0% year on year).

From the next fiscal year onward, the Company will work to unerringly address changes in shipping market conditions, maintaining and enhancing its fleet, and at the same time securing a safe structure for operations. In this way, the Company will strive steadily to maintain and enhance its business foundation based primarily on the medium- to long-term time charter.

In the hotel-related business, net sales of ¥11,000 million (an increase of 16.8% year on year) are projected based on expected increases in the hotel division and the restaurant division and additional guests due to the reopening of the fully renovated Seaside Hotel Maiko Villa Kobe Annex in May. Meanwhile, in terms of expenses, soaring foodstuff and energy costs are still concerns for the future, but systematic cost optimization will continue, and a profit of ¥300 million (an increase of 97.5% year on year) is projected in the segment. The promotion of sales measures to increase sales per customer and the use of IT to save labor will be regarded as important issues in the next fiscal year as well.

In the real estate leasing business, net sales are expected to be ¥600 million (an increase of 5.2% year on year) while segment profit in the business is anticipated to be ¥250 million (an increase of 7.2% year on year). The Company will continue to aim to secure stable earnings in the future by maintaining and enhancing the quality of

the Company's real estate properties.

Based on the above outlook, the Company expects full-year consolidated net sales of ¥57,200 million (a decrease of 15.3% compared with the fiscal year under review), and consolidated operating profit of ¥3,000 million (a decrease of 72.8% compared with the fiscal year under review). Ordinary profit is expected to be ¥2,100 million (a decrease of 77.0% compared with the fiscal year under review), on the assumptions of the recording of foreign exchange gains in non-operating income and a decrease in share of profit of entities accounted for using equity method due to yen appreciation and increase in the number of vessels docked. As for extraordinary income and loss, the Company plans to record gain on sales of four vessels owned by three affiliated companies (two tankers, one bulk carrier, and one chip vessel) of ¥9,800 million as extraordinary income in the next fiscal year, and the bottom line profit attributable to owners of parent is expected to be ¥4,400 million (an increase of 56.5% compared with the fiscal year under review). The Company assumes the foreign exchange rate for the next fiscal year to be at ¥135 to the U.S. dollar.

2. Basic Stance Concerning Choice of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group's policy is to prepare its consolidated financial statements using Japanese GAAP for the time being. With regard to application of International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	38,313,224	48,220,661
Accounts receivable - trade	731,162	772,918
Merchandise and finished goods	26,508	28,252
Raw materials and supplies	1,161,530	1,150,966
Other	5,680,057	6,121,606
Total current assets	45,912,483	56,294,405
Non-current assets		
Property, plant and equipment		
Vessels, net	171,011,665	174,662,422
Buildings and structures, net	11,157,554	12,193,076
Land	9,956,617	10,894,532
Construction in progress	14,865,014	3,080,079
Other, net	365,128	543,103
Total property, plant and equipment	207,355,980	201,373,214
Intangible assets		
Other	92,909	117,392
Total intangible assets	92,909	117,392
Investments and other assets		
Investment securities	15,023,011	26,692,735
Long-term loans receivable	1,617,565	2,394,961
Deferred tax assets	616,751	377,064
Other	5,838,773	6,029,082
Total investments and other assets	23,096,101	35,493,844
Total non-current assets	230,544,991	236,984,450
Total assets	276,457,475	293,278,855

(Thousand yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - shipping	3,344,901	4,123,310
Current portion of bonds payable	133,000	45,000
Short-term borrowings	30,821,205	40,112,373
Accounts payable - other	1,012,831	1,349,001
Income taxes payable	767,434	1,607,047
Provision for bonuses	81,513	72,271
Other	7,482,455	9,714,597
Total current liabilities	43,643,342	57,023,600
Non-current liabilities		
Bonds payable	45,000	—
Long-term borrowings	136,379,122	125,545,040
Deferred tax liabilities	2,152,157	2,517,694
Deferred tax liabilities for land revaluation	1,080,467	1,101,222
Provisions		
Provision for retirement benefits for directors (and other officers)	141,817	135,057
Provision for special repairs	3,261,040	4,272,519
Total provisions	3,402,858	4,407,576
Retirement benefit liability	371,974	382,503
Liabilities from application of equity method	265,816	275,291
Other	7,703,342	10,811,341
Total non-current liabilities	151,400,739	145,040,670
Total liabilities	195,044,081	202,064,271
Net assets		
Shareholders' equity		
Share capital	1,800,000	1,800,000
Capital surplus	733,608	776,508
Retained earnings	29,513,608	32,145,815
Treasury shares	(559,112)	(507,507)
Total shareholders' equity	31,488,103	34,214,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,750,217	2,365,995
Deferred gains or losses on hedges	2,119,489	2,080,525
Revaluation reserve for land	1,885,556	1,864,801
Foreign currency translation adjustment	5,530,726	7,229,876
Total accumulated other comprehensive income	11,285,989	13,541,198
Non-controlling interests	38,639,300	43,458,568
Total net assets	81,413,394	91,214,584
Total liabilities and net assets	276,457,475	293,278,855

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	65,018,086	67,544,205
Cost of sales	48,648,036	51,141,380
Gross profit	16,370,049	16,402,825
Selling, general and administrative expenses	4,971,319	5,388,446
Operating profit	11,398,729	11,014,378
Non-operating income		
Interest income	619,982	1,226,567
Dividend income	124,428	120,019
Share of profit of entities accounted for using equity method	1,089,258	3,819,860
Other	690,157	731,946
Total non-operating income	2,523,826	5,898,394
Non-operating expenses		
Interest expenses	4,443,573	4,617,994
Foreign exchange losses	3,170,480	2,861,272
Other	471,742	302,042
Total non-operating expenses	8,085,797	7,781,310
Ordinary profit	5,836,759	9,131,462
Extraordinary income		
Gain on sales of vessel	7,191,156	—
Other	195,083	—
Total extraordinary income	7,386,239	—
Profit before income taxes	13,222,999	9,131,462
Income taxes - current	1,227,185	2,210,286
Income taxes - deferred	(747,470)	250,268
Total income taxes	479,714	2,460,554
Profit	12,743,284	6,670,908
Profit attributable to non-controlling interests	7,553,891	3,858,761
Profit attributable to owners of parent	5,189,393	2,812,147

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	12,743,284	6,670,908
Other comprehensive income		
Valuation difference on available-for-sale securities	1,100,798	628,341
Deferred gains or losses on hedges	(1,143,851)	(252,966)
Revaluation reserve for land	—	(20,755)
Foreign currency translation adjustment	2,210,382	4,206,650
Share of other comprehensive income of entities accounted for using equity method	587,162	462,675
Total other comprehensive income	2,754,492	5,023,946
Comprehensive income	15,497,777	11,694,855
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,734,564	5,067,356
Comprehensive income attributable to non-controlling interests	7,763,212	6,627,498

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2024

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,800,000	733,608	24,472,827	(420,655)	26,585,779
Changes during period					
Dividends of surplus			(179,940)		(179,940)
Change in scope of equity method			25,302		25,302
Profit attributable to owners of parent			5,189,393		5,189,393
Purchase of treasury shares				(138,457)	(138,457)
Disposal of treasury shares					—
Reversal of revaluation reserve for land			6,026		6,026
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,040,781	(138,457)	4,902,324
Balance at end of period	1,800,000	733,608	29,513,608	(559,112)	31,488,103

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	656,702	2,598,797	1,891,582	3,599,761	8,746,844	33,101,168	68,433,792
Changes during period							
Dividends of surplus							(179,940)
Change in scope of equity method							25,302
Profit attributable to owners of parent							5,189,393
Purchase of treasury shares							(138,457)
Disposal of treasury shares							—
Reversal of revaluation reserve for land							6,026
Net changes in items other than shareholders' equity	1,093,515	(479,308)	(6,026)	1,930,964	2,539,144	5,538,132	8,077,277
Total changes during period	1,093,515	(479,308)	(6,026)	1,930,964	2,539,144	5,538,132	12,979,601
Balance at end of period	1,750,217	2,119,489	1,885,556	5,530,726	11,285,989	38,639,300	81,413,394

For the Fiscal Year Ended March 31, 2025

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,800,000	733,608	29,513,608	(559,112)	31,488,103
Changes during period					
Dividends of surplus			(179,940)		(179,940)
Change in scope of equity method					—
Profit attributable to owners of parent			2,812,147		2,812,147
Purchase of treasury shares					—
Disposal of treasury shares		42,900		51,605	94,505
Reversal of revaluation reserve for land					—
Net changes in items other than shareholders' equity					
Total changes during period	—	42,900	2,632,206	51,605	2,726,712
Balance at end of period	1,800,000	776,508	32,145,815	(507,507)	34,214,816

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,750,217	2,119,489	1,885,556	5,530,726	11,285,989	38,639,300	81,413,394
Changes during period							
Dividends of surplus							(179,940)
Change in scope of equity method							—
Profit attributable to owners of parent							2,812,147
Purchase of treasury shares							—
Disposal of treasury shares							94,505
Reversal of revaluation reserve for land							—
Net changes in items other than shareholders' equity	615,777	(38,963)	(20,755)	1,699,150	2,255,209	4,819,268	7,074,477
Total changes during period	615,777	(38,963)	(20,755)	1,699,150	2,255,209	4,819,268	9,801,190
Balance at end of period	2,365,995	2,080,525	1,864,801	7,229,876	13,541,198	43,458,568	91,214,584

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	13,222,999	9,131,462
Depreciation	17,284,684	16,878,591
Loss (gain) on sale of investment securities	(169,177)	—
Interest and dividend income	(744,410)	(1,346,587)
Loss (gain) on sale and retirement of property, plant and equipment	(7,217,062)	—
Interest expenses	4,443,573	4,617,994
Foreign exchange losses (gains)	3,273,797	2,966,646
Share of loss (profit) of entities accounted for using equity method	(1,089,258)	(3,819,860)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(63,714)	(6,760)
Increase (decrease) in retirement benefit liability	4,582	10,528
Increase (decrease) in provision for special repairs	906,056	1,011,478
Increase (decrease) in advances received	(462,151)	552,737
Decrease (increase) in inventories	(29,233)	8,820
Decrease (increase) in consumption taxes refund receivable	10,621	(179,791)
Increase (decrease) in accounts payable - shipping	635,994	778,409
Decrease (increase) in other current assets	(960,248)	(497,756)
Other, net	2,616,370	891,381
Subtotal	31,663,423	30,997,296
Interest and dividends received	1,547,596	5,180,487
Interest paid	(4,386,529)	(4,632,511)
Income taxes paid	(877,980)	(1,344,694)
Net cash provided by (used in) operating activities	27,946,510	30,200,578
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,814,556)	(9,269,585)
Proceeds from sale of property, plant and equipment	19,399,185	13,802,246
Payments into time deposits	(624,758)	(350,890)
Proceeds from withdrawal of time deposits	601,046	624,758
Purchase of investment securities	(1,373,065)	(10,604,022)
Proceeds from sale and redemption of investment securities	198,368	6,702
Loan advances	(364,864)	(1,006,782)
Proceeds from collection of loans receivable	76,275	110,196
Other, net	395,829	(62,230)
Net cash provided by (used in) investing activities	8,493,461	(6,749,608)

(Thousand yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,641,284)	1,874,220
Proceeds from long-term borrowings	12,357,461	7,245,719
Repayments of long-term borrowings	(31,800,655)	(20,834,035)
Redemption of bonds	(240,000)	(133,000)
Dividends paid	(177,621)	(179,894)
Dividends paid to non-controlling interests	(2,225,080)	(1,238,230)
Other, net	(876,022)	(247,058)
Net cash provided by (used in) financing activities	(24,603,202)	(13,512,277)
Effect of exchange rate change on cash and cash equivalents	(1,119,489)	242,613
Net increase (decrease) in cash and cash equivalents	10,717,281	10,181,305
Cash and cash equivalents at beginning of period	26,971,185	37,688,466
Cash and cash equivalents at end of period	37,688,466	47,869,771

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) effective from the beginning of the fiscal year under review.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the “Guidance on the Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). This change in accounting policy has no impact on the consolidated financial statements.

With regard to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares of subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year under review. The change in policy has been applied retrospectively. Therefore, regarding the previous fiscal year, the new accounting policy was reflected in the consolidated financial statements. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Segment Information, etc.)

[Segment Information]

1. Description of reportable segments

Reportable segments of the Company are determined as segments whose separate financial information is accessible from among the constituent units of the Company and are regularly examined by the Board of Directors to determine the allocation of management resources and to evaluate achievements.

The reportable segments of the Company are composed of three segments, which are international shipping business, hotel-related business, and real estate leasing business, and the Group companies of the Company conduct business activities in each of these segments.

In the international shipping business, the Company operates businesses relating to shipping, centered on a vessel chartering business, in addition to ship management operations. In the hotel-related business, the Company presently holds hotels and golf courses at various locations, and offers services related to these facilities. In the real estate leasing business, the Company conducts a rental space leasing business, centered on office buildings held by the Group.

2. Method of measurement for the amounts of net sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting method used for reporting business segments is generally the same as those employed in the preparation of the Consolidated Financial Statements.

3. Information on net sales, profit (loss), assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2024

(Thousand yen)

	Reportable segment				Adjustment	Total
	International shipping business	Hotel-related business	Real estate leasing business	Total		
Net sales						
Net sales to outside customers	55,744,205	8,722,874	551,006	65,018,086	—	65,018,086
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	55,744,205	8,722,874	551,006	65,018,086	—	65,018,086
Segment profit (loss)	10,678,422	415,619	304,687	11,398,729	—	11,398,729
Segment assets	248,648,321	18,237,758	9,571,395	276,457,475	—	276,457,475
Segment liabilities	180,442,077	11,937,079	2,664,924	195,044,081	—	195,044,081
Other items						
Depreciation and amortization	16,474,739	703,763	106,181	17,284,684	—	17,284,684
Increase in property, plant and equipment and intangible fixed assets	9,040,947	284,733	357,537	9,683,219	—	9,683,219

(Note) Segment profit (loss) is equivalent to operating profit in the Consolidated Statements of Income.

For the Fiscal Year Ended March 31, 2025

(Thousand yen)

	Reportable segment				Adjustment	Total
	International shipping business	Hotel-related business	Real estate leasing business	Total		
Net sales						
Net sales to outside customers	57,556,009	9,418,039	570,156	67,544,205	—	67,544,205
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	57,556,009	9,418,039	570,156	67,544,205	—	67,544,205
Segment profit	10,629,315	151,871	233,192	11,014,378	—	11,014,378
Segment assets	259,085,384	22,115,604	12,077,866	293,278,855	—	293,278,855
Segment liabilities	186,560,914	12,400,588	3,102,768	202,064,271	—	202,064,271
Other items						
Depreciation and amortization	16,016,446	745,572	116,572	16,878,591	—	16,878,591
Increase in property, plant and equipment and intangible fixed assets	4,018,211	3,885,569	1,527,878	9,431,659	—	9,431,659

(Note) Segment profit is equivalent to operating profit in the Consolidated Statements of Income.

4. Differences between amounts recognized in reporting segments and the corresponding amounts reported in the consolidated financial statements, and the primary items contributing to the difference

There is no relevant information.

(Per Share Information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥1,266.98	¥1,407.36
Basic earnings per share	¥153.53	¥83.11

(Notes) 1. Diluted earnings per share is not disclosed since there are no potentially dilutive shares.

2. The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	5,189,393	2,812,147
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousand yen)	5,189,393	2,812,147
Average number of common shares outstanding during the period (Thousand shares)	33,799	33,835

3. The basis for the calculation of net assets per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Total net assets (Thousand yen)	81,413,394	91,214,584
Amount deducted from total net assets (Thousand yen)	38,639,300	43,458,568
[Of which non-controlling interests (Thousand yen)]	[38,639,300]	[43,458,568]
Net assets relating to common shares at the end of the period (Thousand yen)	42,774,093	47,756,015
Number of common shares for calculation of net assets per share at the end of the period (Thousand shares)	33,760	33,933

(Significant Subsequent Events)

One of the Company's consolidated subsidiaries (based in Panama, with a fiscal year end of December 31) sold one vessel following the date of that company's fiscal year end. Given this, the Company will post gain on sales of vessel of ¥6,400 million as extraordinary income in the following consolidated fiscal year ending March 31, 2026, and projects an impact of approximately ¥1,900 million in profit attributable to owners of parent.

One of the Company's consolidated subsidiaries (based in the Panama, with a fiscal year end of December 31) sold one vessel following the date of that company's fiscal year end. Given this, the Company will post gain on sales of vessel of ¥1,400 million as extraordinary income in the following consolidated fiscal year ending March 31, 2026, and projects an impact of approximately ¥600 million in profit attributable to owners of parent.

One of the Company's consolidated subsidiaries (based in the Netherlands, with a fiscal year end of December 31) decided after its fiscal year end that it will sell one vessel. Given this, the Company will post gain on sales of vessel of ¥1,100 as extraordinary income in the following consolidated fiscal year ending March 31, 2026, and projects an impact of approximately ¥500 million in profit attributable to owners of parent.