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February 2, 2024

Financial Highlights for 3rd Quarter FY2023

(Under Japanese GAAP) (Unaudited)

Company name:	Kawasaki Kisen Kaisha, Ltd.
Listing:	Prime Market of Tokyo Stock Exchanges
Securities code:	9107
URL:	https://www.kline.co.jp/en/
Representative:	Yukikazu Myochin, Representative Director, President & CEO
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Telephone:	+81-3-3595-5189
Scheduled date to file annual quarterly securities report:	February 13, 2024
Scheduled date to commence dividend payments:	-
Preparation of supplementary material on quarter financial results:	Yes
Holding of quarterly financial results briefing:	Yes (for Analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(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	%
Nine months ended December 31, 2023	715,358	(1.8)	70,153	(13.0)	98,579	(84.6)	74,000	(88.4)
Nine months ended December 31, 2022	728,791	31.0	80,593	245.8	641,914	48.0	638,221	50.8

Note: Comprehensive income for the nine months ended December 31, 2023: ¥ 149,828 million [(79.7)%]
For the nine months ended December 31, 2022: ¥ 736,288 million [68.8%]

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Nine months ended December 31, 2023	305.89	-
Nine months ended December 31, 2022	2,307.26	-

*The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022. Accordingly, profit (loss) per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2023	2,066,910	1,540,372	73.0
As of March 31, 2023	2,052,616	1,546,679	73.8

Reference: Shareholders' equity:

As of December 31, 2023: ¥ 1,508,527 million

As of March 31, 2023: ¥ 1,515,399 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, 2023	-	300.00	-	300.00	-
Year ending March 31, 2024	-	100.00	-		
Year ending March 31, 2024 (Forecast)				150.00	250.00

*Revision of forecast for dividends in this quarter: Yes

1. The Company implemented a 3-for-1 stock split of common shares on October 1, 2022.
2. The interim dividend for the fiscal year ended March 2023 which has a dividend record date of September 30, 2022, were paid based on the shares before the stock split.
3. The full-year dividend for the fiscal year ended March 2023 per share is not presented as simple comparisons are not possible due to the implementation of the stock split, however, the full-year dividend per share based on the shares following the stock split is 400.00 yen.

For details of revision to dividend forecast, please refer to "Notice on Revision to Dividend Forecast for the Fiscal Year Ending March 2024 and 2025" which was announced today.

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	940,000	(0.3)	87,000	10.3	135,000	(80.5)	105,000	(84.9)	436.64

*Revision to Consolidated Financial Forecasts in this quarter: Yes

4. Notes

(1) Changes in significant subsidiaries during the quarter period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: None

Excluded: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(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 December 31, 2023	238,242,689 shares
As of March 31, 2023	250,712,389 shares

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

As of December 31, 2023	2,587,574 shares
As of March 31, 2023	3,438,017 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2023	241,917,443 shares
Nine months ended December 31, 2022	276,614,365 shares

*The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022. Accordingly, total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2023.

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Assumption for the forecast of consolidated financial results for the year ending March 31, 2024

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

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

5. Qualitative Information on Quarterly Financial Results

(1) Description of Operating Results

(Billion yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	% Change
Operating revenues	728.7	715.3	(13.4)	(1.8%)
Operating income (loss)	80.5	70.1	(10.4)	(13.0%)
Ordinary income (loss)	641.9	98.5	(543.3)	(84.6%)
Profit (loss) attributable to owners of the parent	638.2	74.0	(564.2)	(88.4%)

Exchange Rate (¥/US\$) (9-month average)	135.70	142.86	7.16	5.3%
Fuel oil price (US\$/MT) (9-month average)	808	619	(189)	(23.4%)

The company recorded 32.1 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the consolidated cumulative third quarter of this fiscal year and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 27.0 billion yen of this amount.

Performance per segment was as follows.

(Billion yen)

		Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	% Change
Dry bulk	Operating revenues	247.7	216.3	(31.4)	(12.7%)
	Segment profit (loss)	21.4	1.6	(19.7)	(92.2%)
Energy resource transport	Operating revenues	76.9	80.9	4.0	5.3%
	Segment profit (loss)	9.0	4.7	(4.2)	(47.5%)
Product logistics	Operating revenues	395.9	410.3	14.3	3.6%
	Segment profit (loss)	616.1	96.6	(519.4)	(84.3%)
Other	Operating revenues	8.1	7.6	(0.4)	(5.7%)
	Segment profit (loss)	0.5	1.2	0.7	144.5%
Adjustments and eliminations	Segment profit (loss)	(5.2)	(5.7)	(0.5)	—
Total	Operating revenues	728.7	715.3	(13.4)	(1.8%)
	Segment profit (loss)	641.9	98.5	(543.3)	(84.6%)

Since the beginning of this fiscal year, The Company partly changed the allocation method of corporate expenses to present the condition of each segment in a more appropriate manner. Segment information for the nine months ended December 31, 2023 and 2022 are presented based on the changed allocation method.

(i) Dry Bulk Segment

Dry Bulk Business

In the Cape-size sector, with the continued robust demand for transportation of iron ore for China, market rates temporarily softened at the beginning of the fiscal year since the ship supply-demand balance loosened due to the easing of port congestion but took an upward trend in September due to factors such as the recovery of bauxite transportation demand from Guinea after the rainy season.

In the medium-small vessel sector, market rates temporarily declined at the beginning of the fiscal year due to a reduction in demand for coal and steel transportation to remote destinations, such as Europe, as well as a decrease in demand for transportation to China due to restraint in purchases caused by a decline in grain futures prices. However, market rates took an upward turn in mid-August due to an increase in vessel congestion resulting from the recovery and full-scale increase in demand for grain transportation from North America in the harvest season, as well as a decline in the vessel availability rate due to the impact of the Panama Canal drought.

Under these circumstances, the Group strived to manage the market exposures appropriately and reduce operation costs and improve vessel operation efficiency.

The overall Dry Bulk Segment recorded a year-on-year decrease both in revenue and profit.

(ii) Energy Resource Transport Segment

LNG Carrier, Electricity Business, Tanker Carrier and Offshore Business

Concerning LNG carriers, thermal coal carriers, large crude oil tankers (VLCCs), LPG carriers, drillship and FPSO (Floating Production, Storage and Offloading system), the business stayed firm for mid- and long-term charter contracts and contributed to secure stable profit.

On the other hand, partly due to reorganizations of operating ships conducted last fiscal year, the overall Energy Resource Transport Segment recorded a year-on-year increase in revenue but decrease in profit.

(iii) Product Logistics Segment

Car Carrier Business

In the global car sales market, recovery continued while the impact of supply shortages of semiconductors and auto parts on production and shipments gradually decreased. Meanwhile, the Group continued efforts to restore freight rates and improve operational efficiency.

Logistics Business

In the domestic logistics and port business, the domestic container handling volume decreased year-on-year. In the towage business and warehousing business, work volume stayed firm. As for the international logistics sector, market rates were sluggish and the downtrend in ocean and air cargo transportation demand continued in the forwarding business. In the finished vehicle transportation business, the port congestion in Australia continued, but demand was still high and both land transportation volume and storage volume increased year-on-year.

Short Sea and Coastal Business

In the short sea business, despite the stable transportation volume in biomass fuel transportation, the total transportation volume significantly decreased year-on-year due to the considerable decline in transportation of Russian coal, the major cargo in bulk transportation. In the coastal business, although the total transportation volume decreased year-on-year due to the decline in cargo movement resulting from lower consumption caused by high prices, the transportation volume of passengers and cars increased due to the reduction of the impact of COVID-19.

Containership Business

In the container shipping business, short-term freight rates remained sluggish because of stagnated consumption and continuously loosened supply-demand balance resulted from delivery of newly built vessels. "ONE", the affiliate company accounted with the equity method, tried reducing costs by implementing reduced sailings and service rationalization, but experienced a significant decline in profit compared to the same period last year.

The overall Product Logistics Segment recorded a year-on-year increase in revenue but decrease in profit.

(iv) Other

Other includes but not limited to the Group's ship management service, travel agency service, and real estate and administration service. The segment recorded a year-on-year decrease in revenue but increase in profit.

(2) Description of Financial Position

Total assets at the end of the consolidated third Quarter of this fiscal year were ¥2,066.9 billion, an increase of ¥14.2 billion from the end of the previous fiscal year as a result of an increase in Construction in progress and other factors.

Total liabilities increased by ¥20.6 billion to ¥526.5 billion as a result of an increase in Short-term loans and current portion of long-term loans and other factors compared to the end of the previous fiscal year.

Total net assets were ¥1,540.3 billion, a decrease of ¥6.3 billion compared to the end of the previous fiscal year as a result of a decrease in Retained earnings 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 2nd Quarter result)	Current Forecast (at the time of announcement of the 3rd Quarter result)	Change	% Change
Operating revenues	930.0	940.0	10.0	1.1%
Operating income (loss)	92.0	87.0	(5.0)	(5.4%)
Ordinary income (loss)	135.0	135.0	—	—
Profit (loss) attributable to owners of the parent	105.0	105.0	—	—
Profit (loss) per share (Yen)	435.40	436.64	1.24	
Exchange Rate (¥/US\$)	140.76	143.13	2.37	1.7%
Fuel Oil Price (US\$/MT)	624	621	(3)	(0.5%)

The Company revised estimation Operating revenues and Operating income (loss) in the consolidated financial forecast for the fiscal year ending March 31, 2024, from the previous announced on November 2, 2023. This revision is mainly due to the revision of foreign exchange rate assumptions and Operating income (loss) of the Dry Bulk segment.

In the Dry Bulk Segment, despite some factors of concern, such as the uncertainty about the future of the Chinese economy, the economic stagnation in Europe, and the situation in the Middle East, the mid-term vessel supply-demand balance will be tight against the backdrop of limited building of new ships, and market rates are expected to stay firm overall with some fluctuations. The Group will watch out for changes in transportation demand and trade patterns and prepare to promptly respond. At the same time, amid growing need to deal with environmental problems, taking advantage of its business foundation and high-quality transportation, the Group will strive to secure stable profit by increasing vessel operation efficiency and reducing costs as well as increasing mid- and long-term contracts while maintaining appropriate risk control.

In the Energy Resource Transport Segment, the Group will continue efforts to secure stable profit as it expects to ensure smooth business operations, supported by mid- and long-term contracts, with respect to LNG carriers, thermal coal carriers, large crude oil tankers (VLCCs), LPG carriers, drillship and FPSO (Floating Production, Storage and Offloading systems).

As for the Product Logistics Segment, in the car carrier business, there is concern in the global auto market about global economic stagnation, the geopolitical risks such as the recent situation in the Middle East, and the impact of the restriction on traffic through the Panama Canal. However, the recovery trends in production and shipment are expected to continue along with the easing of restrictions on the supply of semiconductors and auto parts. The Group will continue to strive to optimize our fleet and improve the efficiency of vessel operation and allocation.

In the logistics business, regarding the domestic logistics and port business, the container handling volume was still in the declining trend, and the volume throughout the fiscal year is uncertain. The income and expenditure in the towage business are expected to improve as work volume stays firm. In the warehouse business, the Group expects the same level of profits as a typical year. As for the international logistics sector, in the forwarding business, due to the continued decline in demand for ocean and air transportation, the recovery of market rates by the end of FY2023 will be difficult. In the finished vehicle transportation business, both land transportation volume and storage volume are expected to remain firm because of the gradual recovery of vessel congestion at ports in Australia.

In the short sea business, the transportation volume of biomass fuel, which is the major cargo, is expected to remain at the same level as the previous year. The Group will strengthen sales to acquire outward cargo to be transported and will aim to improve the efficiency in vessel allocation while optimizing the fleet scale. In the coastal business, although car and passenger transportation are expected to increase, the transportation volume of trucks and trailers is expected to slightly decrease year-on-year due to the sluggish cargo movements caused by high prices. The Group will actively approach cargo owners who have problems with transportation due to the "2024 problem" in logistics.

In the container shipping business, although cargo volume has gradually increased, the full-scale recovery of personal consumption is expected to take more time due to prolonged inflation. Factors such as an increase in the delivery of newly built vessels and supply chain disruptions resulted from situation in the Middle East are affecting the vessel supply-demand balance and the freight rates. "ONE" will continue to closely monitor the economic environment and strive for steady business operations by implementing flexible measures to adapt to fluctuations in transportation demand.

Our basic policy is to improve shareholder profits over the medium and long terms by proactively promoting shareholder returns, including share buyback. This is done by taking cash flow into consideration and ensuring the investment level and financial stability necessary to improve our corporate value while being conscious of optimal capital structure and cash allocation.

Based on this basic policy, regarding dividend for the fiscal year ending March 31, 2024, the Company plans payment of a year-end dividend of 150 yen per share which increased by 50 yen per share of prior forecast. Additionally, for the fiscal year ending March 31, 2025, forecast of annual dividend will be increased from basic dividend of 120 yen per share announced previously to an additional dividend of 130 yen per share, resulting in 250 yen per share (pre-split basis).

A year-end dividend for the fiscal year ending March 31, 2024 will be implemented subject to the resolution at the Ordinary General Meeting of Shareholders scheduled in June, 2024.

(Note)

As stated in the "Notice regarding Stock Split and Partial Amendment to the Articles of Incorporation" announced today, a stock split will be conducted at a ratio of 3 shares for every 1 share of common stock, effective from April 1, 2024. However, the revised forecast of annual dividend per share of 250 yen for the fiscal year ending March 31, 2025 is stated based on the pre-split basis.

6. Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
ASSETS		
Current assets :		
Cash and deposits	247,429	224,454
Accounts and notes receivable - trade and contract assets	107,522	119,337
Marketable securities	102,001	100,000
Raw materials and supplies	38,356	40,185
Deferred and prepaid expenses	22,018	25,615
Other current assets	18,639	17,929
Allowance for doubtful accounts	(1,074)	(1,180)
Total current assets	534,894	526,341
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	319,329	324,988
Buildings and structures, net	9,709	9,757
Machinery, equipment and vehicles, net	3,129	2,826
Land	15,537	15,558
Construction in progress	18,842	40,781
Other, net	5,599	6,409
Total vessels, property and equipment	372,147	400,322
(Intangible assets)		
Other intangible assets	3,808	5,170
Total intangible assets	3,808	5,170
(Investments and other assets)		
Investment securities	1,070,227	1,072,210
Long-term loans receivable	24,568	20,570
Asset for retirement benefits	1,400	1,428
Other investments and other assets	47,499	42,685
Allowance for doubtful accounts	(1,930)	(1,819)
Total investments and other assets	1,141,765	1,135,075
Total non-current assets	1,517,722	1,540,568
Total assets	2,052,616	2,066,910

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
LIABILITIES		
Current liabilities :		
Accounts and notes payable - trade	62,803	69,713
Short-term loans and current portion of long-term loans	50,691	97,194
Accrued income taxes	2,095	1,365
Provision for loss related to the Anti-Monopoly Act	1,692	1,742
Provision for loss on chartering contracts	9,609	2,389
Other provisions	5,012	1,569
Other current liabilities	53,474	66,248
Total current liabilities	185,378	240,222
Non-current liabilities :		
Bonds	-	8,000
Long-term loans, less current portion	267,313	214,211
Provision for directors' and audit and supervisory board members' retirement benefits	83	38
Provision for directors' stock benefits	1,192	1,420
Provision for periodic dry docking of vessels	14,810	16,379
Liability for retirement benefits	6,441	6,468
Other non-current liabilities	30,716	39,796
Total non-current liabilities	320,558	286,314
Total liabilities	505,937	526,537
NET ASSETS		
Shareholders' equity:		
Common stock	75,457	75,457
Capital surplus	29,102	29,102
Retained earnings	1,302,769	1,223,402
Treasury stock	(6,550)	(7,644)
Total shareholders' equity	1,400,779	1,320,319
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	6,482	9,391
Deferred gain (loss) on hedges	2,100	3,351
Revaluation reserve for land	4,682	4,682
Foreign currency translation adjustments	103,353	172,263
Retirement benefits liability adjustments	(2,000)	(1,481)
Total accumulated other comprehensive income	114,619	188,208
Non-controlling interests	31,280	31,844
Total net assets	1,546,679	1,540,372
Total liabilities and net assets	2,052,616	2,066,910

Consolidated Statement of Operations

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Marine transportation and other operating revenues	728,791	715,358
Marine transportation and other operating costs and expenses	601,988	588,441
Gross profit (loss)	126,803	126,916
Selling, general and administrative expenses	46,209	56,763
Operating income (loss)	80,593	70,153
Non-operating income :		
Interest income	2,066	2,853
Dividend income	2,325	2,216
Equity in earnings of unconsolidated subsidiaries and affiliates	573,574	32,102
Foreign exchange gains	-	261
Other non-operating income	2,535	1,283
Total non-operating income	580,502	38,718
Non-operating expenses :		
Interest expenses	7,562	7,414
Foreign exchange losses	10,156	-
Other non-operating expenses	1,462	2,878
Total non-operating expenses	19,181	10,292
Ordinary income (loss)	641,914	98,579
Extraordinary income :		
Gain on sales of non-current assets	3,323	1,791
Other extraordinary income	260	1,001
Total extraordinary income	3,583	2,792
Extraordinary losses :		
Loss on change in equity	864	-
Loss on valuation of marketable securities	-	1,558
Other extraordinary losses	371	604
Total extraordinary losses	1,236	2,163
Profit (loss) before income taxes	644,262	99,208
Income taxes :		
Current	3,271	13,480
Deferred	(584)	10,060
Total income taxes	2,686	23,541
Profit (loss)	641,575	75,667
Profit (loss) attributable to non-controlling interests	3,353	1,666
Profit (loss) attributable to owners of the parent	638,221	74,000

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	641,575	75,667
Other Comprehensive income :		
Net unrealized holding gain (loss) on investment securities	362	2,837
Deferred gain (loss) on hedges	1,499	(199)
Foreign currency translation adjustments	11,467	8,540
Retirement benefits liability adjustments	552	499
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	80,832	62,483
Total other comprehensive income	94,713	74,161
Comprehensive income	736,288	149,828
(Breakdown)		
Comprehensive income attributable to owners of the parent	732,446	147,589
Comprehensive income attributable to non-controlling interests	3,842	2,239

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 current cumulative third quarter, Treasury stock increased by ¥56,201 million following the Company's repurchase of 11,676,000 shares of common stock in accordance with a resolution of the Board of Directors at its meeting held on August 2, 2023.

(Cancellation of Treasury Stock)

In the current cumulative third quarter, Capital surplus, Retained earnings and Treasury stock decreased by ¥788 million, ¥54,954 million and ¥55,743 million respectively, following the Company's cancellation of 12,469,700 shares of common stock on December 1, 2023 in accordance with a resolution of the Board of Directors at its meeting held on November 24, 2023.

Segment information

Nine months ended December 31, 2022

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	243,927	73,609	391,116	8,061	716,714	-	716,714
Other revenues	3,834	3,319	4,829	92	12,077	-	12,077
Operating revenues from customers	247,761	76,929	395,945	8,154	728,791	-	728,791
Inter-group revenues and transfers	30	17	4,121	43,368	47,537	(47,537)	-
Total revenues	247,792	76,946	400,067	51,522	776,329	(47,537)	728,791
Segment profit (loss)	21,416	9,037	616,142	526	647,123	(5,208)	641,914

Nine months ended December 31, 2023

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	214,199	78,730	407,012	7,603	707,545	-	707,545
Other revenues	2,140	2,261	3,321	88	7,812	-	7,812
Operating revenues from customers	216,340	80,992	410,333	7,691	715,358	-	715,358
Inter-group revenues and transfers	77	11	3,313	51,175	54,577	(54,577)	-
Total revenues	216,417	81,004	413,646	58,867	769,936	(54,577)	715,358
Segment profit (loss)	1,665	4,741	96,675	1,288	104,370	(5,791)	98,579

Since the beginning of this fiscal year, The Company partly changed the allocation method of corporate expenses to present the condition of each segment in a more appropriate manner. Segment information for the nine months ended December 31, 2023 and 2022 are presented based on the changed allocation method.

(Significant Subsequent Event)

(Stock split and partial amendment to the Articles of Incorporation in relation to stock split)

At the meeting of the Board of Directors held on February 2, 2024, the Company resolved to implement a stock split and to partially revise the Articles of Incorporation in relation to the stock split.

1. Stock split

(1) Purpose of the stock split

The purpose is to further expand the investor base by reducing the Company's stock price per investment unit and creating an environment in which investors including individual investors can invest more easily, and to increase share liquidity.

(2) Method of the stock split

The Company will implement a 3-for-1 stock split of common shares owned by shareholders listed or recorded in the closing register of shareholders with a record date of March 31, 2024.

(3) Number of shares to be increased by the stock split

Total number of issued shares before the stock split	238,242,689 shares
Increase in number of shares due to the stock split	476,485,378 shares
Total number of issued shares after the stock split	714,728,067 shares
Total number of shares authorized to be issued after the stock split	1,800,000,000 shares

(4) Schedule of the stock split

Date of public notice of the record date	March 11, 2024 tentative
Record date	March 31, 2024 (R1)
Effective date	April 1, 2024

(R1) As the record date falls on a holiday of the shareholder registry administrator, the actual record date will be Friday, 29 March 2024.

(5) Other

There will be no change in the amount of stated capital as result of this stock split.

2. Partial amendment to the Articles of Incorporation in connection with the stock split

(1) Reason for amendment to the Articles of Incorporation

In connection with the stock split, the Company's Articles of Incorporation will be partially amended effective April 1, 2024 in accordance with Article 184, Paragraph 2 of the Companies Act.

(2) Details of amendment to the Articles of Incorporation

The details of the amendment are as follows. (Underlined portions indicate the proposed changes.)

Proposed Amendment	Current Articles of Incorporation
Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>1,800,000,000 shares</u> .	Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>600,000,000 shares</u> .

(3) Schedule of the revision of the Articles of Incorporation

Date of the meeting of Board of Directors	February 2, 2024
Effective date	April 1, 2024