



November 11, 2024  
IINO Kaiun Kaisha, Ltd.

**Transcript of the briefing and Q&A session on the presentation  
of FY2024 interim financial results**

IINO Kaiun Kaisha, Ltd. (the Company) today announced that it has distributed transcript and Q&A session on the presentation of the financial results for FY2024 interim held on 1 November, 2024.

1. Transcript

[https://www.iino.co.jp/kaiun/english/ir/pdf/transcript\\_fy2024\\_2q.pdf](https://www.iino.co.jp/kaiun/english/ir/pdf/transcript_fy2024_2q.pdf)

3. Q&A

Q1) Could you tell me the progress of the current investment towards the goal of 1 trillion yen over the next 3 years in the mid-term business plan? I heard that ship prices are high and shipyards are also fully occupied. Do you expect to achieve this goal within the next 3 years?

A1) We are making steady progress in the construction of ships and office buildings, which were already decided during the formulation of the mid-term management plan. We are also considering various new projects in line with our business portfolio strategy. Some investments, such as the large crude oil tanker that we introduced in today's briefing and is scheduled for completion in FY 2027, have been decided during the mid-term management plan period.

Both the shipping and real estate industries are facing challenging environments for investment, but we aim to steadily accumulate investments towards the target amount while adhering to investment criteria.

Q2) Regarding the economic situation in Europe, looking at indicators such as container freight rates and macroeconomic factors, there is a perception that the situation is deteriorating further or has already deteriorated. In your business, especially in the chemical tanker sector where you handle some routes to Europe, what kind of impact do you anticipate if the economic situation in Europe worsens beyond expectations?

A2) As for our chemical tanker business, we conclude COA contracts (Contract of Affreightment) with customers in the Middle East. Under the COA contracts, we allocate our

ships from the Middle East to Europe approximately twice a month, and there is a certain level of secured transport volume. We have annual contracts with our customers, and the freight rates are determined on a yearly basis with options exercised. The existing contracts are covered until around FY2025, so they are not significantly influenced by the current economic situation in Europe.

While a deterioration in the European economy may impact other industries, it is unlikely to have a major effect on our committed contracts. However, there could be potential indirect effects if the operation of factories in Europe worsens.

Q3) Regarding real estate, the vacancy rate of your office buildings remains low as usual, but could you please provide information on the situation regarding rent increases?

A3) We have basically concluded long-term lease contracts with the main customers who currently occupy our office buildings. As there are no major contract renewals currently underway, there are no immediate plans for rent increases or decreases. However, if there are opportunities for negotiations in the future, we believe there is room to negotiate rent increases.

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