

# FINANCIAL HIGHLIGHTS

Brief report of the the year ended March 31, 2022

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

(Million yen; rounded down to the nearest million yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Consolidated		
Operating revenues	625,486	<b>756,983</b>
Operating income (loss)	(21,286)	<b>17,663</b>
Profit (loss) attributable to owners of the parent	108,695	<b>642,424</b>
Profit (loss) attributable to owners of the parent per share (Yen)		
Basic	1,165.34	<b>6,887.54</b>
Diluted	-	-

	Year ended March 31, 2021	Year ended March 31, 2022
Total assets	974,608	<b>1,574,960</b>
Total net assets	316,162	<b>984,882</b>

	Year ended March 31, 2021	Year ended March 31, 2022
Net cash provided by (used in) operating activities	33,397	<b>226,460</b>
Net cash provided by (used in) investing activities	16,987	<b>(5,848)</b>
Net cash provided by (used in) financing activities	(34,845)	<b>(116,001)</b>

## 1. Qualitative Information and Financial Statement

### (1) Qualitative Information about the Consolidated Operating Result

#### 1) Summary of Consolidated Operating Results for FY2021

(Billion Yen; rounded to the nearest 100 million yen)

	Fiscal Year 2020 (Ended March 31, 2021)	Fiscal Year 2021 (Ended March 31, 2022)	Change	% Change
Operating revenues	625.5	<b>757.0</b>	131.5	21.0%
Operating income (loss)	(21.3)	<b>17.7</b>	38.9	—
Ordinary income (loss)	89.5	<b>657.5</b>	568.0	634.7%
Profit (loss) attributable to owners of the parent	108.7	<b>642.4</b>	533.7	491.0%

Exchange Rate (¥/US\$) (12-month average)	¥105.79	<b>¥112.06</b>	¥6.27	5.9%
Fuel oil price (US\$/MT) (12-month average)	US\$363	<b>US\$551</b>	US\$188	51.7%

Due to significant business performance improvement of OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE"), the company recorded 640.992 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the fiscal year 2021. Within the recorded equity in earnings of unconsolidated subsidiaries and affiliates, "ONE" accounted for 635.378 billion yen for the fiscal year 2021, and 220.303 billion yen in the fourth quarter alone.

Performance per segment was as follows.

(Billion Yen; rounded to the nearest 100 million yen)

	Fiscal Year 2020 (Ended March 31, 2021)	Fiscal Year 2021 (Ended March 31, 2022)	Change	% Change	
Dry bulk	Operating revenues	182.0	<b>276.5</b>	94.5	51.9%
	Segment profit (loss)	(9.1)	<b>23.7</b>	32.9	—
Energy resource transport	Operating revenues	77.6	<b>89.7</b>	12.1	15.6%
	Segment profit (loss)	1.1	<b>4.8</b>	3.7	344.9%
Product logistics	Operating revenues	339.7	<b>380.2</b>	40.5	11.9%
	Segment profit (loss)	104.5	<b>640.8</b>	536.3	513.0%
Other	Operating revenues	26.2	<b>10.6</b>	(15.6)	(59.6%)
	Segment profit (loss)	1.1	<b>(0.1)</b>	(1.2)	—
Adjustments and eliminations	Segment profit (loss)	(8.1)	<b>(11.7)</b>	(3.6)	—
Total	Operating revenues	625.5	<b>757.0</b>	131.5	21.0%
	Segment profit (loss)	89.5	<b>657.5</b>	568.0	634.7%

## (i) Dry Bulk Segment

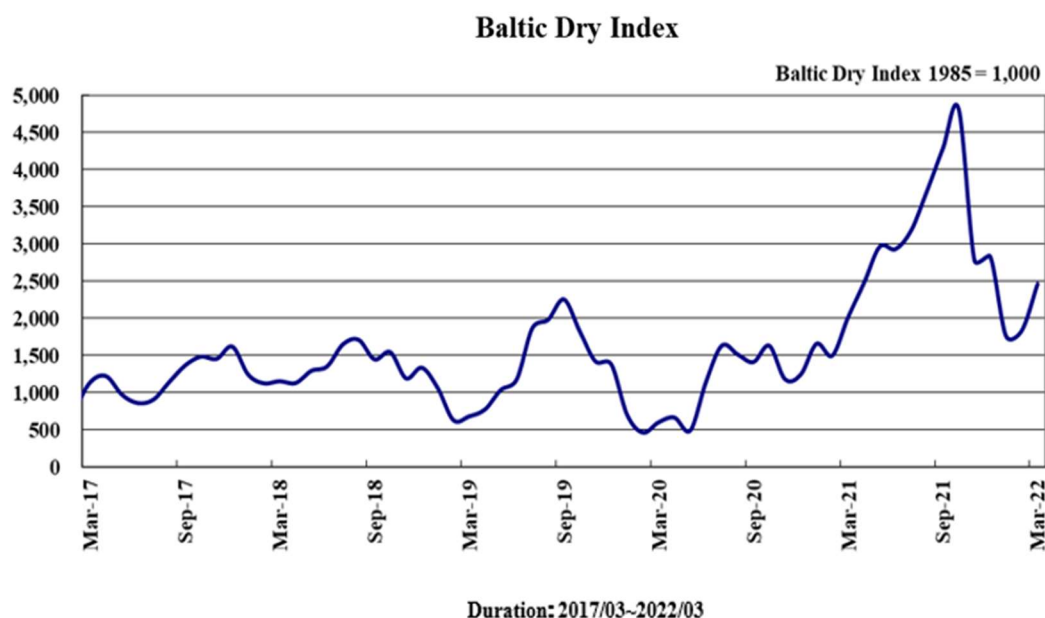
### Dry Bulk Business

In the Cape-size sector, market rates stayed mostly firm in the first half due to robust transportation demand in various countries, including China, and remained at a high level toward the middle of the fiscal year as a result of the strengthening of quarantine systems intended to prevent the expansion of COVID-19 and the tightening of the vessel supply-demand balance caused by an increase in port congestion in the Far East. In the second half, transportation demand weakened as China curbed crude steel production. Although market rates declined toward the end of the fiscal year because of the effects of a decrease in shipments due to unfavorable weather in major production regions, they mostly stayed firm throughout the year, despite some fluctuations.

In the medium and small vessel sector, market rates rose toward the middle of the fiscal year because of the effects of port congestion as well as an increase in demand for transportation of coal and minor bulk cargoes, and due to recovery in industrial activity in China and robust demand for grain imports from Brazil to China. In the second half, market rates declined due to the easing of port congestion and disruptions caused by a ban on exports of Indonesian coal, but toward the end of the fiscal year, the market rates rose again because of a change in patterns of transportation from alternative supply sources of grains and other cargoes due to the effects of the situations in Russia and Ukraine.

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

As a result, the overall Dry Bulk Segment recorded a year-on-year increase in revenue and returned to profitability.



## (ii) Energy Resource Transport Segment

### Tanker Carrier and Electricity Business

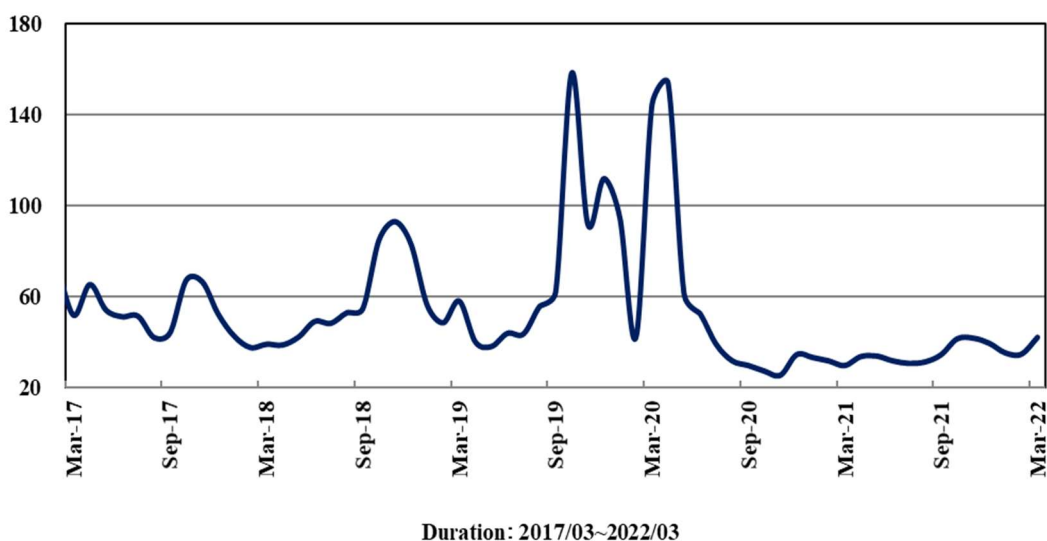
Concerning large crude oil tankers (VLCCs), LPG carriers, and thermal coal carriers, the business stayed firm for mid- and long-term charter contracts and contributed to secure stable profit.

### LNG Carrier and Offshore Business

Concerning LNG 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. Concerning the offshore support vessel business, market rates remained sluggish in spite of oil price decline recovery.

As a result, the overall Energy Resource Transport Segment recorded a year-on-year increase both in revenue and profit.

**VLCC World Scale (AG/JPN)**



## (iii) Product Logistics Segment

### Car Carrier Business

In the global car sales market, although supply shortages of semiconductors and auto parts, and the situations in Russia and Ukraine affected production and shipments in some areas, the recovery from the impact of COVID-19 in the previous fiscal year continued. Despite the effects of continued rises in fuel prices, transportation demand has recovered.

## Logistics Business

In the domestic logistics and port business, the domestic container handling volume recorded a year-on-year increase. In the towage business, the work volume stayed firm. The warehousing business remained firm. As for the international logistics business, in the forwarding business, the air cargo transportation volume continued to increase. In the finished vehicles transportation business, the handling volume in inventory storage service remained low.

## Short Sea and Coastal Business

In the short sea business, demand for transportation of steel and lumber stayed firm, but the transportation volume of bulk cargoes decreased year-on-year. Overall transportation volume in the whole of the short sea business recorded a year-on-year decrease.

In the coastal business, market rates stayed firm for ferry transportation, and the transportation volume recorded a year-on-year increase. Regarding liner transportation, the transportation volume rose year-on-year as the Group captured demand for transportation of timber products and food cargoes. With respect to tramp service business, ships dedicated to transportation of limestones and coal maintained stable operation, while the transportation volume of general cargo ships increased year-on-year due to growth in demand for lumber.

## Containership Business

As for the performance of "ONE", amid the tightening of the supply-demand balance due to supply chain disruptions and robust cargo movements, market rates stayed high in all trades. As a result, the business performance of "ONE" significantly improved year-on-year.

As a result, the overall Product Logistics Segment recorded a year-on-year increase both in revenue and profit.

## (iv) Other Segment

Other Segment 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 and a loss was recorded.

### 2)Prospect for Fiscal 2022

For the fiscal year ending March 31, 2023, the Group is projecting the performance as follows.

(Billion Yen; rounded to the nearest 100 million yen)

	Operating Revenue		Operating Income		Ordinary Income		Profit attributable to owners of the parent	
Fiscal Year 2022 (End March 2023)	780.0	3.0%	41.0	132.1%	470.0	(28.5%)	460.0	(28.4%)

(Exchange Rate(¥/US\$) : ¥117.70 / Fuel Oil Price(US\$/MT) : US\$764)

In the Dry Bulk Segment, market rates are expected to stay firm on the whole, as transportation demand continues to be robust against a limited building volume of new ships, which leads to the tightening of the vessel supply-demand

balance. On the other hand, the Group will keep a close watch on changes in transportation demand and prepare to respond quickly amid expectations of the effects of the situations in Russia and Ukraine on resource prices and the impact of COVID-19 on transportation demand. At the same time, amid growing need to deal with environmental problems, take advantage of its strength in 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.

In the Energy Resource Transport Segment, the Group will strive to secure stable profit under mid- and long-term contracts with respect to large crude oil tankers, LPG carriers, thermal coal carriers, LNG carriers, drillships and FPSO (Floating Production, Storage and Offloading) systems. In addition, as was announced in the news release on December 17, 2021, titled "Notice Concerning Dissolution of Subsidiary Company and Transfer of Fixed Assets," the Group decided to sell all the offshore support vessels owned by K LINE OFFSHORE AS (KOAS), its subsidiary company, and dissolve KOAS.

As for the Product Logistics Segment, regarding the car carrier business, global vehicle sales are expected to remain on a recovery trend from the effects of COVID-19 in the previous fiscal year, despite the effects of shortages of semiconductors and auto parts. In addition to recovery in global vehicle sales and cargo movements and restoration of freight levels, the Group will continue to strive to improve operational efficiency through such measures as appropriate fleet restructure and reorganization of the network of trades. Regarding the logistics business, demand for ocean container transportation is expected to stay firm in the domestic logistics and port business segments. As for the international logistics business, demand for ocean and air transportation is expected to stay at a high level for a while in the forwarding business. In the business of transporting finished vehicles by land, the handling volume is expected to increase due to the continuation of the uptrend in vehicle imports in Australia. In the containership business, although the situation in Russia and Ukraine and lockdown in China are uncertain, cargo movements are expected to stay firm for the foreseeable futures. "ONE" will strive to conduct steady business management by taking active measures intended to avoid supply chain disruptions, while keeping a close watch on the future economic environment.

Our services related to both Russia and Ukraine are suspended and changed sequentially, taking into account various situations. The impact of the situation in both countries on our business is expected to be minor and limited.

## (2) Analysis of Financial Position

### 1) Assets, Liabilities and Net Assets

Consolidated assets at the end of March 2022 were ¥1,574.960 billion, an increase of ¥600.351 billion from the end of the previous fiscal year. Current assets increased by ¥164.879 billion from the end of the previous fiscal year, due mainly to an increase in cash and deposits. Non-current assets increased by ¥435.472 billion, mainly as a result of an increase in investment securities.

Consolidated liabilities decreased by ¥68.368 billion to ¥590.077 billion from the end of the previous fiscal year, mainly as a result of a decrease in short-term borrowings.

Consolidated net assets were ¥984.882 billion, an increase of ¥668.720 billion compared to the end of the previous fiscal year, mainly as a result of an increase in retained earnings.

## 2) Cash Flows

(Billion Yen; rounded to the nearest 100 million yen)

Item	Fiscal 2020 (Ended March 2021)	Fiscal 2021 (Ended March 2022)	Year-on-year increase/(decrease)
Cash and cash equivalents at the beginning of the year	111.9	<b>130.0</b>	18.1
(1) Cash flows from operating activities	33.4	<b>226.5</b>	193.1
(2) Cash flows from investing activities	17.0	<b>(5.8)</b>	(22.8)
(3) Cash flows from financing activities	(34.8)	<b>(116.0)</b>	(81.2)
(4) Currency translation gain or loss (on cash and cash equivalents)	2.5	<b>9.7</b>	7.2
Net increase (decrease) in cash and cash equivalents	18.1	<b>114.3</b>	96.2
Change in cash and cash equivalents as a result of companies newly included in consolidated accounting	0	<b>0</b>	(0)
Cash and cash equivalents at the end of the year	130.0	<b>244.3</b>	114.3

Total cash and cash equivalents at the end of fiscal year 2021 were ¥244.316 billion, an increase of ¥114.315 billion over the end of the previous fiscal year. Details of each cash flow source are as follows:

Cash flows from operating activities were a net cash inflow of ¥226.460 billion (compared to a net cash inflow of ¥33.397 billion in the previous fiscal year) due mainly to profit before income taxes.

Cash flows from investing activities resulted in a net cash outflow of ¥5.848 billion (compared to a net cash inflow of ¥16.987 billion in the previous fiscal year) due mainly to purchase of vessels, property and equipment.

Cash flows from financing activities resulted in a net cash outflow of ¥116.001 billion (compared to a net cash outflow of ¥34.845 billion in the previous fiscal year) due mainly to repayments of long-term loans and obligations under finance leases.

### Reference: Changes in cash flow-related indicators

	Fiscal Year Ended March 2018	Fiscal Year Ended March 2019	Fiscal Year Ended March 2020	Fiscal Year Ended March 2021	Fiscal Year Ended March 2022
Equity ratio (%)	20.9	10.9	11.3	22.4	<b>56.2</b>

	Fiscal Year Ended March 2018	Fiscal Year Ended March 2019	Fiscal Year Ended March 2020	Fiscal Year Ended March 2021	<b>Fiscal Year Ended March 2022</b>
Equity ratio (based on market value) (%)	22.4	11.7	8.5	24.3	<b>47.5</b>
Ratio of debt to cash flow (annual)	488.8	—	—	15.2	<b>1.9</b>
Interest coverage ratio (x)	0.2	—	—	3.3	<b>22.0</b>

\*Equity ratio is the shareholders' equity divided by total assets.

Equity ratio (based on market value) is market capitalization divided by total assets.

Ratio of debt to cash flow is interest-bearing liabilities divided by cash flow.

Interest coverage ratio is cash flow divided by interest expenses.

#### Notes

1. Indicators are calculated on the basis of consolidated figures.
2. Market capitalization is calculated based on the number of shares outstanding, not including treasury stock.
3. Cash flows above refer to cash flows from operating activities.
4. Interest-bearing liabilities are the total of all liabilities on the consolidated balance sheet on which interest is paid (including ¥50.0 billion in Euro-Yen Zero Coupon Convertible Bonds). Interest paid shown in the consolidated statement of cash flows is used as interest expenses.
5. The ratio of debt to cash flow and the interest coverage ratio for the fiscal year ended March 2019 and March 2020 was omitted since the cash flows from operating activities were negative.

### (3) Basic Dividend Policy and Dividend Payments for Fiscal Year 2021 and Following Fiscal Year

The Company's important management task is to maximize returns to our shareholders by strategically allocating our management resources to investments, optimization of capital efficiency and to improve our financial strength considering mid to long-term business environment.

The Company decided payment of a year-end dividend for the fiscal year ending March 31, 2022, resolved as 600.0 yen per share which increased by 300.0 yen per share additional dividend from the previous forecast announced on February 3<sup>rd</sup>, 2022.

For the fiscal year ending March 31, 2023, the Company plans to consider payment of a year ended dividend of 300.0 yen per share as ordinary dividend (including an interim dividend of 150.0 yen per share) and additional shareholder return of 100.0 billion yen or more, based on comprehensive consideration of the earnings forecast. The Company plans to consider share buybacks in addition to dividends as an additional return to shareholders.

## **2. Basic Approach to Selection of Accounting Standards**

To allow reliable year-on-year and company-to-company comparisons, the Group's policy for the time being is to prepare its consolidated financial statements according to Japanese accounting standards.

With respect to application of IFRS, our policy is to respond appropriately based on consideration of various domestic and overseas circumstances.



### **3. Matters Relating to Summary Information**

(Change in Accounting Standards)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition,” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020) effective from the beginning of the fiscal year ended March 31, 2022, and it recognizes revenue when (or as) it satisfies a performance obligation in transferring promised goods or services (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Revenue is recognized at an amount expected to be received upon exchange of goods or services.

As a result of this application, although the Company had previously applied “Voyage completion method,” in which the Company recorded marine transportation revenues and costs and expenses upon completion of voyage; provided, however, that the “Complex transportation progress method” was used for container ships, the Company has changed its calculation method related to marine transportation revenues and costs and expenses based on the number of elapsed days of a voyage from the beginning of the fiscal year ended March 31, 2022. The application of the Accounting Standard for Revenue Recognition is subject to the transitional treatment provided for in the provision of Paragraph 84 of the Accounting Standard for Revenue Recognition.

The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year ended March 31, 2022 was added to or deducted from the beginning balance of retained earnings of the fiscal year ended March 31, 2022, and thus the new accounting policy was reflected in the beginning balance; provided, however, that the new accounting policy was not retrospectively applied to contracts where the recognition of nearly all the revenue amounts for periods prior to the beginning of the fiscal year ended March 31, 2022 were subject to the previous treatment, by applying the method provided for in Paragraph 86 of the Accounting Standard for Revenue Recognition. Furthermore, with regards to modifications to contracts carried out based on the contractual terms existing after all contract modifications were reflected, the cumulative effect was added to or deducted from the beginning balance of retained earnings of the fiscal year ended March 31, 2022 by applying the method set forth in item (1) of the supplementary provisions of Paragraph 86 of the Accounting Standard for Revenue Recognition.

As a result, for the fiscal year ended March 31, 2022, revenue increased by ¥13,583 million, costs and expenses increased by ¥7,279 million, operating income, ordinary income, and profit before income taxes increased by ¥6,303 million, respectively. In addition, the beginning balance of retained earnings increased by ¥3,982 million.

Due to the application of Accounting Standard for Revenue Recognition, “Accounts and notes receivable-trade” presented in current assets are included in “Accounts and notes receivable-trade and contract assets” from the fiscal year ended March 31, 2022. In accordance with the transitional treatment stipulated in Article 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated to reflect the new presentation method.

(Application of the Accounting Standard for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019), from the beginning of the fiscal year ended March 31, 2022. The Company has prospectively applied new accounting policies based on the Accounting Standard for Fair Value Measurement, in accordance with the transitional measurement provided for in Article 19 of Accounting Standard for Fair Value Measurement and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019). The impact of the application of the Accounting Standard for Fair Value Measurement on the consolidated financial statements for the fiscal year ended March 31, 2022 is immaterial.

## Consolidated Financial Statements

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

### Consolidated Balance Sheet

	(Millions of yen)	
	Year ended March 31, 2021	Year ended <b>March 31, 2022</b>
<b>ASSETS</b>		
Current assets :		
Cash and deposits	132,371	<b>247,344</b>
Accounts and notes receivable-trade	56,125	-
Accounts and notes receivable-trade and contract assets	-	<b>103,699</b>
Raw materials and supplies	22,309	<b>36,572</b>
Deferred and prepaid expenses	38,790	<b>17,659</b>
Short-term loans receivable	1,844	<b>4,749</b>
Other current assets	15,685	<b>22,107</b>
Allowance for doubtful accounts	(915)	<b>(1,044)</b>
Total current assets	266,210	<b>431,089</b>
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	352,981	<b>339,821</b>
Buildings and structures, net	10,641	<b>9,817</b>
Machinery, equipment and vehicles, net	3,338	<b>2,904</b>
Land	16,356	<b>15,730</b>
Construction in progress	3,877	<b>9,679</b>
Other, net	4,137	<b>4,076</b>
Total vessels, property and equipment	391,334	<b>382,029</b>
(Intangible assets)		
Other intangible assets	3,551	<b>3,513</b>
Total intangible assets	3,551	<b>3,513</b>
(Investments and other assets)		
Investment securities	257,522	<b>691,809</b>
Long-term loans receivable	19,043	<b>23,007</b>
Asset for retirement benefits	857	<b>1,228</b>
Deferred tax assets	3,378	<b>2,589</b>
Other investments and other assets	33,964	<b>40,824</b>
Allowance for doubtful accounts	(1,253)	<b>(1,132)</b>
Total investments and other assets	313,512	<b>758,326</b>
Total non-current assets	708,398	<b>1,143,870</b>
Total assets	974,608	<b>1,574,960</b>

## Consolidated Balance Sheet

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
<b>LIABILITIES</b>		
Current liabilities :		
Accounts and notes payable-trade	51,661	<b>62,756</b>
Short-term loans and current portion of long-term loans	138,002	<b>87,544</b>
Lease obligations	6,023	<b>26,870</b>
Accrued income taxes	1,404	<b>3,051</b>
Provision for loss related to the Anti-Monopoly Act	357	<b>357</b>
Provision for loss on liquidation of subsidiaries and affiliates	62	<b>2,168</b>
Provision for loss on chartering contracts	15,556	<b>13,903</b>
Provision for bonuses	2,655	<b>4,165</b>
Provision for directors' bonuses	117	<b>309</b>
Other current liabilities	45,688	<b>50,411</b>
Total current liabilities	261,529	<b>251,538</b>
Non-current liabilities :		
Bonds	7,000	-
Long-term loans, less current portion	325,803	<b>277,992</b>
Obligations under finance leases, less current portion	30,176	<b>24,047</b>
Deferred tax liabilities	5,759	<b>9,129</b>
Deferred tax liabilities on land revaluation	1,174	<b>1,174</b>
Provision for directors' and audit and supervisory board members' retirement benefits	353	<b>167</b>
Provision for directors' stock benefits	48	<b>307</b>
Provision for periodic dry docking of vessels	11,904	<b>13,392</b>
Liability for retirement benefits	6,499	<b>6,147</b>
Derivative liabilities	5,045	<b>3,417</b>
Other non-current liabilities	3,150	<b>2,761</b>
Total non-current liabilities	396,916	<b>338,538</b>
Total liabilities	658,446	<b>590,077</b>
<b>NET ASSETS</b>		
Shareholders' equity:		
Common stock	75,457	<b>75,457</b>
Capital surplus	14,295	<b>14,214</b>
Retained earnings	130,723	<b>777,130</b>
Treasury stock	(2,373)	<b>(2,378)</b>
Total shareholders' equity	218,103	<b>864,424</b>
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	3,960	<b>5,474</b>
Deferred gain (loss) on hedges	(3,657)	<b>(893)</b>
Revaluation reserve for land	4,630	<b>4,630</b>
Translation adjustments	(1,963)	<b>12,954</b>
Retirement benefits liability adjustments	(2,879)	<b>(1,956)</b>
Total accumulated other comprehensive income	90	<b>20,209</b>
Non-controlling interests	97,968	<b>100,248</b>
Total net assets	316,162	<b>984,882</b>
Total liabilities and net assets	974,608	<b>1,574,960</b>

## Consolidated Statement of Operations

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Marine transportation and other operating revenues	625,486	<b>756,983</b>
Marine transportation and other operating costs and expenses	590,046	<b>681,605</b>
Gross profit (loss)	35,440	<b>75,377</b>
Selling, general and administrative expenses	56,726	<b>57,714</b>
Operating income (loss)	(21,286)	<b>17,663</b>
Non-operating income :		
Interest income	541	<b>671</b>
Dividend income	1,977	<b>2,226</b>
Equity in earnings of unconsolidated subsidiaries and affiliates	118,165	<b>640,992</b>
Foreign exchange gains	1,401	<b>10,742</b>
Other non-operating income	1,461	<b>1,470</b>
Total non-operating income	123,547	<b>656,103</b>
Non-operating expenses :		
Interest expenses	10,056	<b>10,305</b>
Loss on valuation of derivatives	719	<b>2,003</b>
Financing expenses	1,135	<b>3,467</b>
Other non-operating expenses	850	<b>487</b>
Total non-operating expenses	12,762	<b>16,263</b>
Ordinary income (loss)	89,498	<b>657,504</b>
Extraordinary income :		
Gain on sales of non-current assets	11,947	<b>19,758</b>
Gain on sales of shares of subsidiaries and affiliates	19,894	<b>8,967</b>
Other extraordinary income	496	<b>1,379</b>
Total extraordinary income	32,339	<b>30,105</b>
Extraordinary losses :		
Impairment losses	6,307	<b>18,159</b>
Loss on cancellation of chartered vessels	1,061	<b>7,262</b>
Provision for loss on liquidation of subsidiaries and affiliates	62	<b>2,168</b>
Other extraordinary losses	550	<b>924</b>
Total extraordinary losses	7,982	<b>28,516</b>
Profit (loss) before income taxes	113,854	<b>659,093</b>
Income taxes :		
Current	2,628	<b>8,665</b>
Deferred	143	<b>3,794</b>
Total income taxes	2,772	<b>12,459</b>
Profit (loss)	111,082	<b>646,633</b>
Profit (loss) attributable to non-controlling interests	2,386	<b>4,209</b>
Profit (loss) attributable to owners of the parent	108,695	<b>642,424</b>

## Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Year ended March 31, 2021	Year ended <b>March 31, 2022</b>
Profit (loss)	111,082	<b>646,633</b>
Other Comprehensive income :		
Net unrealized holding gain (loss) on investment securities	4,048	<b>1,581</b>
Deferred gain (loss) on hedges	(756)	<b>1,470</b>
Foreign currency translation adjustment	6,142	<b>10,959</b>
Retirement benefits liability adjustments	1,813	<b>881</b>
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	(2,374)	<b>5,737</b>
Total other comprehensive income	<u>8,873</u>	<u><b>20,630</b></u>
Comprehensive income	<u>119,956</u>	<u><b>667,264</b></u>
(Breakdown)		
Comprehensive income attributable to owners of parent	116,542	<b>662,543</b>
Comprehensive income attributable to non-controlling interests	3,413	<b>4,720</b>

Consolidated Statement of Changes in Net Assets

Kawasaki Kisen Kaisha Ltd. and Consolidated Subsidiaries for the year ended March 31, 2021

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2020	75,457	13,723	22,050	(2,379)	108,852
Cumulative effects of changes in accounting policies					-
Restated balance	75,457	13,723	22,050	(2,379)	108,852
Change in items during the year					
Profit (loss) attributable to owners of the parent			108,695		108,695
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		(2)		7	4
Change in ownership interest of parent due to transactions with non-controlling interests		575			575
Reversal of revaluation reserve for land			0		0
Net changes in retained earnings from changes in scope of consolidation or equity method			(23)		(23)
Net changes in items other than shareholders' equity					
Net changes during the year	-	572	108,672	5	109,251
Balance at March 31, 2021	75,457	14,295	130,723	(2,373)	218,103

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized holding gain (loss) on investments in securities	Deferred gain (loss) on hedges	Revaluation reserve for land	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2020	148	(3,152)	4,631	(4,821)	(4,562)	(7,756)	99,138	200,234
Cumulative effects of changes in accounting policies								-
Restated balance	148	(3,152)	4,631	(4,821)	(4,562)	(7,756)	99,138	200,234
Change in items during the year								
Loss attributable to owners of the parent								108,695
Purchase of treasury stock								(1)
Disposal of treasury stock								4
Change in ownership interest of parent due to transactions with non-controlling interests								575
Reversal of revaluation reserve for land								0
Net changes in retained earnings from changes in scope of consolidation or equity method								(23)
Net changes in items other than shareholders' equity	3,811	(505)	(0)	2,858	1,682	7,846	(1,169)	6,676
Net changes during the year	3,811	(505)	(0)	2,858	1,682	7,846	(1,169)	115,928
Balance at March 31, 2021	3,960	(3,657)	4,630	(1,963)	(2,879)	90	97,968	316,162

Consolidated Statement of Changes in Net Assets

Kawasaki Kisen Kaisha Ltd. and Consolidated Subsidiaries for the year ended March 31, 2022

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2021	75,457	14,295	180,723	(2,373)	218,103
Cumulative effects of changes in accounting policies			3,982		3,982
Restated balance	75,457	14,295	184,706	(2,373)	222,085
Change in items during the year					
Profit (loss) attributable to owners of the parent			642,424		642,424
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock					-
Change in ownership interest of parent due to transactions with non-controlling interests		(80)			(80)
Reversal of revaluation reserve for land					-
Net changes in retained earnings from changes in scope of consolidation or equity method			(0)		(0)
Net changes in items other than shareholders' equity					
Net changes during the year	-	(80)	642,424	(4)	642,338
Balance at March 31, 2022	75,457	14,214	777,180	(2,378)	864,424

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized holding gain (loss) on investments in securities	Deferred gain (loss) on hedges	Revaluation reserve for land	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2021	3,960	(3,657)	4,630	(1,963)	(2,879)	90	97,968	316,162
Cumulative effects of changes in accounting policies							88	4,070
Restated balance	3,960	(3,657)	4,630	(1,963)	(2,879)	90	98,056	320,233
Change in items during the year								
Profit (loss) attributable to owners of the parent								642,424
Purchase of treasury stock								(4)
Disposal of treasury stock								-
Change in ownership interest of parent due to transactions with non-controlling interests								(80)
Reversal of revaluation reserve for land								-
Net changes in retained earnings from changes in scope of consolidation or equity method								(0)
Net changes in items other than shareholders' equity	1,514	2,764	-	14,917	923	20,119	2,191	22,311
Net changes during the year	1,514	2,764	-	14,917	923	20,119	2,191	664,649
Balance at March 31, 2022	5,474	(893)	4,630	12,954	(1,956)	20,209	100,248	984,882



## Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities :		
Profit (loss) before income taxes	113,854	659,093
Depreciation and amortization	43,869	42,821
Increase (decrease) in liability for retirement benefits	(739)	(99)
(Increase) decrease in asset for retirement benefits	(256)	(371)
Increase (decrease) in retirement benefits liability adjustments	1,930	980
Increase (decrease) in provision for directors' and audit and supervisory board members' retirement benefits	(9)	(185)
Increase (decrease) in provision for periodic dry docking of vessels	327	1,463
Increase (decrease) in provision for loss on chartering contracts	(917)	(1,652)
Interest and dividend income	(2,519)	(2,898)
Interest expenses	10,056	10,305
Foreign exchange losses (gains)	(1,482)	(8,291)
Impairment losses	6,307	18,159
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(118,165)	(640,992)
Loss on cancellation of chartered vessels	1,061	7,262
Provision for loss on liquidation of subsidiaries and affiliates	62	2,168
(Gain) loss on sales of vessels, property and equipment	(11,923)	(19,756)
Gain on sales of shares of subsidiaries and affiliates	(19,893)	(8,967)
(Increase) decrease in accounts and notes receivable-trade	(2,109)	-
(Increase) decrease in accounts and notes receivable-trade and contract assets	-	(28,855)
(Increase) decrease in inventories	3,039	(14,024)
(Increase) decrease in other current assets	(2,853)	1,754
Increase (decrease) in accounts and notes payable-trade	8,039	2,524
Increase (decrease) in other current liabilities	1,277	8,097
Other, net	(456)	940
Subtotal	28,498	29,476
Interest and dividends received	19,938	217,357
Interest expenses paid	(10,039)	(10,435)
Payments for cancellation of chartered vessels	(1,061)	(6,715)
Payments related to the Anti-Monopoly Act	(630)	(328)
Income taxes paid	(3,308)	(2,894)
Net cash provided by (used in) operating activities	33,397	226,460
Cash flows from investing activities :		
Payments into time deposits	(5,199)	(6,588)
Proceeds from withdrawal of time deposits	6,535	6,114
Purchases of marketable securities and investment securities	(237)	(4,249)
Proceeds from sales of marketable securities and investment securities	296	252
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	25,784	2,810
Purchase of vessels, property and equipment	(41,718)	(41,140)
Proceeds from sales of vessels, property and equipment	41,369	46,382
Purchase of intangible assets	(405)	(821)
Payments of long-term loans receivable	(4,309)	(6,824)
Collection of long-term loans receivable	1,906	1,331
Other, net	(7,033)	(3,115)
Net cash provided by (used in) investing activities	16,987	(5,848)
Cash flows from financing activities :		
Increase (decrease) in short-term loans, net	(921)	(244)
Proceeds from long-term loans	110,274	76,339
Repayments of long-term loans and obligations under finance leases	(140,191)	(190,309)
Redemption of bonds	(3,000)	-
Cash dividends paid to non-controlling interests	(849)	(1,124)
	(241)	(663)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation		
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	4	14
Other, net	78	(13)
Net cash provided by (used in) financing activities	(34,845)	(116,001)
Effect of exchange rate changes on cash and cash equivalents	2,527	9,705
Net increase (decrease) in cash and cash equivalents	18,066	114,314
Cash and cash equivalents at beginning of the year	111,933	130,001
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	1	1
Cash and cash equivalents at end of the period	130,001	244,316

## Segment information

Year ended March 31, 2021

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Operating revenues from customers	181,983	77,641	339,667	26,193	625,486	-	625,486
Inter-group revenues and transfers	34	3	12,965	46,997	60,001	(60,001)	-
Total revenues	182,018	77,645	352,632	73,190	685,487	(60,001)	625,486
Segment profit (loss)	(9,136)	1,071	104,545	1,084	97,565	(8,066)	89,498
Segment assets	201,962	244,374	478,027	57,548	981,912	(7,303)	974,608
Depreciation and amortization	15,378	11,897	14,878	1,490	43,646	222	43,869
Interest income	120	208	206	82	618	(76)	541
Interest expenses	2,945	3,657	2,738	60	9,401	655	10,056
Equity in earnings (loss) of unconsolidated subsidiaries and affiliates	7	283	117,956	(81)	118,165	-	118,165
Investments in subsidiaries and affiliates accounted for by the equity method	419	27,335	202,379	4,080	234,215	-	234,215
Increase in vessels, property and equipment, and intangible assets	24,507	2,656	16,115	2,127	45,407	(75)	45,332

Year ended March 31, 2022

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	271,352	84,295	374,369	10,489	740,506	-	740,506
Other revenues	5,126	5,431	5,827	91	16,476	-	16,476
Operating revenues from customers	276,478	89,726	380,196	10,580	756,983	-	756,983
Inter-group revenues and transfers	17	12	13,603	50,924	64,457	(64,457)	-
Total revenues	276,496	89,738	393,699	61,505	821,440	(64,457)	756,983
Segment profit (loss)	23,744	4,766	640,814	(106)	669,219	(11,715)	657,504
Segment assets	372,585	182,867	981,765	45,514	1,582,732	(7,772)	1,574,960
Depreciation and amortization	15,559	10,338	16,232	481	42,611	210	42,821
Interest income	104	349	201	39	695	(23)	671
Interest expenses	2,181	4,005	3,968	31	10,187	118	10,305
Equity in earnings (loss) of unconsolidated subsidiaries and affiliates	48	2,445	638,344	154	640,992	-	640,992
Investments in subsidiaries and affiliates accounted for by the equity method	498	31,213	629,559	4,340	665,611	-	665,611
Increase in vessels, property and equipment, and intangible assets	15,251	4,616	22,509	526	42,905	537	43,442