

Financial Highlights Brief Report for Fiscal Year 2025

May 8th, 2026



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A. Financial Highlights for Fiscal Year 2025

A- 1 : Financial Results for FY2025

Financial Results FY2025

Operating Revenues and Profit/Loss	FY2025							(billion yen)	
							Total (a)	FY2024 Total (b)	(a)-(b)
	1 Q	2 Q	1H	3 Q	4 Q	2H			
Operating Revenues	244.9	255.6	500.5	267.1	250.6	517.7	1,018.3	1,047.9	-29.5
Operating Income/Loss	19.8	23.1	42.9	25.7	15.4	41.2	84.1	102.8	-18.6
Ordinary Income/Loss	21.6	37.9	59.6	28.9	20.4	49.4	109.1	308.0	-198.9
Net Income/Loss Attributable to Owners of Parent	29.9	38.6	68.6	33.9	30.3	64.3	132.9	305.3	-172.3
Exchange Rate(¥/\$)	¥145.32	¥147.04	¥146.18	¥153.20	¥155.34	¥154.27	¥150.23	¥152.73	-¥2.50
Bunker Price(/MT)	\$550	\$544	\$547	\$512	\$506	\$509	\$528	\$610	-\$82

Key Factors (year-on-year comparison)

- ▶ Operating Income/Loss : 84.1 billion yen, mainly due to decreased profit in the Car Carrier Business
- ▶ Ordinary Income/Loss : 109.1 billion yen, due to a significant decline in profit in the Containership Business
- ▶ Net Income/Loss : 132.9 billion yen, due to factors including the sale of owned vessels and subsidiary shares, as well as a revision to the adjustment of income taxes related to deferred tax assets

Key Financial Indicators

Indicators	(billion yen)		
	FY2025 (c)	FY2024 (d)	(c)-(d)
Equity Capital	1,802.7	1,648.4	154.2
Interest-Bearing Liability	296.0	344.8	-48.8
DER	16.4%	20.9%	-4.5points
Equity Ratio	76.9%	74.6%	2.3points

*Equity ratio stands at 59-61%, including off-balance-sheet charter hire (600.0 to 700.0 billion yen), at the end of FY2025.

Shareholder's return

- ▶ Dividend: The year-end dividend for FY2025 is 60 yen/share (as announced in February 2026). Together with the interim dividend of 60 yen/share, the total annual dividend is 120 yen/share.

A-2 : Financial Results for FY2025 by Segment

Financial Results for FY2025 by Segment

Business Segment (Upper row: Operating Revenues) (Lower row: Ordinary Income/Loss)	FY2025							FY2024	
	1 Q	2 Q	1H	3 Q	4 Q	2H	Total (e)	Total (f)	(e)-(f)
Dry Bulk	69.7	72.8	142.5	79.6	70.5	150.1	292.7	322.3	-29.5
	-0.5	1.4	0.9	6.6	3.2	9.9	10.9	13.2	-2.3
Energy Resource Transport	23.6	25.7	49.3	25.6	25.7	51.3	100.6	101.9	-1.2
	2.3	2.5	4.8	2.2	2.5	4.8	9.6	4.9	4.7
Product Logistics	148.9	154.8	303.8	160.4	152.2	312.6	616.4	612.8	3.6
	24.3	33.2	57.5	18.2	15.0	33.3	90.8	293.6	-202.7
Car Carrier	91.9	95.2	187.2	99.1	93.2	192.3	379.6	384.0	-4.4
	15.1	15.1	30.3	13.1	7.7	20.9	51.2	76.4	-25.2
Containership	16.3	16.2	32.6	17.6	16.5	34.1	66.8	68.5	-1.7
	6.6	15.4	22.1	-0.5	2.5	1.9	24.0	206.0	-181.9
Other	2.6	2.1	4.7	1.4	2.1	3.6	8.4	10.8	-2.3
	0.3	0.4	0.8	0.8	0.5	1.3	2.2	0.9	1.2
Adjustment	-	-	-	-	-	-	-	-	-
	-4.8	0.2	-4.5	0.9	-1.0	0.0	-4.6	-4.7	0.0
Total	244.9	255.6	500.5	267.1	250.6	517.7	1,018.3	1,047.9	-29.5
	21.6	37.9	59.6	28.9	20.4	49.4	109.1	308.0	-198.9

*Figures for fiscal 2024 reflect "K" Line's new allocation method for foreign exchange gains and losses.

Key Factors by Segment (year-on-year comparison)

► Dry Bulk

- Compared with the previous period, market conditions improved in the second half for both Capesize and Panamax and smaller sizes, supported by a recovery in cargo movements.
- Market conditions deteriorated year on year from the end of FY2024 through the 1Q of FY2025. In addition, the impact of disputes at loading ports in 1Q and increased costs, including dry dock costs, resulted in a year-on-year decline in full year profits.

► Energy Resource Transport

- Stable profits were secured under long-term contracts.
- Profit increased due to one-time factors, including the absence of impairment losses recorded in FY2024* and gains resulting from a review of tax effects in FY2025*.

*Both items were recorded at equity-method affiliates.

► Product Logistics

- Car Carrier Business: Despite impacts from trade policies in various countries and the deterioration in the situation in the Middle East, the number of units transported slightly increased, supported by solid demand worldwide.
- On the other hand, profit declined due to increased operating costs and factors such as the situation in the Middle East.

Containership Business: Amid the impacts of U.S. trade policies and the situation in the Middle East, profit declined sharply due to higher ship costs resulting from deliveries of newbuild vessels and a decline in freight rates.



B. Forecasts and Initiatives for Fiscal Year 2026

B- 1 : Forecasts for FY2026 and Key Factors

Forecasts for FY2026

Operating Revenues and Profit/Loss	FY2026		Total (g)	FY2025 Total (h)	(g)-(h)
	1H Forecast	2H Forecast			
Operating Revenues	527.0	493.0	1,020.0	1,018.3	1.7
Operating Income/Loss	38.0	45.0	83.0	84.1	-1.1
Ordinary Income/Loss	35.0	65.0	100.0	109.1	-9.1
Net Income/Loss Attributable to Owners of Parent	36.0	59.0	95.0	132.9	-37.9
Exchange Rate(¥/\$)	¥151.65	¥150.00	¥150.82	¥150.23	¥0.60
Bunker Price(/MT)	\$749	\$646	\$697	\$528	\$169

(billion yen)

【Assumptions for FY2026 forecast】

- ▶ The closure of the Strait of Hormuz is assumed to continue through the end of June, with passage expected to resume from July onward.
- ▶ Passage through the Suez Canal is not assumed for the full year, with operations continuing via the Cape of Good Hope route.
- ▶ Bunker prices are expected to gradually decline from July onward, with the average price for the second half assumed to be \$646/MT.

Key Factors (year-on-year comparison)

- ▶ Amid ongoing geopolitical concerns, including the situation in the Middle East, ordinary income is forecast at 100.0 billion yen, down 9.1 billion yen year on year, reflecting factors such as foreign exchange valuation losses etc.

Key factor assumption

- ▶ Yen-US\$ exchange rate ¥150.82/\$ (average for FY2026)
- ▶ Bunker price \$697/MT
- ▶ Market assumption Please refer to Appendix

Estimates sensitivity (12 months)

- ▶ Yen-US\$ rate each ¥1 weaker(stronger) adds (subtracts) ± ¥1.5 bln
- ▶ Bunker price each \$10/MT down (up) adds (subtracts) ± ¥0.07 bln

*Exchange rate fluctuations related to equity in earnings of subsidiaries, "ONE" is included.

Shareholder's return

- ▶ Dividend The annual forecast dividend for FY2026 is 120 yen/share (interim and year-end dividends: 60 yen/share each).

*The timing and method(s) of flexible additional shareholder returns of 50.0 billion yen or more during the Medium-term Management Plan period announced in May 2025 are under continued review.

➡ details : C-4

B- 2 : Forecasts for FY2026 by Segment

■ Forecasts for FY2026 by Segment

Business Segment (Upper row: Operating Revenues) (Lower row: Ordinary Income/Loss)	FY2026			FY2025 Total (j)	(i)-(j)
	1H	2H	Total		
	Forecast	Forecast	(i)		
Dry Bulk	162.0	128.0	290.0	292.7	-2.7
	10.0	6.5	16.5	10.9	5.6
Energy Resource Transport	49.0	44.5	93.5	100.6	-7.1
	2.0	2.0	4.0	9.6	-5.6
Product Logistics	312.0	316.5	628.5	616.4	12.1
	24.5	58.0	82.5	90.8	-8.3
Car Carrier	193.0	199.0	392.0	379.6	12.4
	15.0	29.0	44.0	51.2	-7.2
Containership	35.5	33.5	69.0	66.8	2.2
	4.5	21.5	26.0	24.0	2.0
Other	4.0	4.0	8.0	8.4	-0.4
	0.0	0.5	0.5	2.2	-1.7
Adjustment	-	-	-	-	-
	-1.5	-2.0	-3.5	-4.6	1.1
Total	527.0	493.0	1,020.0	1,018.3	1.7
	35.0	65.0	100.0	109.1	-9.1

(billion yen)

■ Key Factors by Segment

(year-on-year comparison・excluding exchange rate impacts)

▶ Dry Bulk

- Compared with previous year, transportation demand is expected to remain solid, and market conditions are anticipated to trend higher, leading to an increase in profits.

▶ Energy Resource Transport

- Profit is expected to decline due to the absence of one-off gains recorded in the previous period.

▶ Product Logistics








- Car Carrier Business : Due to the worsening situation in the Middle East, profits are expected to decline as a result of decreased cargo volumes to the region and increased operating costs such as fuel expenses.
- The situation is expected to remain uncertain. We will continue efforts to optimize the fleet and improve operational and deployment efficiency while closely monitoring changes in transportation demand.
- Containership Business : An uncertain business environment continues due to geopolitical risks, including the situation in the Middle East, and results are expected to be roughly in line with the previous year.
- ONE will continue efficient operation and flexible vessel deployment in line with demand while keeping a close eye on changes in the situation.



C. Status and Progress of the Medium-term Management Plan

C- 1 : 【Capital Policy】 Capital Policy Progress and Corporate Value Improvement

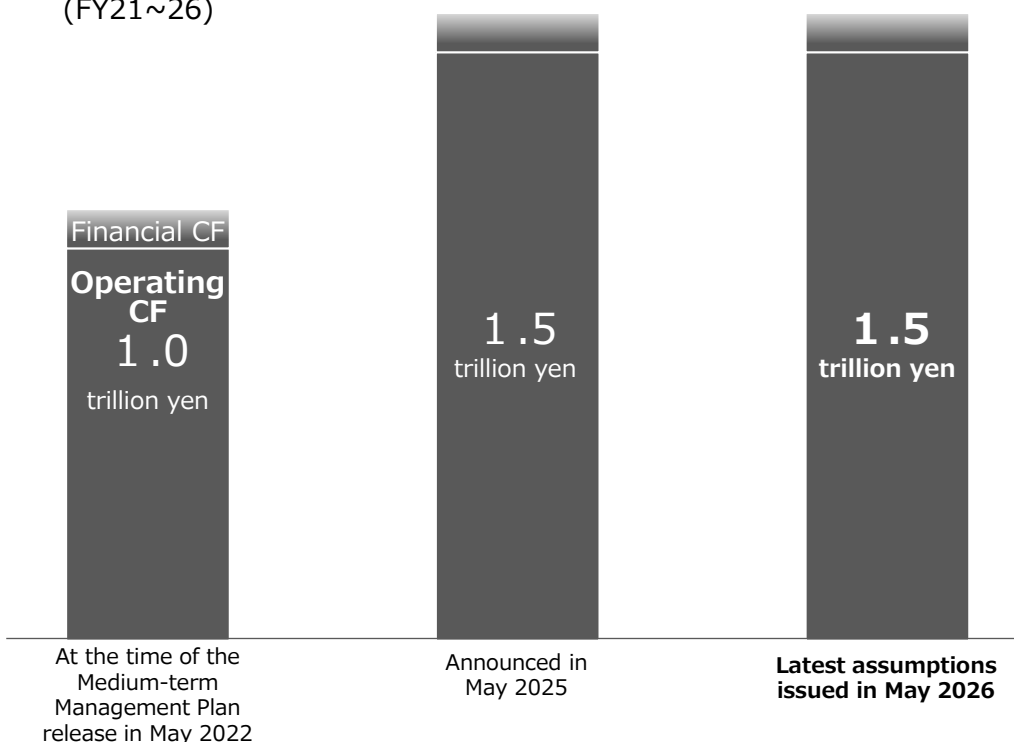
We will promote the enhancement of “earning power,” while being mindful of optimal capital structure and cash allocation.
By achieving both capital efficiency and financial soundness, we will strive to further improve corporate value.

 Enhancing earning power	Operating CF 1.5 trillion yen During the Medium-term Management Plan period	<ul style="list-style-type: none"> The full-year ordinary income for FY2025 is 109.1 billion yen The ordinary income for FY2026, the final year of the current Medium-term Management Plan, is expected to be 100.0 billion yen *The Medium-term Management Plan target for FY26 is 160.0 billion yen The operating CF forecast for the Medium-term Management Plan period is 1.5 trillion yen (unchanged from the February 2026 announcement) 	<div>  Further Advancement of Business Management </div> <div> ROIC 5% (FY26 Forecast) <small>*The Medium-term Management Plan target for FY26 is 6% ~ 7%</small> </div> <ul style="list-style-type: none"> Establishing 3 business management financial statements for each business More advanced business value management Implementing more advanced investment management
 Investment plan (promotion of investment for growth)	Investing CF 610.0 billion yen During the Medium-term Management Plan period	<ul style="list-style-type: none"> We will continue to make necessary investments to enhance corporate value while maintaining investment discipline. Investment cash flow during the Medium-term Management Plan period is expected to amount to total 610.0 billion yen (unchanged from the February 2026 announcement) We will achieve growth by enhancing businesses serving the role of driving growth, and by promoting environmental investment taking advantage of emissions reduction and decarbonization opportunities 	
 Optimal capital structure	Business risk・ Financial soundness・ Capital efficiency	<ul style="list-style-type: none"> Aiming for both financial soundness with an awareness of business risks, and capital efficiency In order to consider an optimal capital structure, we continue verifying the level of capital required for “K” Line’s own businesses and Containership business 	
 Shareholder return policy	Shareholder return 800.0 billion yen~	Shareholder Return Policy	<ul style="list-style-type: none"> Our policy is to always be aware of the optimal capital structure, ensure the investments necessary to improve corporate value, and maintain financial soundness. Moreover, regarding the portion exceeding the appropriate capital, we will actively consider shareholder returns, based on cash flow The total return amount during the Medium-term Management Plan period is expected to be 800.0 billion yen or more (unchanged from the February 2026 announcement)
		Returns in FY2026	<div> <div>Dividend</div> <ul style="list-style-type: none"> FY26 : We plan the annual dividend of 120 yen/share (unchanged from the February 2026 announcement) </div> <div> <div>Responsive return delivery</div> <ul style="list-style-type: none"> In light of the current business environment, the timing and method(s) of flexible additional shareholder returns of 50.0 billion yen or more during the Medium-term Management Plan period announced in May 2025, remain under review </div>
 For corporate value improvement	PBR return to/maintain/improve 1.0 or more	<ul style="list-style-type: none"> We aim to sustainably achieve ROE of 10% or more by strengthening earning power and improving capital efficiency, and to return to, maintain and improve the PBR of 1.0 or more, keeping in mind reduction of capital costs and PER enhancement by cultivating further expectation for growth *In the next Medium-term Management Plan, we aim to further improve ROE and PBR On March 28, 2025, we have transitioned to the “Company with Nominating Committee, etc.” Through IR activities, we will promote dialogue with stakeholders and further raise awareness of our business growth strategy among investors 	<div>  The evaluation of KPIs under the current Medium-term Management Plan and our issues, etc. for the next plan are presented on Slides D-2 and D-3 </div>

C-2 : 【Capital Policy】 Cash Allocation

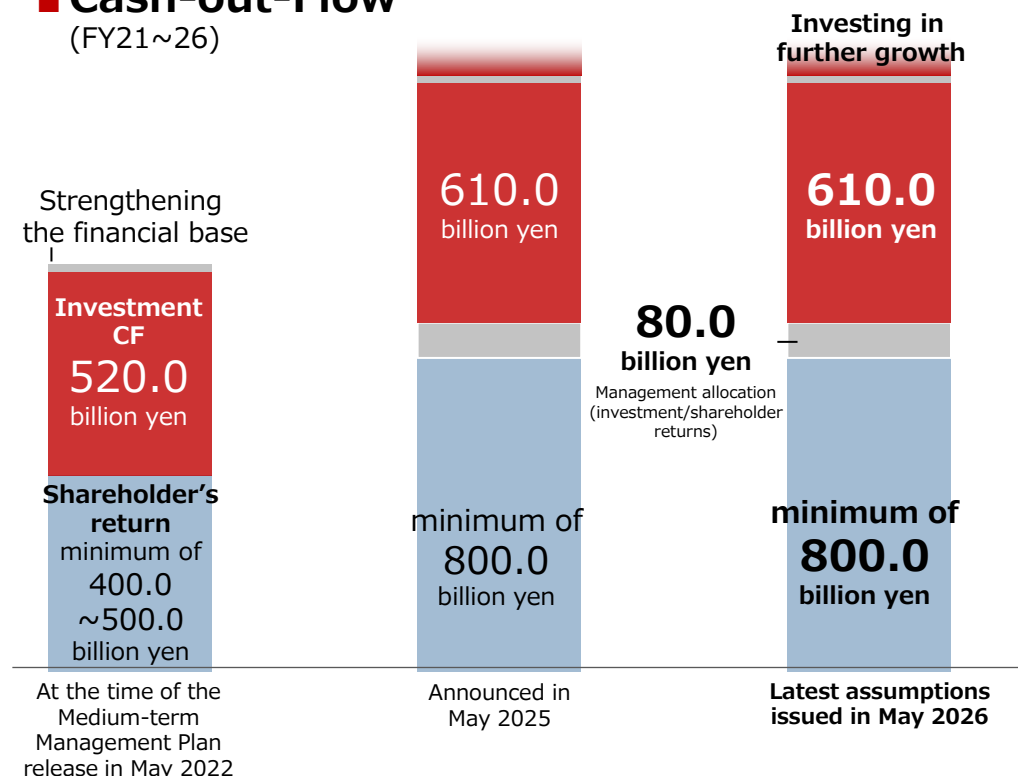
Operating cash flow is expected to be 1.5 trillion yen, whereas investment cash flow is expected to be 610.0 billion yen, and shareholder returns during the Medium-term Management Plan period is expected to be 800.0 billion yen or more. We will continue to allocate generated cash with consideration for a balance between investment in growth and shareholder returns.

■ Cash-in-Flow (FY21~26)



Based on the latest performance forecast, **operating CF is expected to be 1.5 trillion yen** (unchanged from the February 2026 announcement)

■ Cash-out-Flow (FY21~26)



Due to the postponement of investments beyond the Medium-term Management Plan period and cash inflows from asset sales, etc., **investment cash flow is expected to be 610.0 billion yen.** (unchanged from the February 2026 announcement)

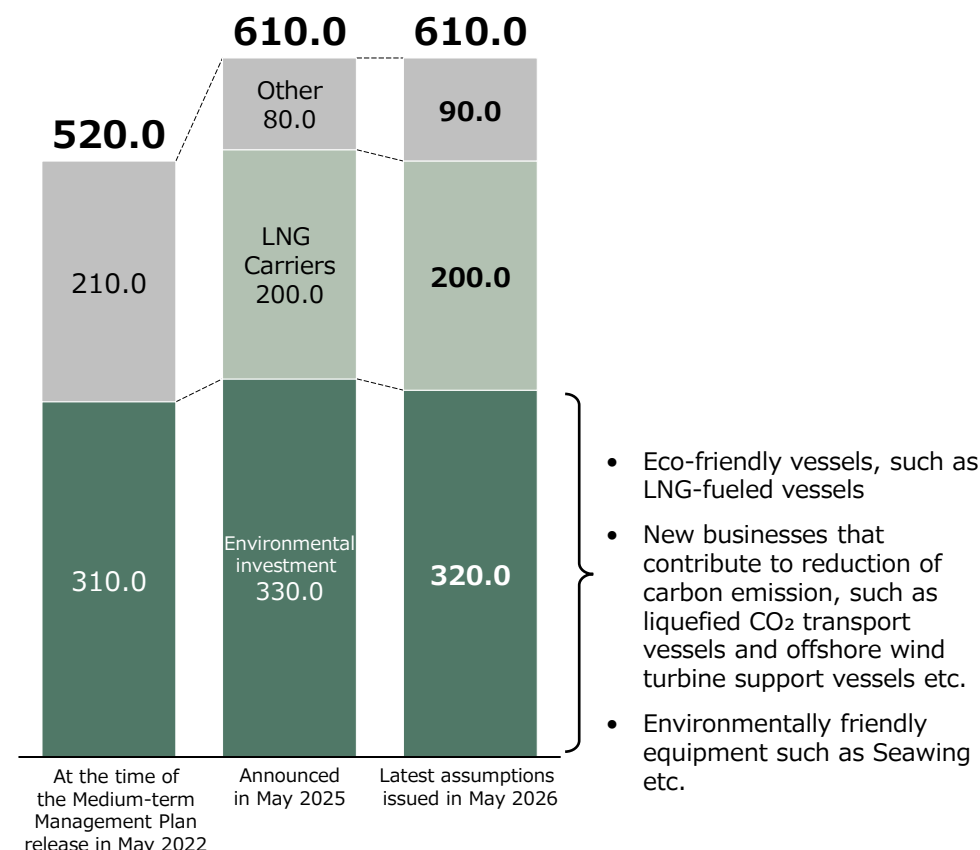
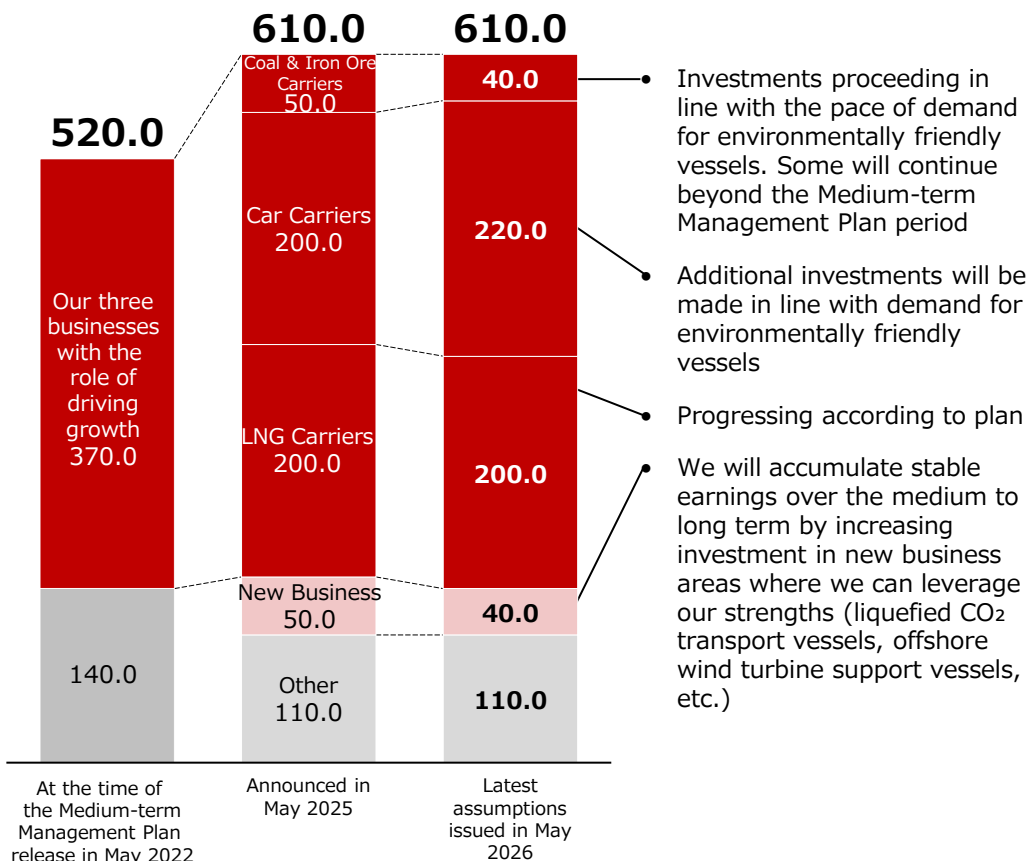
Based on the return policy, **shareholder returns are planned to be 800.0 billion yen or more** (unchanged from the February 2026 announcement)

C-3 : 【Capital Policy】 Business Investment Plan

Based on the Medium-term Management Plan, with a focus on the three businesses that play a role in driving growth and on environmental initiatives, we will promote investments.
By exercising investment discipline that takes into account risk and return, we will invest conservatively during favorable market conditions and strategically when market conditions deteriorate.

- Investment cash flow for the Medium-term Management Plan period remains unchanged from the February 2026 announcement, and is planned to be 610.0 billion yen

FY2022-26 cumulative investment CF (billion yen)



Investing 75% in businesses with the role of driving growth and 7% in new business opportunities



Investing 52% in environmental initiatives (85% if including LNG carriers) → Establishing a competitive advantage

C-4 : 【Capital Policy】 Shareholder's Return Policy

The annual dividend forecast for FY2026 is 120 yen/share.

The previously announced flexible additional shareholder returns of 50.0 billion yen or more will be executed during the current Medium-term Management Plan period, within FY2026.

- **Total return amount forecast during the Medium-term Management Plan period**
800.0 billion yen or more
 (unchanged from the February 2026 announcement)

- **Dividend forecast**

FY2026

120 yen/share

(interim and year-end : 60 yen/share each)

(unchanged from the February 2026 announcement)

- **Further flexible additional returns**

In light of the current business environment, the timing and method(s) of flexible additional shareholder returns of 50.0 billion yen or more during the Medium-term Management Plan period announced in May 2025, remain under review

Shareholder return policy
for the Medium-term
Management Plan period

We will continue to monitor performance trends, always be aware of the optimal capital structure, ensure the investments necessary to improve corporate value, and maintain financial soundness. Moreover, regarding the portion exceeding the appropriate capital, we will actively consider shareholder returns, including share buy-back, based on cash flow.

	Actual			Plan
	FY21~23	FY24	FY25	FY26
Dividend and additional shareholder return per share				Taking the business environment into consideration and based on the shareholder return policy, going forward, we are considering...
		75.2 billion yen		50.0 billion yen~ Responsive additional return delivery
		90.8 billion yen	120 yen/share	120 yen/share
		60 yen/share	80 yen/share	80 yen/share
Total return amount *		40 yen/share	40 yen/share	40 yen/share
		166.0 billion yen		50.0 billion yen~ Responsive additional return delivery...
		66.0 billion yen (100 yen/share)	77.0 billion yen (120 yen/share)	77.0 billion yen (120 yen/share)
		232.0 billion yen	77.0 billion yen	127.0 billion yen
	365.0 billion yen	232.0 billion yen	77.0 billion yen	127.0 billion yen
	Total return amount during the Medium-term Management Plan period : 800.0 billion yen or more			

*Total return amount is rounded to the nearest billion yen

















D. Review of the Current Medium-term Management Plan and Key Priority for the Next Medium-term Management Plan

D- 2 : Review of the Current Medium-term Management Plan

While progress has been made in stabilizing proprietary “K” Line’s own businesses and enhancing shareholder returns, challenges remain in improving capital efficiency and investing for business growth.

Further initiatives are required to achieve a PBR of 1.0 within FY2026 and to establish a sustainable level above 1.0 thereafter.

		Targets / KPIs		Current Medium-term Management Plan period / Actual & Forecast					Achieved・Challenges		
		At the time of the announcement in May 2022	Latest Announcement *Timing of Establishment	FY22	FY23	FY24	FY25	FY26	 :Achieved	 :Partially Remaining Challenges	 :Challenges
Corporate value	PBR	—	1.00 or more *August 2023	0.49	0.90	0.78	0.93	-		• Further efforts are required to consistently maintain a PBR above 1.0	
	Investment CF (billion yen)	520.0	610.0 *May 2025 (Target as of May 2024: 740.0 billion yen)	60.0	90.0	150.0	190.0	120.0		• Disciplined investments contributing to corporate value enhancement are being executed, while some investments are being deferred to the next period • We aim to expand growth investments, including M&A, by leveraging the Company’s strengths	
Growth	Ordinary Income (billion yen)	Company-wide	140.0	160.0 *May 2024	690.8	132.7	308.0	109.1	100.0		• “K” Line’s own businesses: While stabilization was achieved, results fell short of the FY2026 target of 90.0 billion yen, leaving further enhancement of earnings power and acceleration of growth as challenges • Containership business: Significant profits were achieved by responding to market trends, while future competitiveness remains a challenge amid changes in supply-demand
		“K” Line’s own businesses	55.0	90.0	82.0	86.8	102.0	85.0	74.0		
		Containership	85.0	70.0	608.8	45.8	206.0	24.0	26.0		
Profitability Efficiency Soundness	ROE	Sustainably 10% or more		58%	7%	19%	8%	5%		• ROE exceeding 10% was not achieved on a sustainable basis, and company-wide ROIC also did not consistently exceed the 6~7% level • Strengthening efforts to improve capital efficiency and enhance ROIC	
	ROIC (Including off-balance sheet charter hire)	Company-wide 6%~7% *May 2023	29%	5%	12%	5%	5%				
			8%	5%	7%	7%	5%				
			58%	4%	17%	3%	4%				
	Equity ratio (including off-balance-sheet items)	“Balancing Financial Soundness and Capital Efficiency”		57~59 %	57~59 %	57~59 %	59~61 %	around 60%		• The equity ratio (including off-balance-sheet items) has been maintained in the high-50% range to around 60% • We will work to optimize the capital structure toward achieving “a balance between financial soundness and capital efficiency”	
Amount of shareholder returns (billion yen)	400.0 ~500.0	800.0 or more *May 2025	249.0	116.0	232.0	77.0	127.0		• Shareholder returns exceeding the initial plan were implemented • We plan to increase the cumulative total to a minimum of 800.0 billion yen		

*Figures are based on management accounting.

D- 3 : Key Priority for the Next Medium-term Management Plan

**Toward achieving an ROE of 15% or higher over the medium to long term,
we will pursue profit growth and capital efficiency improvement
as two key pillars.**

■ Growth Strategy for "K" Line's own Businesses

- Strengthen operation and functional strategies that serve as sources of competitiveness, thereby reinforcing the business model.
- Concentrate investment on businesses where we have strengths, restrain investment in businesses that do not exceed the cost of capital, and advance portfolio reshaping.
- Actively utilize M&A to accelerate growth in priority businesses and to further strengthen operation and functional strategies.

■ Addressing Challenges in Containership Business

As a shareholder, we will work together with the new CEO to address the following issues:

- Strengthening ONE's business competitiveness
- Improving capital efficiency and achieving an optimal capital structure
- Enhancing governance

■ Capital Policy

■ Cash Allocation

We will continue to pursue disciplined growth investments, while ensuring capital efficiency and financial soundness, and actively return capital to shareholders.

■ Capital Efficiency

As an initial step, we aim to optimize our capital structure in the short term, targeting an equity ratio (including off-balance-sheet items) of around 50% to achieve a balance between financial soundness and capital efficiency.

Next Medium-term Management Plan: Scheduled for announcement during FY2026

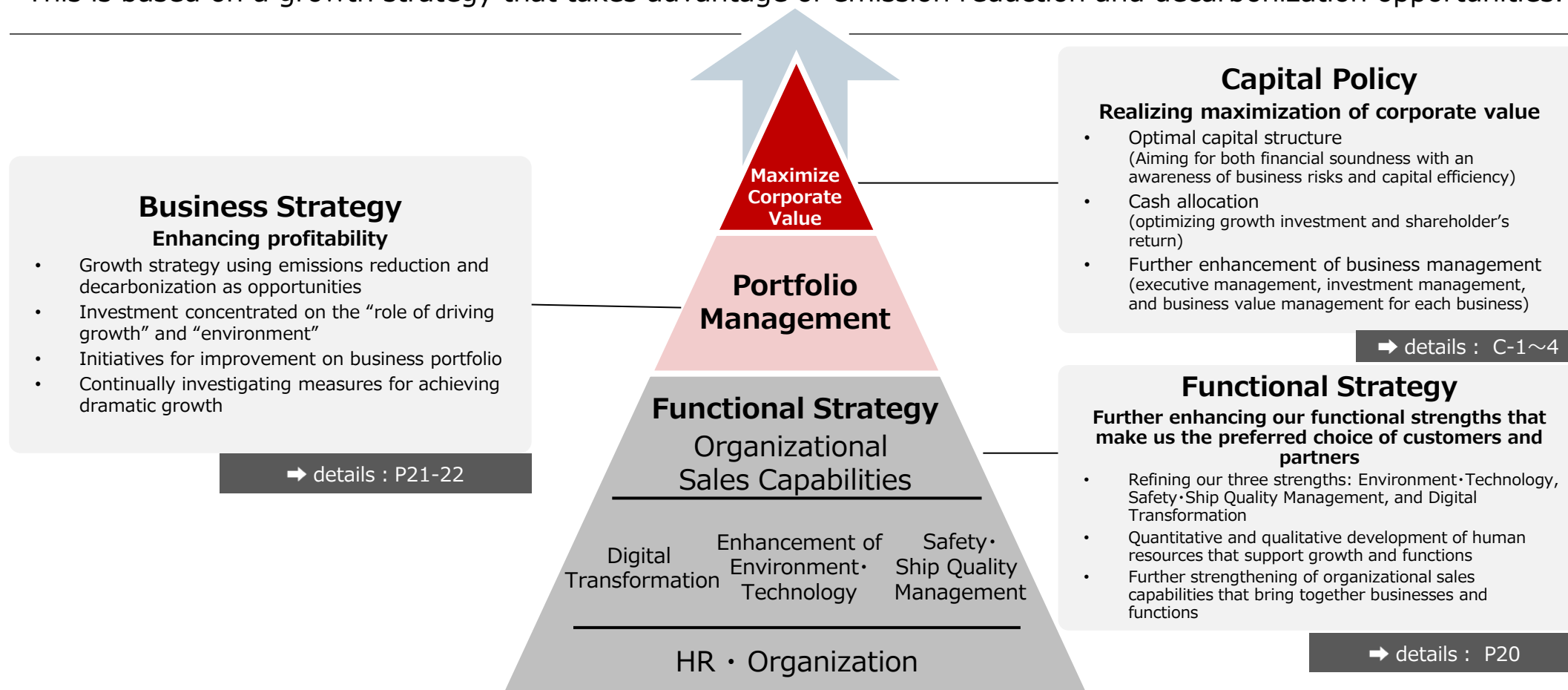
Appendix

Current Medium-term Management Plan (FY22~FY26) 【Key Points】

We will steadily implement the capital policy, business strategy, and functional strategy outlined in the Medium-term Management Plan to achieve further growth and improvement of corporate value

Further growth and improvement of corporate value

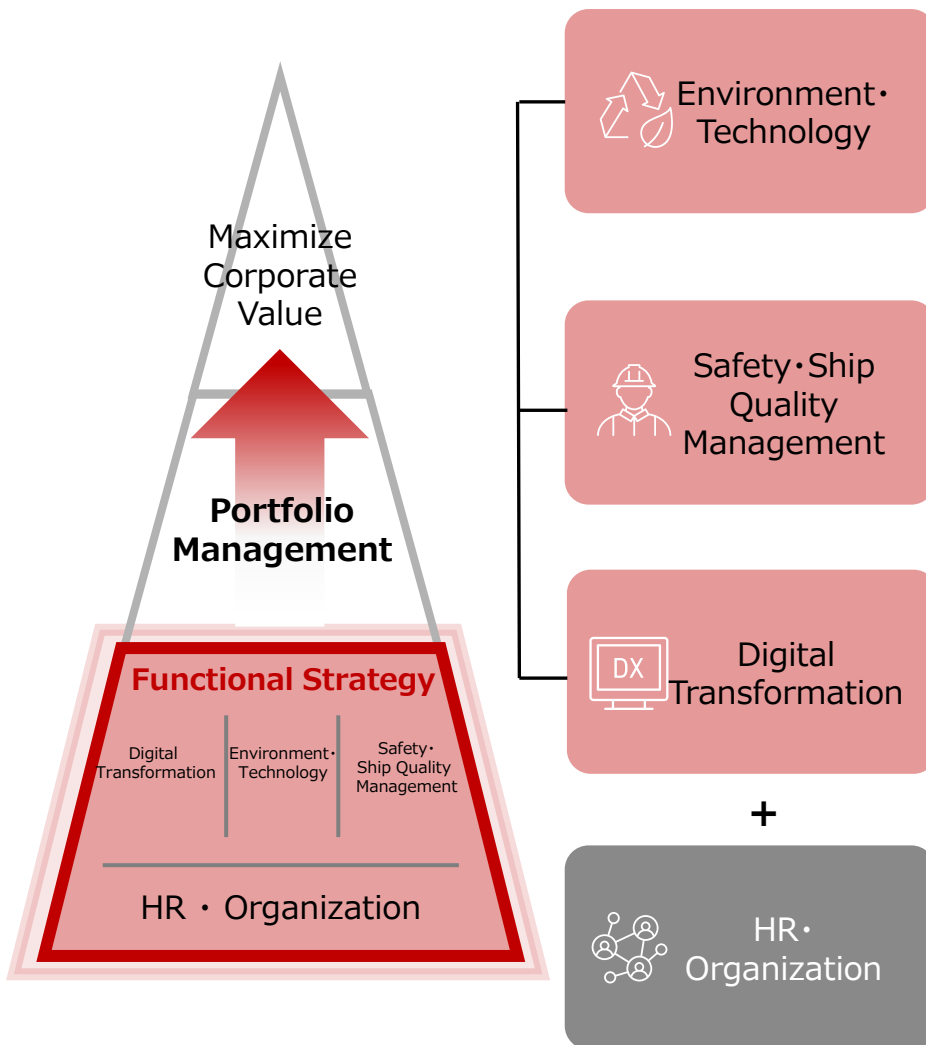
Achieving growth by investing in environmental initiatives and businesses with the role of driving growth*. This is based on a growth strategy that takes advantage of emission reduction and decarbonization opportunities.



Current Medium-term Management Plan (FY22~FY26) 【Functional Strategy】Progress Overview

By strengthening our business foundation, which consists of the three functions of “Environment & Technology,” “Safety & Ship Quality Management,” and “Digital Transformation,” plus our HR and Organization, we will have the capabilities and resources to be chosen and lead to winning business

■ Strategies/Policies and Major Progress



In areas where we can leverage our strengths, contributing to the building and strengthening of new supply chains for emissions reduction and decarbonization

- Completed Phase 1 for development of the wind-powered automated kite propulsion system “Seawing”, and accelerating development toward commercialization
- Began continuous use of bio-LNG fuel in car carriers
- Signed an MoU with Sumitomo Corporation and NYK Line regarding a newbuild ammonia bunkering vessel at the Port of Singapore

Pursuing overall optimization of our maritime and marine engineering organizations, while strengthening the recruitment and development of talented seafarers and marine engineers who support the organizations

- To further enhance safe operations and service quality, established an intermediate holding company, “K” Line Ship Management Holdings, Ltd., to oversee ship management companies within the Group, thereby strengthening the in-house ship management structure
- The Group’s ship management company received the “MPA Safety@Sea Awards” from the Maritime and Port Authority of Singapore

We are advancing both DX of data and DX of HR, leveraging a digital foundation to boost operational productivity and accelerate digitalization of vessel operations etc. This will enable us to strengthen competitiveness and create added value for customers

- Introduced an operation management platform with the aim of centralizing and standardizing business processes
- Rolled out tiered DX talent development initiatives, including the “D+ Project” (a DX training program for all employees) and DX foundational programs for managers

While embracing diverse values, securing the quality and quantity of human resources according to the needs of each business portfolio

- We continue to secure and develop human resources to support the business portfolio, including maritime professional management talent, environment/technology personnel, and business transformation talent
- From a Diversity & Inclusion perspective, promoting initiatives to support women’s empowerment and foster a sense of unity with global staff

Current Medium-term Management Plan (FY22~FY26)

【Business Strategy】 Importance and progress of each business

Implement measures in line with the role of each business
under the Medium-term Management Plan



Role of driving growth

Coal & Iron Ore Carriers

Through customer-oriented and environmental sales, maintain and strengthen relationships with Japanese and Korean steel mills and strengthen relationships with growing Indian and Middle Eastern steel mills and major resource companies.

Car Carriers

Against a backdrop of robust demand, we have perceived environmental measures and high-and-heavy cargo* to be opportunities, and we are realizing sustained business management through medium- to long-term contracts, etc.

LNG Carriers

We are building strong relationships of trust with influential partners and expanding long-term contracts to meet customers' needs through "K" Line's strength of providing support that combines maritime technology and sales.



Role of supporting smooth energy source conversion and taking on new business opportunities

Thermal Coal

Even during the transition to new energy mixes, we will address the ongoing demand for fossil fuel transportation, contribute to reduction of emission and decarbonization efforts of our customers, and build long-term relationships through proposal-based sales.

VLGC・VLCC



Role of contributing by enhancing profitability

Bulk Carriers

In addition to increasing vessel deployment efficiency and maintaining and expanding our customer base in Japan and the rest of Asia, we will improve and develop our sales outside Japan and increase profitability by rebuilding a cost-competitive fleet.

Short Sea and Coastal Port/Logistics

Along with improving earning power in the business areas of Short Sea and Coastal, Ports, and Logistics, we will promote synergies between these areas by leveraging the knowledge of the relevant Group companies. Logistics Business will aim for further growth by promoting collaboration with partner companies through the established holding company.



Role of supporting the business as a shareholder and stabilizing the earning base

Containerships

Maximizing corporate value through involvement in management governance and continuous support for human resources from a shareholder perspective.



Expansion of new business in fields where "K" LINE can utilize its strengths

Projects for emissions reduction and decarbonization

Participating in new business areas that contribute to a low-carbon and decarbonized world by utilizing our strengths, namely, liquefied CO₂ transport and offshore wind turbine support vessel businesses etc.

*High&Heavy: Oversized cargo such as construction and agricultural machinery, and rail vehicles

Current Medium-term Management Plan (FY22~FY26)

【Business Strategy】Progress of three businesses that will drive growth and new business areas

Coal/Iron Ore

Leveraging safe operation, high-quality ship management, and environmentally focused sales aligned with customers' shift toward low-carbon and decarbonization initiatives, "K" Line will further strengthen relationships with existing customers in Japan and abroad. At the same time, we will expand our customer base by capturing growing demand in emerging markets such as India and the Middle East.

- "CAPE HAYATE," our first LNG-fueled Capesize bulk carrier, was delivered in 2024. A series of deliveries are scheduled for cutting-edge Capesize bulk carriers with excellent fuel efficiency, including LNG-fueled vessels.
- "K" Line will continue to promote the shift to environmentally friendly vessels in line with customers' decarbonization efforts while also responding to transitional demand.
- Planning an operating fleet of 100 to 110 vessels by FY2030-35.



Car Carriers

Through the introduction of environmentally friendly vessels and the restructuring of our route network, we will strengthen our earnings base and competitiveness by better meeting customer needs. Additionally, as we make progress in shifting to long-term contracts and increasing high-and-heavy cargo, we are contributing to the stabilization of our business environment, including our financial structure.

- We are enhancing strong relationships with shippers by providing reliable and sustainable transport services. Strengthening the foundation for stable service provision through promoting medium- and long-term contracts.
- We aim to bolster fleet competitiveness through emissions reduction and decarbonization initiatives, as well as by building larger vessel types. A total of 13 LNG-fueled car carriers have already been delivered, and the number of environmentally friendly vessels is planned to reach 30 by FY2030.
- Promoting the implementation of next-generation zero-emission vessels and new technologies towards FY2030 target achievement.
- Received an order for marine transport of train cars for the first phase of Cairo Metro Line 4. In March, the first shipment of eight train cars was loaded and departed for the Port of Alexandria, Egypt.



LNG Carrier

We are gearing up efforts in new markets such as Southeast Asia and India, and plan to expand our fleet from 53 vessels to 65 vessels by FY2026.

- Of the 16 new LNG carriers ordered for QatarEnergy, 8 have been delivered.
- "K" Line has agreed in principle on the joint ownership of one LNG carrier with India's state-owned and largest natural gas supplier GAIL and local business partner JM Baxi. We aim to further strengthen the relationships with both companies and continue to pursue the development of new business opportunities, particularly in the Asia region.
- As demand for transitional fuels such as LNG increases, our fleet of 65 vessels planned for FY2026 is nearly confirmed, and we plan to expand our fleet to 75 vessels or more by FY2030, mainly through long-term charter contracts.



New Business Areas

In the liquefied CO₂ transport business, the Northern Lights project in Norway has become fully operational, and we are managing 3 liquefied CO₂ carriers. A Japanese-registered geological survey vessel has built a track record by supporting offshore wind turbines.

- Liquefied CO₂ transport business: Involving in 5 liquefied CO₂ carriers for the Northern Lights project. Of these, 3 vessels have been delivered, and the world's first full-scale CO₂ capture project has commenced. In December 2025, "K" Line signed a memorandum of understanding regarding a standard design framework for liquefied CO₂ carriers and next-generation fuel vessels, utilizing MILES Co., Ltd.
- Offshore wind turbine support vessel business: KWS *1 and EGS *2 have established a joint venture for marine geological survey operations. Developing a track record centered on the geological survey vessel "EK HAYATE". At the end of March, we acquired full ownership of KWS to strength integration.










Provided by Northern Lights JV DA



Changes in the Business Environment

The global business environment will remain uncertain due to factors such as emerging geopolitical risks, continued concerns about downward pressure on the global economy, and energy policy developments in various countries.

	 Geopolitical risks	 Global economy	 Energy and environmental policies
 External Environment	<ul style="list-style-type: none"> Continuing economic separation due to conflict between the United States and China, Russia's war in Ukraine, and escalating tensions in the Middle East, etc Due to the situation in the Middle East, including the Strait of Hormuz, energy supply chains have become unstable, with signs of change emerging Close attention is also required to the situation between Japan and China 	<ul style="list-style-type: none"> The situation remains uncertain due to policy changes in countries around the world, etc. Business confidence in Europe and the United States, and trend in purchasing power Economic slowdown in China 	<ul style="list-style-type: none"> At the IMO's MEPC extraordinary session held in October 2025, the adoption of MARPOL amendments was deferred, and the establishment of unified rules for international shipping has been postponed Uncertainty in national energy mix policies, including renewable energy, nuclear power, and fossil fuels Start of new CO₂ emission regulations and response measures Energy shortages and price surges due to the worsening situation in the Middle East
 Anticipated Risks and Opportunities	<ul style="list-style-type: none"> Regarding transit through the Strait of Hormuz, taking cautious approach with the highest priority on the safety of crew, cargo, and vessels With respect to lifting detour measures, such as avoiding the Suez Canal and routing via the Cape of Good Hope, a cautious assessment continues to be required Concerns about impacts on trade Concerns about impacts on resource supply 	<ul style="list-style-type: none"> Reorganization of supply chains and changes in trade patterns Inflationary pressures, including rising labor costs and higher crude oil prices, may become a downside factor for the global economy Economic impacts caused by changes in monetary and trade policies in various countries 	<ul style="list-style-type: none"> Concerns about delays in industry-wide progress toward emissions reduction and decarbonization Improved service and cost competitiveness of vessels powered by next-generation fuels due to stricter environmental regulations Risk of overlapping environmental regulations resulting in double burdens In the short term, increased costs driven by higher energy prices due to the Middle East situation In the long term, acceleration of emissions reduction and decarbonization is expected to create business opportunities associated with changes in energy procurement policies
 Action Based on the Medium-term Management Plan	 <ul style="list-style-type: none"> Continuing to work toward growth through appropriate portfolio strategies by recognizing the emissions reduction and decarbonization of the company and society as business opportunities. Business expansion will be pursued in areas, including adjacent fields, where our three key functional strengths— Environmental Technologies, Safety and Ship Quality Management, and Digital Transformation (DX)—can be effectively leveraged. Getting prepared for changes in the business environment by analyzing business environment risks and preparing response measures. 		

Shipping Industry Environment

The business environment remains uncertain due to geopolitical factors, including the situation in the Middle East (Israel/U.S.–Iran, Israel–Palestine, the Red Sea situation, etc.) as well as U.S. security and trade policies, etc.

	Overview	Response of shipping companies	Impact on business
The situation in the Middle East	<ul style="list-style-type: none"> Israel and the United States have initiated military operations against Iran, rapidly escalating tensions. Amid escalating tensions in the Middle East, including retaliatory actions by Iran that resulted in damage to commercial vessels in the Strait of Hormuz and an effective blockade of the waterway, uncertainty regarding the outlook remains elevated 	Strait of Hormuz <ul style="list-style-type: none"> Regarding transit through the Strait of Hormuz, based on navigation avoidance advisories from relevant authorities and industry groups, “K” Line is responding cautiously, prioritizing the safety of crew and cargo while consulting with customers and stakeholders 	<ul style="list-style-type: none"> In the short term, factors such as port congestion and increases in fuel costs and war risk insurance premiums will push up operating costs. Meanwhile, if a slowdown in the global economy progresses, this could become a downward pressure on market conditions in the medium to long term due to reduced cargo movements Dry Bulk : We expect a limited impact Energy Resource Transport: Redeployment of vessels from Middle East loading ports to alternative loading ports in other regions Car Carrier·Containership : We expect a certain level of impact
		Suez Canal <ul style="list-style-type: none"> A return to transiting the Suez Canal is predicated on confirming safety. We will continue monitoring and, after gathering expert opinions and information on insurance and other matters, determine the timing of the resumption 	<ul style="list-style-type: none"> Dry Bulk: Limited impacts expected, as shipping capacity has tightened by about 1–2% LNG Carrier: No short-term impact is expected due to mid- to long-term contracts Car Carrier: Shipping capacity supply has tightened by about 5–6% Containership : Shipping capacity has tightened by about 10%. When the Suez Canal passage resumes, there is a possibility of an increase in the scrapping of aged vessels
U.S. tariff policy	<ul style="list-style-type: none"> Following the U.S. Supreme Court’s ruling on February 20 that a series of reciprocal tariff measures based on the IEEPA were unconstitutional, measures have shifted to a provisional 10% tariff under Section 122 of the Trade Act 	<ul style="list-style-type: none"> Review of services and vessel deployments in line with changes in trade patterns 	<ul style="list-style-type: none"> Car Carrier·Containership : We expect a certain level of impact
USTR-imposed countermeasures targeting China-related vessels	<ul style="list-style-type: none"> As a result of the U.S.-China talks on October 30, 2025, both sides agreed to postpone their respective port charges for one year Following the U.S. Supreme Court’s ruling that reciprocal tariff measures based on the IEEPA are unconstitutional, a Section 301 investigation has been initiated to consider alternative measures 	<ul style="list-style-type: none"> New orders to Chinese shipyards will be considered as appropriate, taking into account overall fleet development 	<ul style="list-style-type: none"> Car Carrier·Containership : We expect a certain level of impact

Market Results and Assumption/ Market Exposure

■ Dry Bulk Market Results and Assumption

Dry Bulk Market	FY2025					FY2026				
	1Q	2Q	3Q	4Q	Total	1Q Forecast	2Q Forecast	3Q Forecast	4Q Forecast	Forecast
CAPE (BCI180/182)*	\$18,700	\$24,700	\$28,900	\$22,900	\$23,800	\$31,850	\$30,000	\$31,000	\$20,000	\$28,200
PANAMAX (BPI82)	\$11,850	\$15,950	\$16,050	\$15,400	\$14,800	\$18,000	\$17,000	\$16,000	\$13,000	\$16,000
HANDYMAX (BSI58)	\$10,150	\$15,050	\$15,400	\$12,550	\$13,300	\$16,000	\$15,000	\$14,000	\$11,000	\$14,000
SMALL HANDY (BHSI38)	\$10,600	\$13,050	\$15,000	\$12,400	\$12,750	\$14,500	\$13,500	\$12,500	\$9,500	\$12,500

■ Tanker Market Results and Assumption

Tanker Market	FY2025					FY2026				
	1Q	2Q	3Q	4Q	Total	1Q Forecast	2Q Forecast	3Q Forecast	4Q Forecast	Forecast
VLCC (Middle East/Japan)	\$33,150	\$47,650	\$113,650	\$246,150	\$110,150	\$84,850	\$42,000	\$42,000	\$42,000	\$52,700
AFRAMAX (South Asia/Japan)	\$22,650	\$21,350	\$35,850	\$42,350	\$30,550	\$31,000	\$26,000	\$26,000	\$26,000	\$27,250

■ Transition of Fleet Scale

Vessel Type	FY2023	FY2024	FY2025
CAPE	86	85	73
Panamax and smaller size	95	86	84
Wood Chip Carriers	11	7	6
Total	192	178	163
VLCC	6	6	6
LPG Carriers	5	5	5
Other Tankers	2	2	2
LNG Carriers	46	46	53
Thermal Coal Carriers	25	24	26
Total	84	83	92

■ FY2026 : Market Exposure

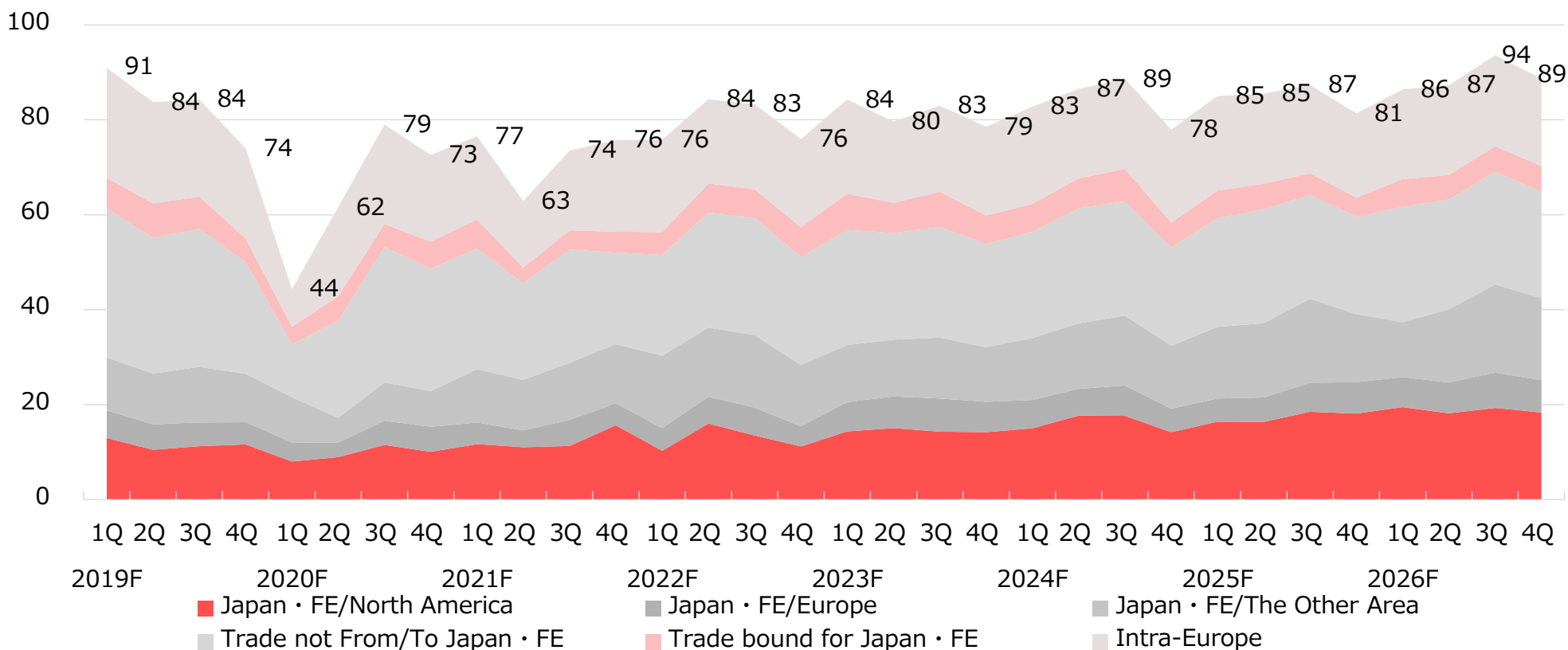
Vessel Type	Market Exposure
CAPE	22%
Panamax and smaller size	17%
Wood Chip Carriers	0%
VLCC	0%
LPG Carriers	0%
Thermal Coal Carriers	0%

*For Dry Bulk market conditions, CAPE is shown using CAPE 180-type vessels for FY2025 and CAPE 182-type vessels for FY2026

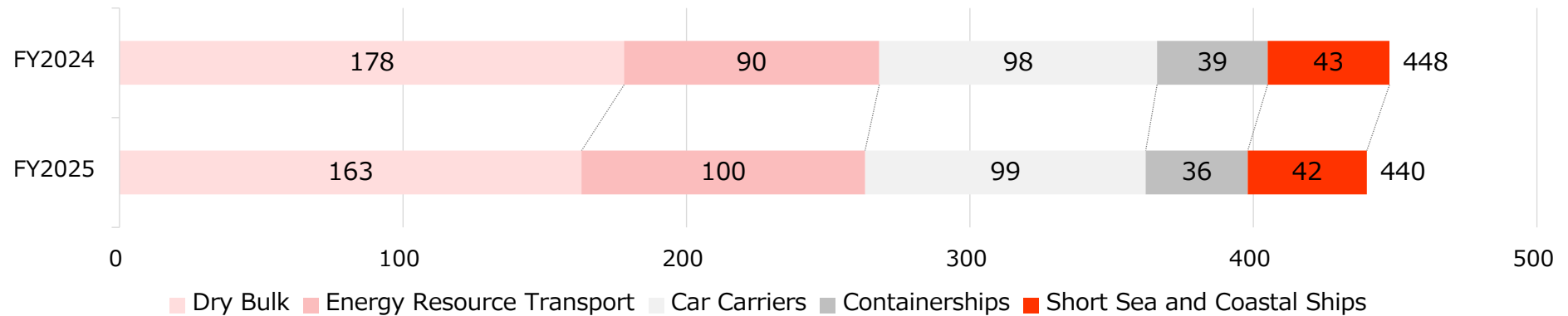
Car Carriers Total Units Carried by Service Routes

Total Units Carried (1,000 units)	FY2025					FY2026				
	1Q	2Q	3Q	4Q	Total	1Q Forecast	2Q Forecast	3Q Forecast	4Q Forecast	Forecast
Outbound	364	371	423	391	1,549	374	401	453	424	1,652
Homebound	58	54	45	40	197	59	51	54	55	218
Others	229	240	219	205	893	243	231	237	224	935
Intra-Europe	199	189	186	176	751	189	189	192	184	754
Total Units Carried	850	855	873	812	3,390	864	873	936	887	3,560
Number of Fleet	95	98	98	99	99	99	99	100	100	100

(10,000 Units)



"K" Line Group Fleet Composition



Type of Vessel	FY2025						FY2024	
	Owned		Chartered		Total		Total	
	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)
Dry Bulk	47	6,118,592	116	13,932,874	163	20,051,466	178	22,325,485
Tankers	11	2,228,599	2	108,320	13	2,336,919	13	2,336,919
LNG Carriers	51	4,287,382	2	153,950	53	4,441,332	46	3,789,996
Thermal Coal Carriers	9	791,718	17	1,524,715	26	2,316,433	24	2,153,396
Drilship	1	-	0	-	1	-	1	-
FPSO	2	-	0	-	2	-	2	-
Geo-Survey Vessel	1	3,587	0	-	1	3,587	1	3,587
Liquefied CO ₂ Carriers	3	30,541	0	-	3	30,541	2	20,359
LNG Bunkering Vessel	1	2,431	0	-	1	2,431	1	2,431
Car Carriers	46	711,893	53	981,465	99	1,693,358	98	1,667,675
Containerships	11	1,050,785	25	2,405,835	36	3,456,620	39	3,622,353
Short Sea and Coastal Ships	28	310,135	14	118,715	42	428,850	43	441,726
Total	211	15,535,663	229	19,225,874	440	34,761,537	448	36,363,927

* The number of owned vessels includes co-owned vessels, and deadweight tonnage includes share of other companies' ownership in co-owned vessels.

* Includes flagships and spot and/or short-term activities at the end of term.

"K" Line Group Vessels in Operation/New Building Delivery Schedule

"K" Line Group Vessels in Operation

Segment	Business/ Vessel Type	FY2024	FY2025
Dry Bulk	CAPE	85	73
	PANAMAX	41	35
	HANDYMAX	39	42
	SMALL HANDY	6	7
	CHIP	7	6
	Total	178	163
Energy Resource Transport	VLCC	6	6
	AFRAMAX	2	2
	LPG Carriers	5	5
	Total	13	13
	LNG Carriers	46	53
	Thermal Coal Carriers	24	26
	Drillship	1	1
	FPSO	2	2
	Geo-Survey Vessel	1	1
	Liquefied CO ₂ Carriers	2	3
	LNG Bunkering Vessel	1	1
	Total	90	100
Product Logistics	7,000 Units	25	29
	6,000 Units	45	43
	5,000 Units	10	10
	4,000 Units	9	8
	3,000 Units	0	0
	2,000 Units	4	4
	~2,000 Units	5	5
	Total	98	99
	14,000TEU	12	12
	8,000TEU	11	11
	5,500TEU	4	2
	4,200TEU	7	7
	1,700TEU	5	4
	1,200TEU	0	0
	Total	39	36
	Short Sea and Coastal Ships	43	42
	Total	180	177
Grand Total		448	440

Upcoming New Building Delivery Schedule

Number of Vessel	2026	2027	2028
CAPE	2	2	6
PANAMAX	2		
HANDYMAX	5	1	1
SMALL HANDY	1		
LNG Carriers	9	7	
Thermal Coal Carriers	1	2	1
Liquefied CO ₂ Carriers			2
Car Carriers (7,000 Units)		3	1
Car Carriers (~2,000 Units)			3
Short Sea and Coastal Ships	2	1	1
Total	22	16	15

*For Car Carriers in "K" Line Group vessels in operation, the classification of certain ships was changed as of the end of fiscal 2024 and as of the end of fiscal 2025

[Disclaimer]

Information contained in this material is provided solely for informational purposes and is not an offer or a solicitation of an offer to buy or sell securities.

You are requested to make investment decisions using your own judgment.

[Forward-looking statements]

This material contains forward-looking statements concerning future plans and forecast, these statements are based on information currently available.

Furthermore, "K" LINE therefore cautions readers that actual results may differ materially from economic conditions, supply and demand in the shipping industry, price of bunker, foreign currency exchange rates.

