

Shipping Market Information

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Ratio of market exposure (Spot*¹) in fleet

(As of May 22, 2023 Forecast, to be updated in every 2Q/4Q)

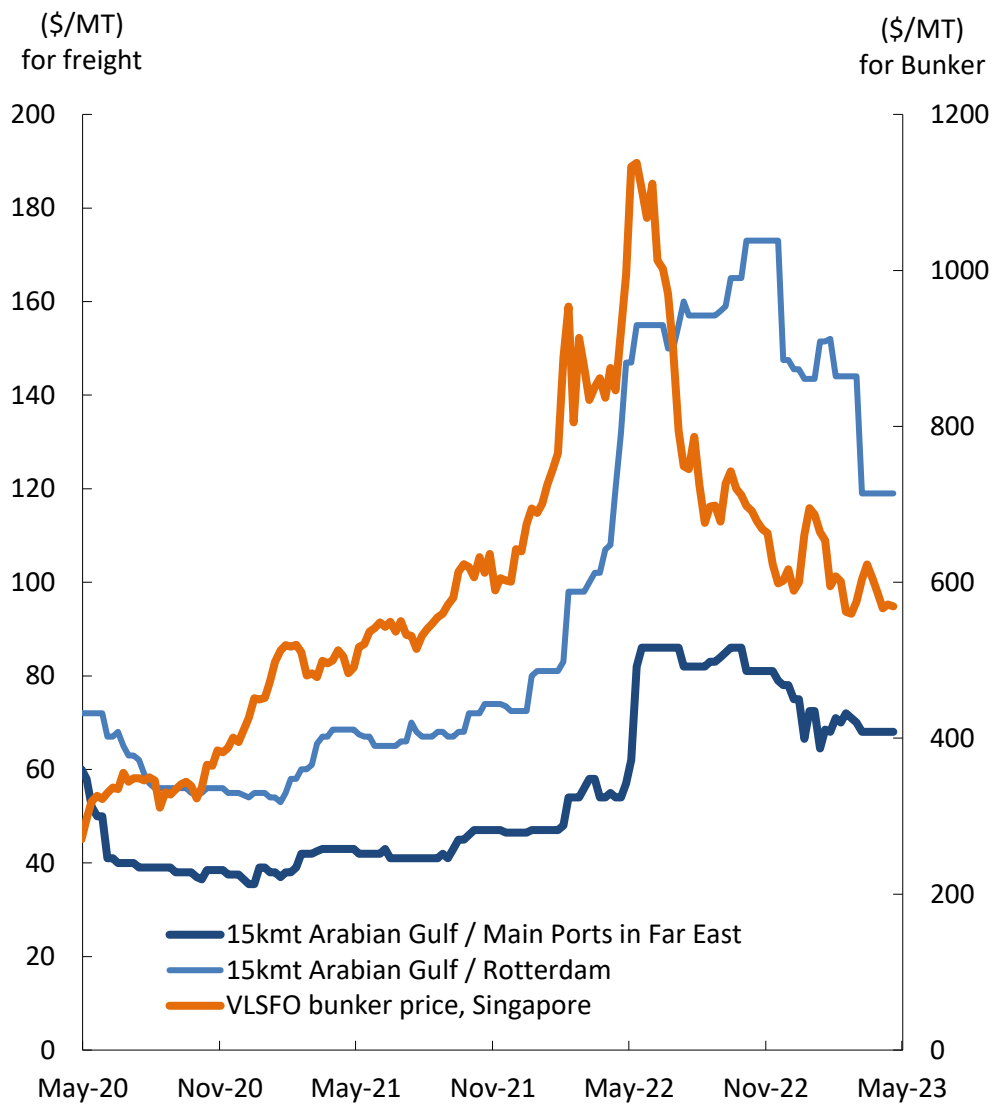
Oil Tanker	0 %
Chemical Tanker* ²	25 %
LPG Carrier (VLGC)	14 %
LNG Carrier* ³	0 %
Panamax and Small Handy	43 %
Dedicated Carriers	0 %

*¹ Contract on a per-voyage basis. (Not long-term)

*² Not including time charter and other vessels

*³ The calculation includes 1 owned vessel, 24 LNG carriers are jointly owned or involved in the portfolio companies

Chemical Tanker Market



(Source: Clarksons Research)

General relationship between spot freight rates for chemical tankers and bunker prices

Impact of spot freight rates and bunker prices on profitability
(without hedging against the risk of bunker price fluctuations)

	Bunker price	Profitability
When spot freight rates increase (↗)	↗	→
	→	↗
	↘	↗

[for example]
Profitability will improve if spot freight rates increase and bunker prices decrease.

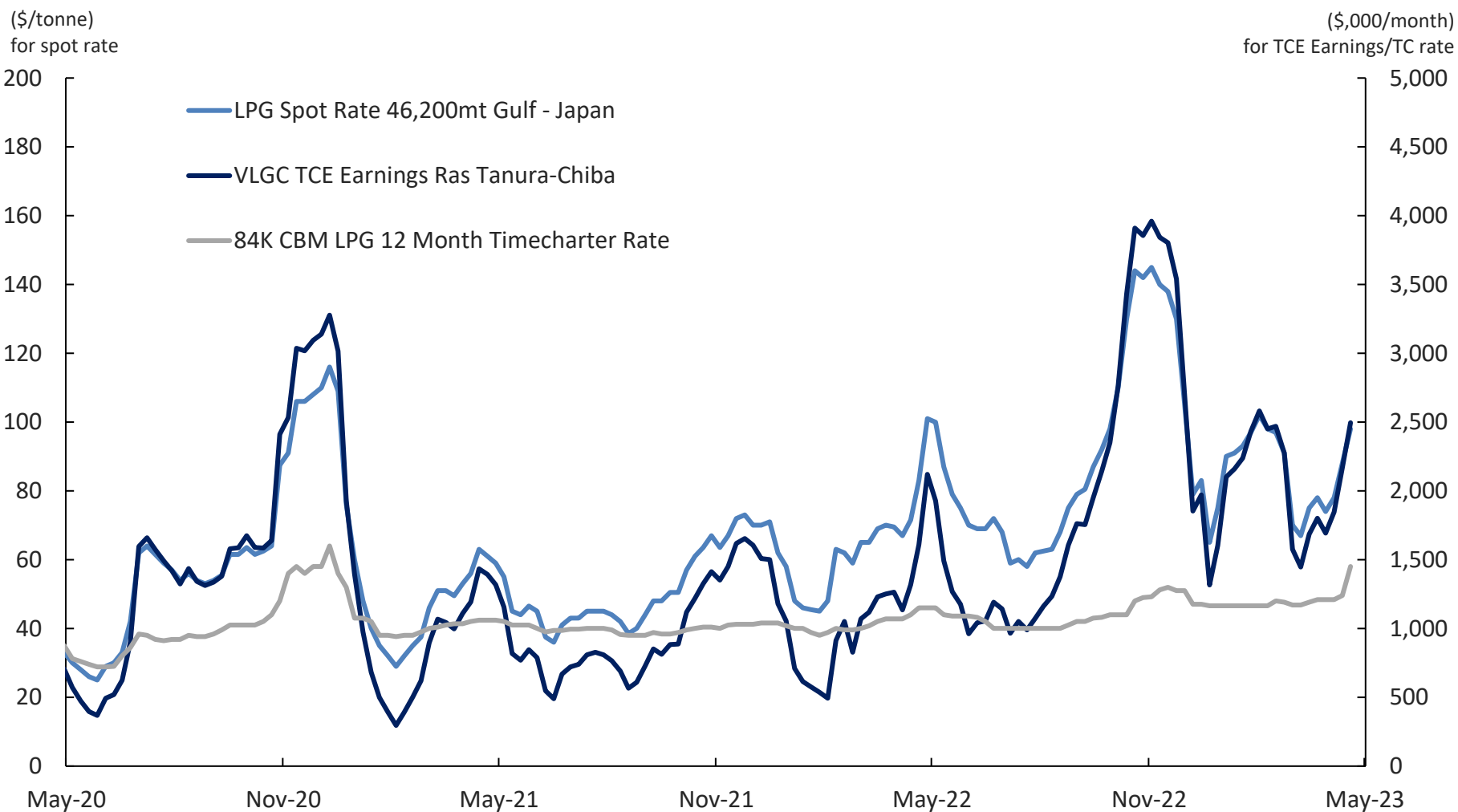
	Bunker price	Profitability
When spot freight rates decrease (↘)	↗	↘
	→	↘
	↘	→

[for example]
Profitability will deteriorate if spot freight rates fall and bunker prices increase.

*However, the figures may not necessarily be as shown in the above table due to the time lag between refueling and consumption, and the range of increase/decrease in freight and bunker oil prices, respectively.

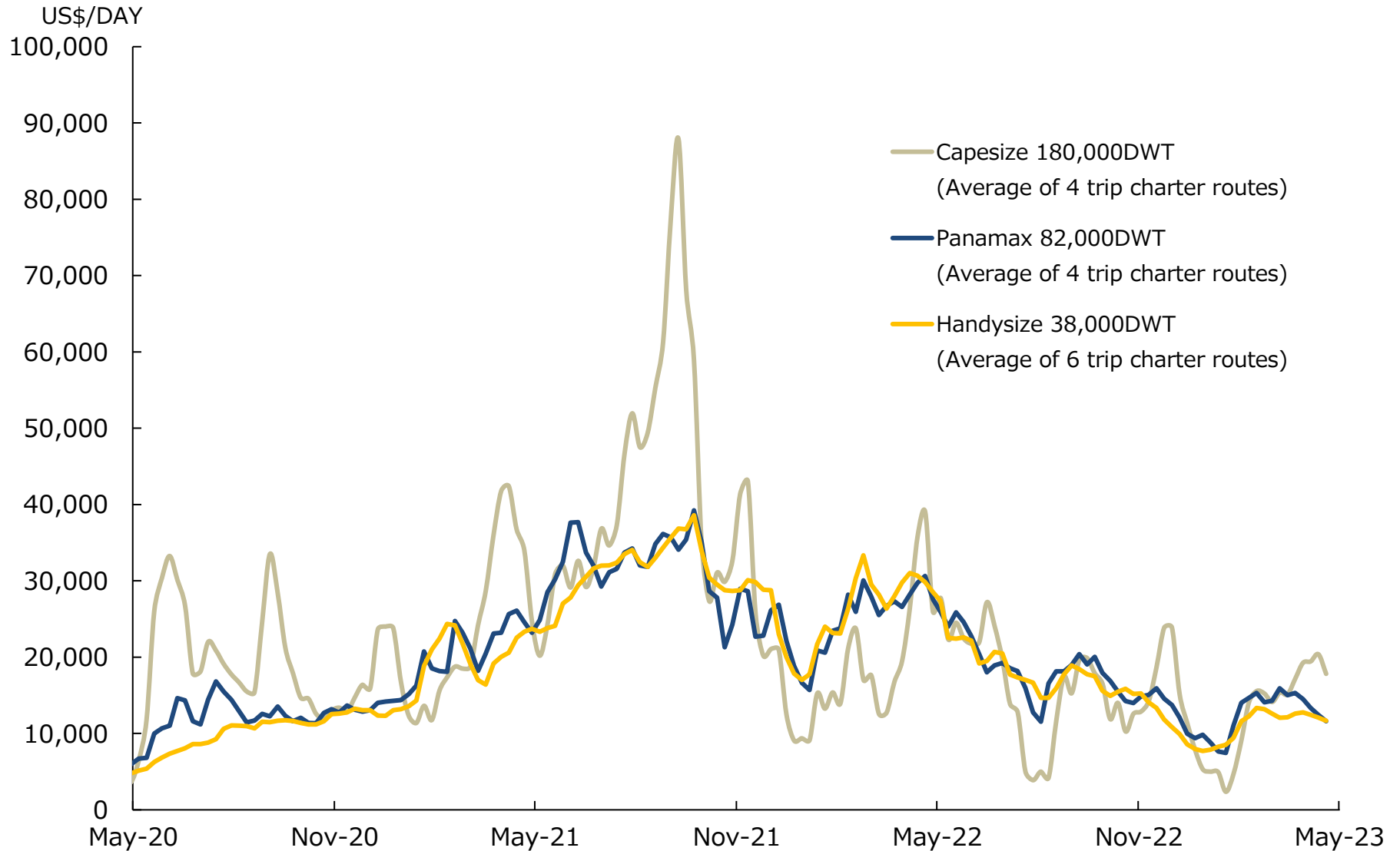
Spot freight rates include fuel costs. Basically, when fuel oil prices rise (fall), freight rates also rise (fall), but there may be some time lag.

VLGC Market



(Source: Clarksons Research)

Dry Bulk Carrier Market



❑ COA (Contract of Affreightment)

A contract to transport a specific cargo with specific freight rates for a certain period of time, without specifying the vessel to be used.

❑ Spot Contract

Contract on a per-voyage basis.
(Not long-term)

❑ TC (Time Charter Contract)

A contract to charter a vessel for a certain period of time. The term can be as short as a few months or as long as a decade or more. The charterer (operator) pays a certain amount of charter fee to the shipowner (owner). The shipowner is responsible for ship management, including repairs and crewing.

❑ Product Tanker / Chemical Tanker (Relationship between them)

Chemical tankers mainly carry liquid chemical products (methanol, alcohol and other cargoes), while product tankers mainly carry petroleum products (gasoline, naphtha and other cargoes). Product tankers can carry some liquid chemical products. Therefore, when the cargoes (petroleum products) carried by product tankers decrease, the product tankers flow into the chemical tanker market. An increase in the fleet of overall chemical tanker market may lead to the market conditions to decline.

For more information on chemical tankers, please see "[What is a Chemical Tanker](#)" on our website.

❑ Bunker (Fuel Oil) Price

【Type】

- ① High Sulfur Fuel Oil (HSFO) : Low cost but high environmental impact.
- ② Very Low Sulfur Fuel Oil (VLSFO) : VLSFO must be used for non-scrubber equipped vessels due to the enforcement of the sulfur limits of the MARPOL Convention 2020; it is more costly than HSFO, but has a lower environmental impact.

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Spot freight rates include fuel costs. Basically, when fuel oil prices rise (fall), freight rates also rise (fall), but there may be some time lag.

❑ Docking

Vessels enter dock for periodic inspections and repair work.
Periodic inspections are every 5 years and interim inspections every 2-3 years.

❑ Provision for special repairs

Allowance recorded for docking. (tens to hundreds of millions of yen)