

September 17, 2020

To All Parties Concerned

Company Name: Kawasaki Kisen Kaisha, Ltd.
Representative: Yukikazu Myochin, Representative
Director, President & CEO
(Code Number 9107, listed on the 1st sections of the Tokyo and
Nagoya Stock Exchanges and the Fukuoka Stock Exchange)
Contact: Yuji Asano, Executive Officer,
General Manager of Finance Group
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**Notice of Financing through New Subordinated Loan
and Early Repayment of Existing Subordinated Loan**

Kawasaki Kisen Kaisha, Ltd. (“K” LINE) hereby announces that it has decided to finance by new subordinated loan (the “Subordinated Loan”) and make an early repayment of the existing subordinated loan (the “Existing Subordinated Loan”; together with the Subordinated Loan, collectively the “Refinancing”), as detailed below:

1. Purpose of the Refinancing

The Referencing is structured to comply with the Replacement Restrictions Clause (*1) of the Existing Subordinated Loan, and to maintain our financial foundation and capital efficiency. Stock dilution will not occur since the Subordinated Loan does not contain any conversion to the shares of “K” LINE common stock.

*1 : The Replacement Restrictions Clause provides that “K” LINE intends to make an early repayment of the Existing Subordinated Loan with the funds raised, within the 6-month period prior to the date of such early repayment, by common stock or other securities or debt that have been approved by all ratings agencies as having equity credit attributes equal to or greater than the Existing Subordinated Loan.”

2. Overview of the Subordinated Loan

Detailed terms and conditions of the Subordinated Loan are as follows:

Total Loan Amount	30 billion Japanese yen
Date of Agreement	September 17, 2020
Loan Execution Date	September 23, 2020
Use of Loan Proceeds	To be used for early repayment of the Existing Subordinated Loan
Maturity Date	September 23, 2057 However, “K” LINE may, at its own discretion, make early repayment of all or part of the principal of the Subordinated Loan on September 23, 2025 or any interest payment date thereafter or upon occurrence of any predefined early repayment events.

Replacement Restrictions	There is no contractual provision on replacement restrictions. However, if “K” LINE repays the Subordinated Loan early, the company intends to replace the Subordinated Loan with other financial instruments that have obtained an equal or higher equity credit from the credit rating agency ^(Note) .
Interest Deferral Clause	“K” LINE may defer interest payments at its own discretion.
Subordination Clause	The creditors of the Subordinated Loan shall have a claim subordinated to that of other senior debt creditors in “K” LINE’s liquidation, bankruptcy, corporate reorganization or civil rehabilitation proceedings or any equivalent proceedings under any laws other than Japanese Laws. Any provisions stipulated in the Subordinated Loan Agreement shall not be amended in any manner which would create disadvantages for any “K” LINE’s creditors other than the creditors of the Subordinated Loan.
Evaluation of Equity Credit (expected)	Middle Level, 50% (Japan Credit Rating Agency, Ltd.)

(Note) “K” LINE may decide not to replace the Subordinated Loan with other financial instruments that have an equal or higher equity credit, if the company satisfies predefined financial requirements.

3. Details of early repayment of the Existing Subordinated Loan

Early Repayment Date	September 23, 2020
Total Amount of Early Repayment	30 billion Japanese yen
Reason for Early Repayment	Pursuant to the early repayment clause of the Existing Subordinated Loan