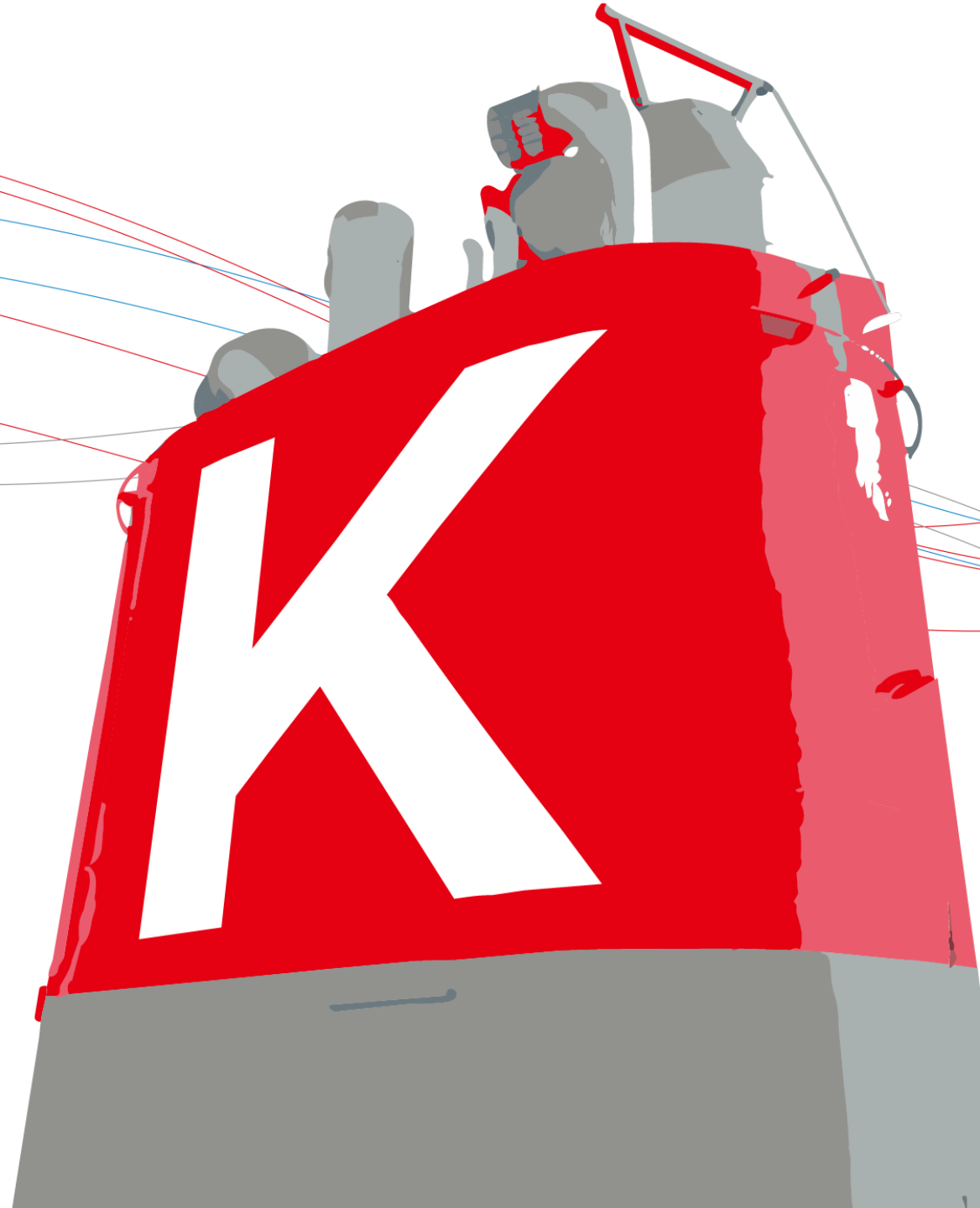
“K” LINE Medium-Term Management Plan FY2027–FY2031

November 4, 2026



“K” LINE
KAWASAKI KISEN KAISHA, LTD.

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Objective of the “K” LINE Group

As our overarching guiding principle, we will continue to pursue our objective under the next Medium-Term Management Plan

Corporate Principle

~ Trust from all over the world ~

As a logistics company rooted in the shipping industry,
we help make the lives of people more affluent.

Vision

As a partner trusted by all its stakeholders, we aim for sustainable growth and greater corporate value by supporting the infrastructure of the global community.

Values the “K” LINE Group prizes

- Providing safe and optimized services that put the customer first
- Tireless attitude toward problem solving
- Providing the value only “K” LINE can in pursuit of expertise
- Relentless efforts to achieve innovation
- Contributing to the global environment and a sustainable society
- Respecting individuals and ensuring fair business activities by embracing diverse values

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01 | Key Points of the Medium-Term Management Plan (FY2027–FY2031)

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Shipping Redefined.

Creating New Value Across
Maritime Industry, Logistics and Energy / Various Supply Chain























Transforming our collective strengths
we have built in shipping into greater value.

By bringing together "K" LINE's diverse strengths,
from our business portfolio, customer base,
marine operations and technical expertise,
environmental and technological capabilities,
and AI and digital technologies,
we will create new business model for shipping
that broadens its role across the maritime industry,
logistics and energy supply chains.

Venturing beyond: "Shipping Redefined."

Changes in the Macro Environment Surrounding “K” LINE



Changes in the Global Order

- Driven by technological innovation, rising geopolitical risks, and increasing fragmentation, the restructuring of various supply chains has become a major challenge
- In addition to ensuring the stability of transportation services, **the ability to build services that respond swiftly and flexibly to fluctuations in supply chains** is becoming increasingly important



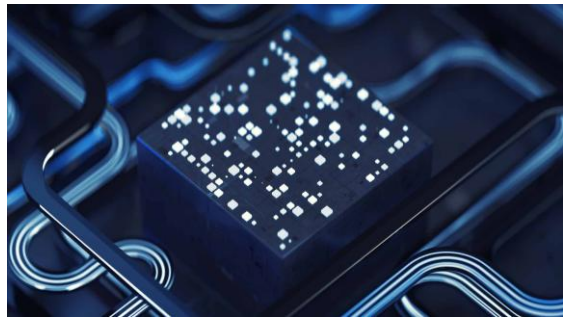
Shift in Growth Regions

- The center of global economic growth is shifting toward India, Southeast Asia, the Middle East, and Africa
- It is becoming increasingly important to **pursue opportunities in growth markets** while maintaining and strengthening our existing business foundations



Progress in Environmental Initiatives

- While the pace of environmental initiatives is changing, the direction of policies and regulations remains consistent
- **As the environmental needs of customers and society become more advanced, it is becoming increasingly important to build supply chains that meet those needs**



Societal Changes Driven by AI and Digital Technologies

- Technological innovation in data and AI is advancing at an unprecedented pace, driving transformation across society itself
- **As shipping and logistics also need to adapt to these changes, directly translates into competitive advantages in decision-making speed and the value delivered**

As the macro environment undergoes major changes, expectations for the role of shipping are also evolving

We will expand into adjacent business areas centered on maritime transport and offshore businesses, creating new value through our “Integrated Capability” and redefining shipping

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Our Strategic Approach Under the Next Medium-Term Management Plan

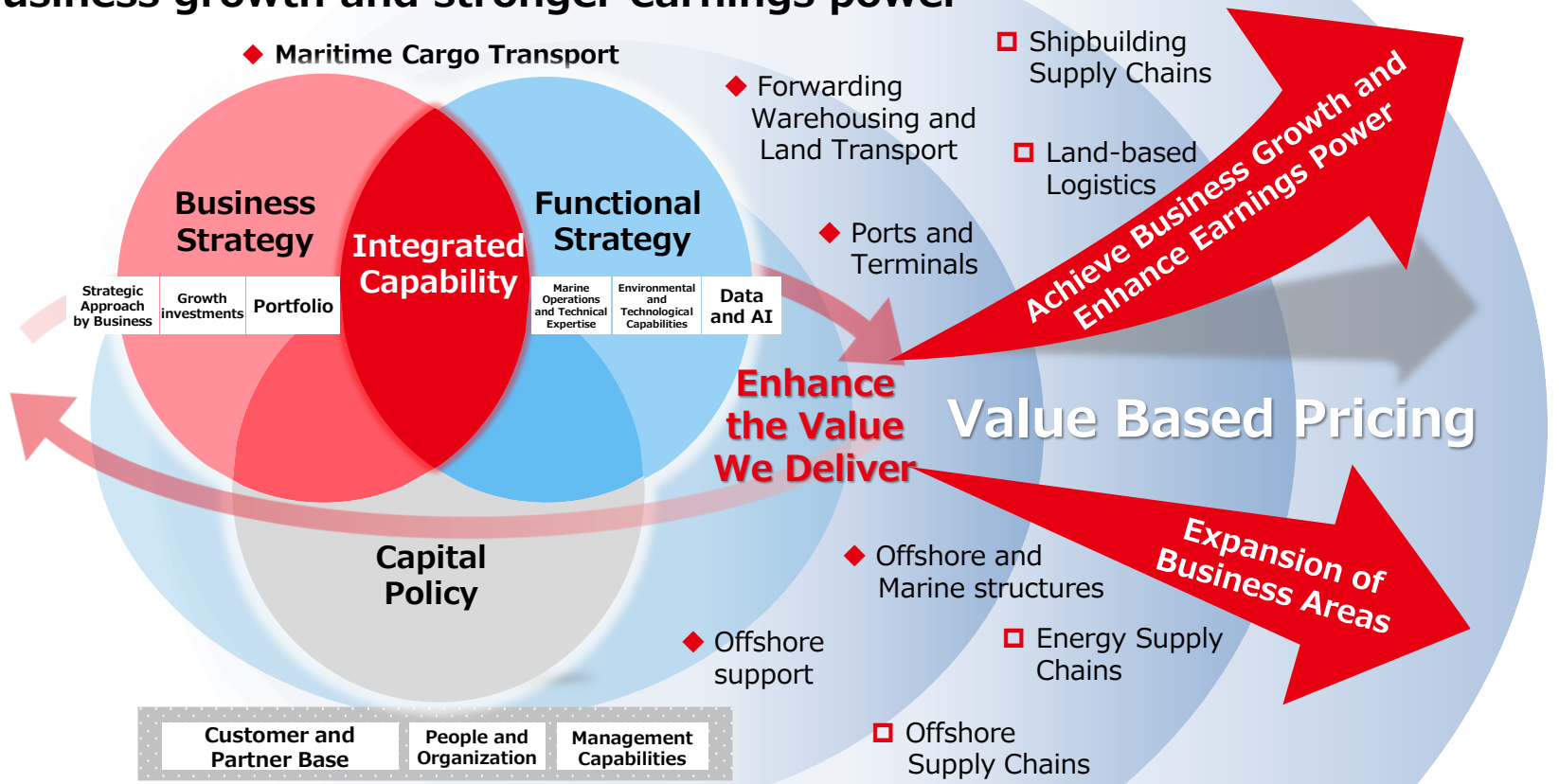
By leveraging "K" LINE's frontline-driven "Integrated Capability" and combining businesses and functions in areas where our strengths can be fully utilized, we will enhance the value we deliver and achieve business growth and stronger earnings power

Strategic Approach

Support
We will *support* stable earnings power and sustainable growth by maintaining and strengthening our customer and partner base in our existing business areas, including Japan, and capturing opportunities ingrowth markets by based on relationships of trust

Expand
We will *expand* our businesses into new areas where we can leverage our strengths, including maritime and offshore businesses, logistics, and energy supply chains, with maritime transport at the core

Enhance
We will *enhance* the value we deliver by combining businesses and functions and working together with customers and partners to help solve societal challenges



Integrated Capability

The ability to bring together the diverse expertise we have cultivated across Marine Operations and Technical Expertise, Environmental and Technological Capabilities, and Data and AI, starting from customer and societal needs and frontline challenges. Furthermore, by leveraging our global customer and partner base, as well as our people, organization, and management capabilities, we identify optimal solutions, turn them into businesses, and see them through to frontline operations. This is "K" LINE's ability to transform its diverse strengths into a single source of value.

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02 | Medium-Term Management Plan (FY2027–FY2031)

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Review of the Medium-Term Management Plan (FY2022–FY2026)

We have strengthened and stabilized earnings in "K" LINE's own businesses and made progress in shareholder returns.
Further promoting investment based on appropriate risk-taking and improving capital efficiency remain ongoing challenges.

Financial Results	FY2020	FY2021	<The current Medium-Term Management Plan period> FY2022	FY2023	FY2024	FY2025	FY2026 Forecast	May 2022 Initial Announcement	Revised Target *Revision Date	Review Against Targets
(billion yen) Ordinary Income / Net income attributable to owners of parent [2] (Containership Business / "K" LINE's Own Businesses)	89.4 / 108.6 (103.7 / -14.2 / 4.9)	657.4 / 642.4 (623.8 / 33.6 / 18.6)	690.8 / 694.9 (608.8 / 82.0 / 86.1)	132.6 / 101.9 (45.8 / 86.8 / 56.1)	308.0 / 305.3 (206.0 / 102.0 / 96.3)	109.1 / 132.9 (24.0 / 85.1 / 99.4)	190.0 / 190.0 (107.0 / 83.0 / 90.0)	<Current Medium-Term Management Plan Targets> 140.0 (85.0 / 55.0)	160.0 (70.0 / 90.0)	**The FY2026 ordinary income target is expected to be achieved,** supported by strengthened and stabilized earnings in "K" LINE's own businesses and strong earnings from the Containership Business
PBR	1.08	0.85	0.49	0.90	0.78	0.93	1.16 (end of Sep. 2026)	-	Above 1.0 *August 2023	Need to consistently maintain a PBR above 1.0
ROE	9%	73%	58%	7%	19%	7%	11%	10% or higher		**The target is expected to be achieved in FY2026,** but maintaining an ROE of 10% or higher on a sustained basis remains a challenge
ROIC of "K" LINE's Own Businesses [2]	0%	2%	8%	5%	7%	7%	6%	-	Company-wide 6-7% *May 2023	**The target is expected to be largely achieved** **Five-year average: 6.7% for "K" LINE's own businesses and 11.3% company-wide**
ROIC of the Containership Business [2]	26%	94%	58%	4%	17%	3%	9%			
Investing Cash Flow [1]	-17.0 billion yen	5.8 billion yen	610.0 billion yen					520.0 billion yen	740.0 billion yen *May 2024	**Expected to exceed the initial target** but fall short of the revised target
Shareholder Returns	-	-	880.0 billion yen					400.0~ 500.0 billion yen	880.0 billion yen *May 2026	Shareholder returns **exceeding the initial plan** have been delivered
Invested capital in "K" LINE's own businesses [2]	1.0 trillion yen	1.1 trillion yen	1.3 trillion yen	1.4 trillion yen	1.5 trillion yen	1.6 trillion yen	1.6 trillion yen	-		
Invested capital in the Containership Business [2]	0.4 trillion yen	0.7 trillion yen	1.0 trillion yen	1.2 trillion yen	1.3 trillion yen	1.2 trillion yen	1.1 trillion yen	-		

1 Cumulative total for the Medium-Term Management Plan period, including on- and off-balance-sheet investments. 2 The figures for "K" LINE's own businesses and the Containership Business are based on the Company's management accounting data.

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Goals (KPIs)

Aiming to Enhance Corporate Value Through Both Profit Growth and Improved Capital Efficiency

KPI	FY2031 Targets	FY2026 Forecast	Initiatives
ROE	**Company-wide : 15% or higher**	Company-wide : 11%	• Sustainably achieve an ROE of 15% or higher • Consistently maintain a PBR above 1.0 and aim for further improvement
Net Income Attributable to Owners of Parent	**"K" LINE's Own Businesses : 120.0 billion yen +α** (Company-wide : 210.0 billion yen +α)	"K" LINE's Own Businesses : 90.0 billion yen (Company-wide : 190.0 billion yen)	**("K" LINE's Own Businesses)** • Achieve profit growth through growth investments based on appropriate risk-taking **(the Containership Business)** • As a shareholder, work to enhance ONE's business value by strengthening its competitiveness, improving capital efficiency, and enhancing governance • A profit contribution of 90.0 billion yen from the Containership Business corresponds to a 15% ROE for "K" LINE on a standalone basis
Equity Ratio (including on- and off-balance-sheet items)	**Company-wide : About 40~50%**	Company-wide : Around 60%	• Achieve an equity ratio of around 50% in the short term, including on- and off-balance-sheet items • Manage the ratio through investments utilizing appropriate financial leverage and shareholder returns, while ensuring financial soundness
ROIC	**Company-wide : 7.5% or higher**	Company-wide : 7%	• Leverage our Integrated Capability to achieve "Value-Based Pricing" that reflects the value of the services we provide, thereby enhancing earnings power

*Figures are based on management accounting.

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Action Roadmap

Achieve profit growth by accelerating investments based on appropriate risk-taking, while improving capital efficiency at an early stage to achieve an ROE of 15% or higher

FY26 | FY27 | FY28 | FY29 | FY30 | FY31

Next Medium-Term Management Plan FY2027–FY2031

Business Strategy

【Enhance business earnings power / Portfolio optimization 】

- Develop and refine appropriate strategies for each business, execute investments to accelerate growth, and enhance earnings power through “Value Based Pricing” that reflects service value
- Evaluate the value of each business and assess our portfolio
- Restructure the portfolio as necessary

Functional Strategy

【 Refine each function / Enhance competitiveness and earning power by combining functions with businesses to increase value delivered】

- **Marine Operations and Technical Expertise***: Refine ship management, marine technical capabilities, and human resources, while strengthening business competitiveness through improvements in safety and quality and by leveraging expertise and technical capabilities
- **Environmental and Technological Capabilities**: Create opportunities for decarbonization, business expansion, and earnings by implementing advanced technologies, including zero-emission vessels, and contributing to the development of new energy supply chains.
- **Data and AI**: Create new value for customers and society and strengthen business competitiveness through the development of a company-wide data platform and the use of AI and other technologies (such as business automation and vessel deployment optimization)

Capital Policy

【 Achieving an optimal capital structure / Pursuing both growth investments and shareholder returns】

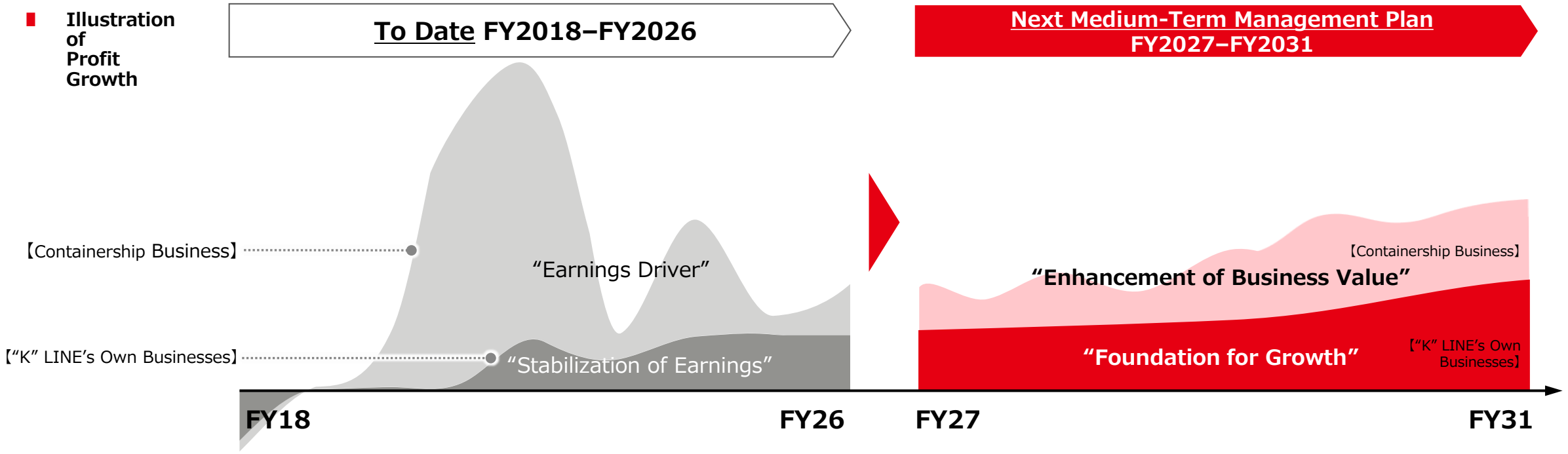
- Utilize financial leverage and provide shareholder returns toward an equity ratio of around 50%, including on- and off-balance-sheet items
- Control the equity ratio through investments utilizing appropriate financial leverage and shareholder returns, while ensuring financial soundness

*Marine operations: A foundational function that supports safe and reliable maritime transportation through safety and quality, including ship management as well as securing and training seafarers.
Marine technical expertise: Specialized knowledge and skills cultivated at sea related to vessel operations, equipment and cargo handling, etc., which are leveraged to support cargo operations and the development of new vessels, thereby enhancing competitiveness and corporate value.

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Growing “K” LINE’s Own Businesses into a Strong Foundation that Drives Company-wide Growth

■ **Illustration of Profit Growth**



■ **“K” LINE’s Own Businesses**

- **Achieved stronger and more stable earnings in “K” LINE’s own businesses** during the current Medium-Term Management Plan period

■ **Containership Business**

- The highly volatile Containership Business has been the **driver of** company-wide **earnings**

- **Shift toward a portfolio in which “K” LINE’s own businesses drive company-wide profit growth** by expanding into growth regions and business areas adjacent to supply chains
- As a shareholder, **we will work to enhance ONE’s business value by strengthening its competitiveness, improving capital efficiency, and reinforcing governance**

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Path to a Company-wide ROE of 15% or Higher

* Figures are based on management accounting.

KPI Trends

Next Medium-Term Management Plan FY27-31

(billion yen)	FY22-26 Total Investment	FY26 Net Income	FY26 Invested Capital	FY26 ROIC	FY26 Equity Ratio (including on- and off-balance-sheet items)	FY26 ROE	FY27-31 Total Investment	FY31 Net Income	FY31 Invested Capital	FY31 ROIC	FY31 Equity Ratio (including on- and off-balance-sheet items)	FY31 ROE
Dry Bulk	30.0	34.0	310.0	11.5%			230.0	25.0	340.0	8.0%		
Energy Resource Transport	280.0	16.0	380.0	5.0%			290.0	25.0	560.0	5.5%		
Car Carrier	250.0	30.0	510.0	7.0%			450.0	55.0	670.0	10.0%		
Short Sea and Coastal, Logistics, and Port	40.0	18.0	160.0	11.5%			50.0	20.0	190.0	11.5%		
Subtotal	**600.0**	**98.0**	**1,360.0**	**8.5%**			**1,020.0**	**125.0**	**1,760.0**	**8.5%**		
Other/Adjustment	10.0	-8.0	240.0	Approx. -2.5pp impact			-20.0	-5.0	90.0	Approx. -1.0pp impact		
① "K" Line's Own Businesses	**610.0**	**90.0**	**1,600.0**	**6.0%**	**60%**	**10%**	**1,000.0**	**120.0**	**1,850.0**	**7.5%**	**44%**	**15%**
② Strategic investment	-	-	-	-			250.0	α	250.0	-		
①+② "K" Line's Own Businesses	**610.0**	**90.0**	**1,600.0**	**6.0%**	**60%**	**10%**	**1,250.0**	**120.0+α**	**2,100.0**	**7.5% or higher**	**44%**	**15% or higher**
③Containership Business	**-**	**100.0**	**1,150.0**	**9.0%**	**62%**	**12%**	**-**	**90.0**	**1,100.0**	**7.5% or higher**	**51%**	**15% or higher**
①+②+③ Company-wide	**610.0**	**190.0**	**2,750.0**	**7.0%**	**61%**	**11%**	**1,250.0**	**210.0+α**	**3,200.0**	**7.5% or higher**	**46%**	**15% or higher**

*The equity ratio is based on "K" LINE's balance sheet, including on- and off-balance-sheet items.

Initiatives in the next Medium-Term Management Plan

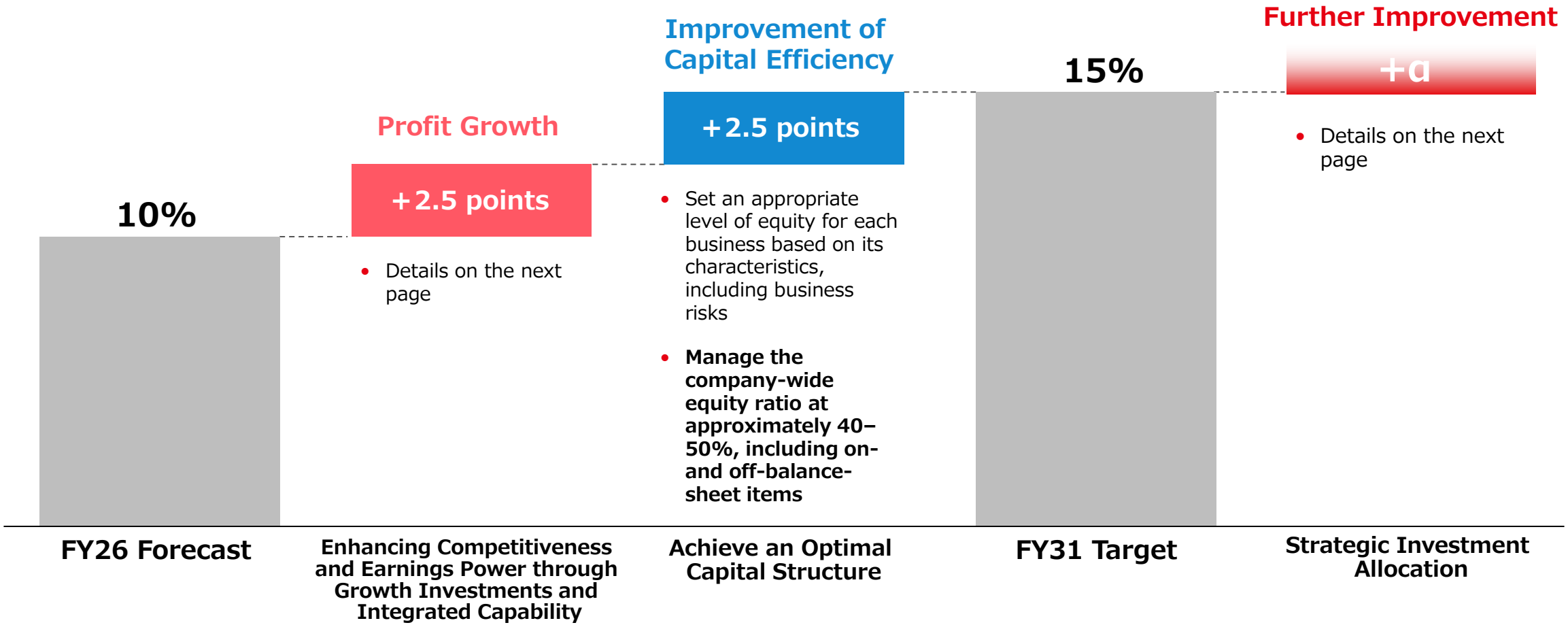
- **Plan 1,250.0 billion yen in investments (on- and off-balance sheet),** including strategic investments
- Through investments based on appropriate risk-taking, **expand invested capital in "K" LINE's own businesses to 2,100.0 billion yen, with total invested capital of 3,200.0 billion yen company-wide**
- **Control the company-wide equity ratio (including on- and off-balance sheet items) at approximately 40–50%**
- Enhance corporate value through both earnings growth and improved capital efficiency, **aiming to achieve an ROIC of 7.5% or higher and an ROE of 15% or higher**

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Path to an ROE of 15% or Higher in "K" LINE's Own Businesses

"K" LINE's Own Businesses ROE

Current Medium-Term Management Plan FY26 → Next Medium-Term Management Plan FY27-31



*Figures are based on management accounting.

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Enhancing Competitiveness and Earnings Power through Segment-Specific Business Strategies

Initiatives for Profit Growth and Further Improvement

By Segment

Dry Bulk

- Maintain earnings power in the iron ore carrier business, centered on dedicated vessel contracts, while expanding business in India, the Middle East, and Africa
- Enhance added value through the deployment of environmentally friendly vessels

Energy Resource Transport

- Build up medium- to long-term contracts across energy supply chains, centered on LNG carriers
- Expand into new energy supply chains, including liquefied CO_2 transport, offshore wind, and hydrogen-related businesses, and develop decarbonization-related businesses

Car Carriers

- Expand earnings by capturing growing cargo volumes from China and India and optimizing the route network
- Build a competitive fleet capable of responding flexibly to changes in market conditions and demand
- Further enhance added value through the additional deployment of environmentally friendly vessels

Short Sea and Coastal, Logistics, and Port

- Improve earnings power by capturing demand for biomass transportation and modal shifts
- Strengthen the competitiveness of the logistics business by expanding domestic and overseas networks centered on the forwarding business

Common

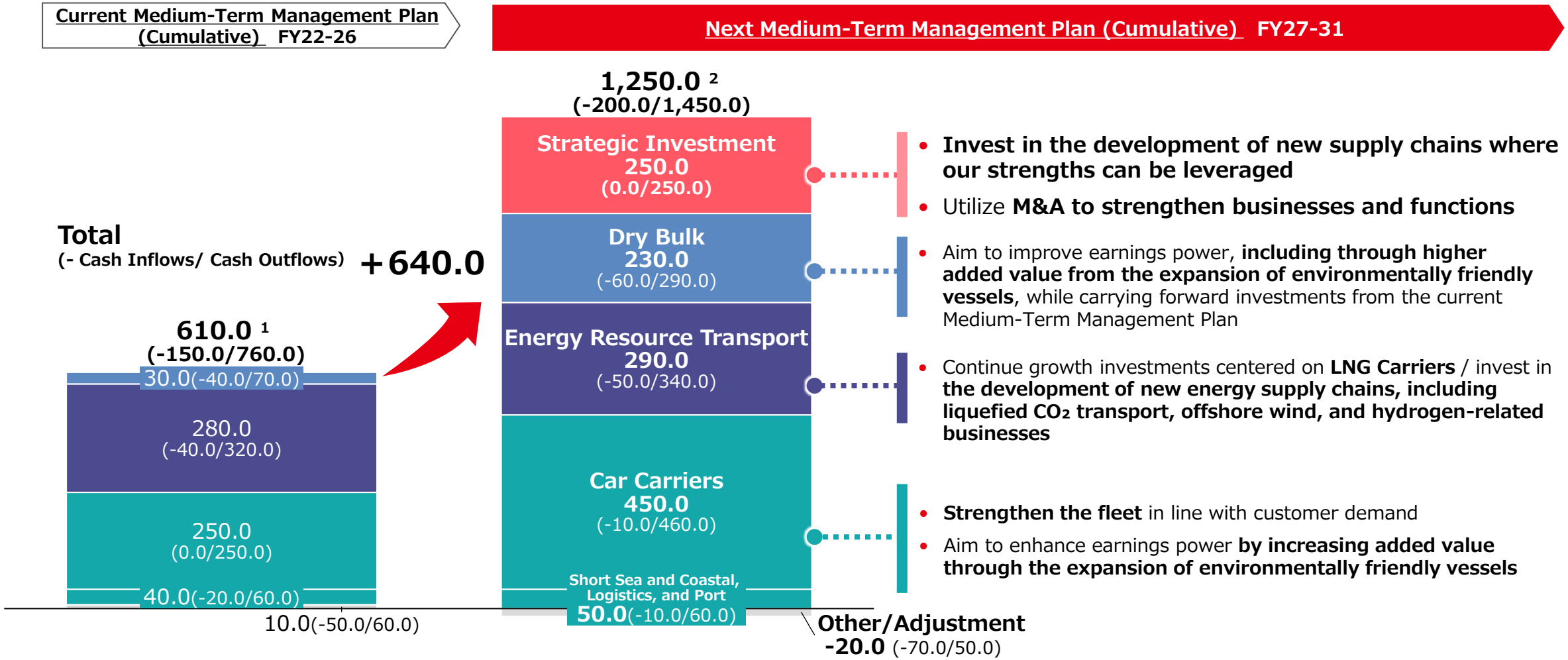
- Strengthen our competitiveness through value creation by leveraging our Integrated Capability, and further **enhance earnings power through Value Based Pricing**
- **Leverage customer bases across segments** to create new business opportunities and synergies
- **Utilize the strategic investment allocation to invest in the development of new supply chains** where our strengths can be leveraged, while making agile investments, including M&A, in response to market conditions

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Plan 1,250.0 billion yen in Investments, Including On- and Off-Balance-Sheet Investments and the Strategic Investment Allocation

Total Investment by segment (billion yen)

1 Includes 200 billion yen in off-balance-sheet investments 2 Includes 350 billion yen in off-balance-sheet investments



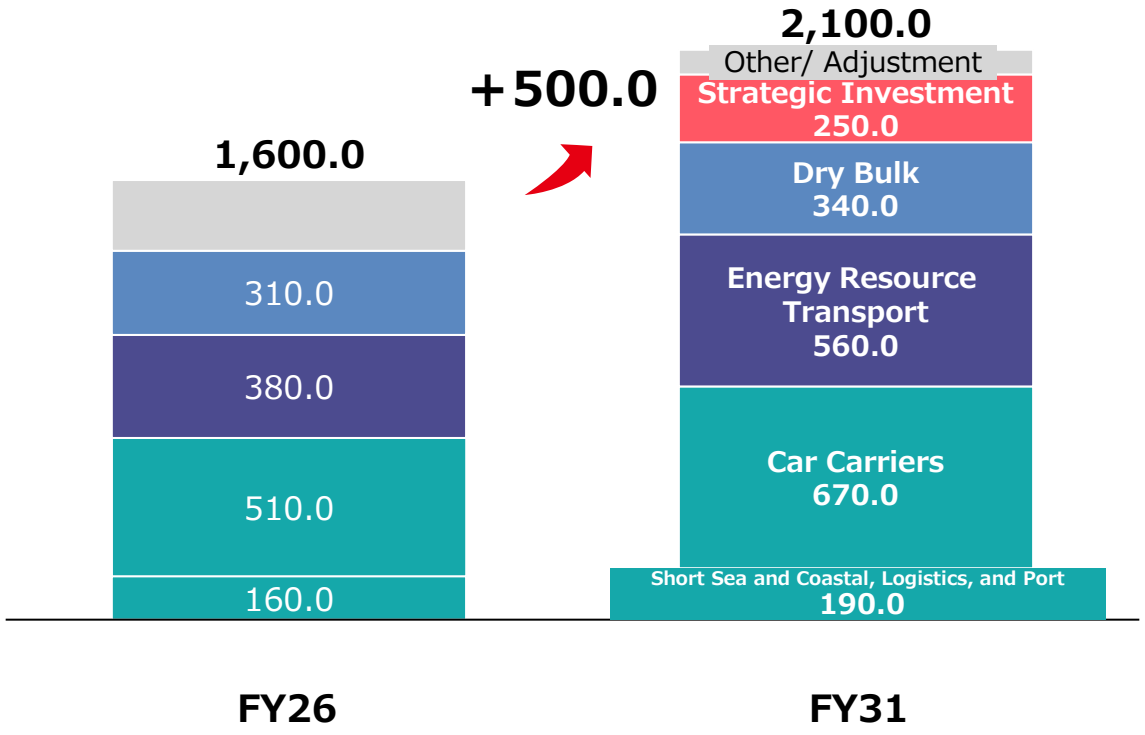
**Figures are based on management accounting.

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Expand Invested Capital in “K” LINE’s Own Businesses and Achieve Profit Growth through Investments Based on Appropriate Risk-Taking

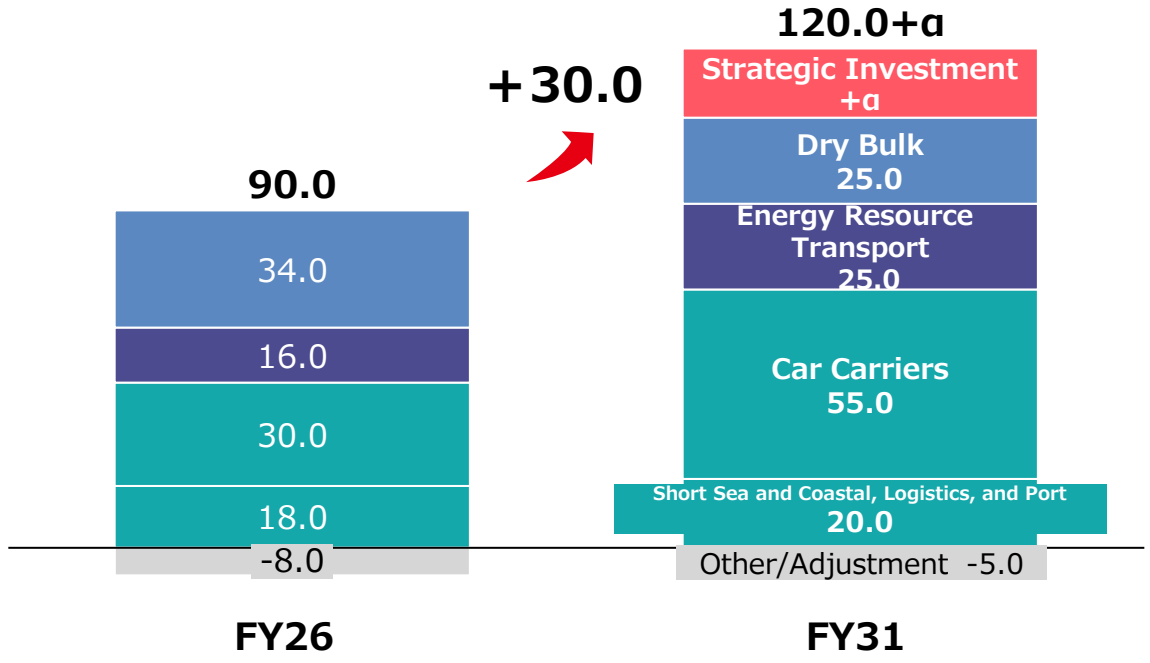
Invested capital by business segment (billion yen)

- **Increase invested capital in “K” LINE’s own businesses by approximately 30%**
- **Shift to a portfolio in which “K” LINE’s own businesses drive overall growth**



Net income attributable to owners of parent by business segment (billion yen)

- **Increase invested capital** to enhance profitability and **achieve profit growth**
- **Aim for further profit growth through the strategic investment allocation**



**Figures are based on management accounting.

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Challenges and Responses in the Containership Business

Challenges and Response Policies



Strengthening business competitiveness

As a shareholder, support ONE's efforts to strengthen its business competitiveness



Improving capital efficiency

Continue dialogue among three shareholder companies and ONE with the aim of achieving ONE's optimal capital structure at an early stage.



Enhancing governance

As a shareholder, support the new CEO-led management structure and initiatives to enhance governance.

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Refining Each Function and Combining Them with Businesses to Strengthen Competitiveness and Profitability

	Marine Operations and Technical Expertise	Environment and Technology	Data and AI
Objective	Refining our maritime expertise and frontline capabilities, advancing our vessels, ship management, and people, and turning marine operations and technical expertise into a driving force in creating the company's future	Contributing to improving the competitiveness in existing businesses and the creatinon of new revenue opportunities through the deployment of advanced technologies in our businesses and participation in decarbonized value chains	Combining AI and data with our maritime shipping expertise and personnel to enhance decision-making and operations, create additional value beyond transport, and strengthen business competitiveness
Strategy	With safety and quality as the foundation, refine the strengths of our vessels, ship management, marine technical expertise, and people, and enhance competitiveness and value creation capabilities through the circulation of knowledge and external collaboration	Combine the customer base, fleet, and operational functions of our businesses with expertise in environment and technology to promote the advancement of existing businesses and expansion into new business areas	Combine each business's customer touchpoints and maritime expertise with internal and external data and AI, to enhance decision-making and operations and create customer value and revenue opportunities
Initiatives	• **Developing high-value-added vessels:** Redesign next-generation vessels and frontline capabilities from the perspectives of people, the environment, and lifecycle profitability, utilizing data, AI etc. • **Strengthening ship management capabilities:** Advance standardization and integration, as well as external co-creation, to pursue world-class ship management • **Turning marine technical capabilities into value:** Refine accumulated knowledge and convert it into corporate value through visualization, external evaluation, and business applications • **Enhancing marine technical personnel:** Shift to role-based development and assignment, and develop personnel who can drive operational competitiveness and create new value	• **Implementing advanced technologies:** Introduce energy-saving technologies, alternative fuels, and vessel DX to enhance environmental performance and operational competitiveness • **Expanding business areas:** Participate in supply chains for new fuels, CO_2, and offshore infrastructure • **Co-creating with customers and partners:** Develop projects with shipyards, manufacturers, and other partners in Japan and overseas, with customer needs as the starting point	• **Building a foundation for data-driven management:** Establish a company-wide data platform to enhance decision-making across management, businesses, and frontline operations • **Advancing onshore operations:** Standardize and automate operations through AI and digital technologies, shifting human resources toward value-added work • **Redesigning onboard operations:** Review seafarers' duties through the use of AI and robotics and ship-shore integration to optimize the division of roles between ship and shore • **Creating customer value and revenue opportunities:** Leverage internal and external data to create new value by optimizing transport and addressing customer challenges

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Further Strengthening Our Management Foundation to Leverage Global Business Opportunities and Connections and Flexibly Deploy the Necessary Human Resources and Capital

Strategic Foundations

	Customer and Partner Base	People and Organization	Management Capabilities
	【Leveraging opportunities and connections】	【Bringing concepts to life】	【Mobilizing resources toward growth】
Sources of Competitiveness	**Broad Touchpoints with Customers and Partners Worldwide, Built on Relationships of Trust**	**Knowledge and expertise accumulated on the frontline and strong business execution capabilities underpinned by a diverse workforce**	**Strong management capabilities that support business-level management and capital allocation**
Initiatives	• Expand touchpoints with customers, partners, and communities to create new business opportunities starting from the frontline • Leverage our Integrated Capability to enter new areas of supply chains together with customers and partners	• Strengthen our human resource base by securing, developing, and strategically placing specialized personnel to support the growth of each business portfolio • Develop and strengthen seafarers' capabilities to handle new fuels and onboard digital transformation • Create new growth opportunities globally through collaboration among headquarters, overseas offices, and ship and shore operations	• Enhance the management of business-level earnings power and capital efficiency to strengthen portfolio management • Manage investments and shareholder returns in an integrated manner to achieve optimal resource allocation • Amid major changes in the macro environment, strengthen the company-wide risk management framework to enhance strategic agility and flexibility

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Examples of Leveraging Our "Integrated Capability"

	Participation in the CCS Supply Chain/ Liquefied CO_2 Carrier Operations and Ship Management	Development of an Ammonia Supply Chain, Ammonia-Fueled Car Carriers	Development of a Biomass Supply Chain - Biomass Power Generation Business	Initiatives for the Development and Implementation of Seawing Technology
Business	 Northern Lights JV ©			
Integrated Capability	• **Establish an operational and ship management framework for liquefied CO_2 carriers** for Northern Lights, the world's first CCS supply chain • Leverage our accumulated expertise in Japan and across Asia to promote decarbonization through CCS	• **Develop an integrated ammonia value chain** encompassing fuel procurement, vessel operation, and GHG emissions reduction • Develop new transport solutions through collaboration with energy companies, shipyards, and industry partners	• Kawasaki Kinkai Kisen leverages its strong customer base and safe, high-quality transport expertise to **establish a supply chain for biomass power generation fuel** • Contribute to the decarbonization of society while establishing a stable earnings base	• **Use automated kites** based on aeronautical technology **to assist vessel propulsion and reduce GHG emissions** • Leverage the technological capabilities we have built and our network, customer base, and partner base within the maritime cluster to promote deployment and wider adoption across a broad range of vessels
Functions Marine Operations and Technical Expertise	Low-temperature, high-pressure safe transport / Liquefied CO_2 property management / Proactive development of specialized personnel …	Handling of low-flashpoint fuels / Safe operations Protection against toxicity / Leak detection and response …	Safe operations / Biomass expertise / Transport technology …	Optimal route selection / Equipment maintenance and management / Response to abnormal situations …
Environment and Technology	GHG reduction CCS / CO_2 monitoring / Coordination between ship-shore and offshore cargo handling …	Alternative fuels for GHG reduction / Anti-corrosion measures / Leak prevention …	GHG emissions reduction Biomass / Deployment of the latest energy-saving vessel types / Efficient vessel deployment for round trips …	GHG emissions reduction Energy saving / Automated control / Wind propulsion …
AI and Digital Technology	Integrated vessel operation and performance management data platform (Performance analysis + Optimal operation + AI forecasting and decision support)			

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Achieving Sustainable Growth in Corporate Value by Strengthening Earnings Power, Executing Growth Investments, and Delivering Shareholder Returns

(Cumulative for the Next Medium-Term Management Plan period)

Strengthening Earnings Power

Operating Cash Flow 1.0-1.1 trillion yen

- Plan for **cumulative operating cash flow of 1.0-1.1 trillion yen** during the Medium-Term Management Plan period
- Aim to achieve net income of 120.0 billion yen +α from "K" LINE's own businesses in FY2031

Investment Plan

Investing Cash Flow (net) 900.0 billion yen

- **Plan for investing cash flow (net) of approximately 900.0 billion yen**
  (Investments of 650.0 billion yen + Strategic Investment Allocation of 250.0 billion yen)
- Execute M&A to strengthen businesses and functions

Shareholder Returns

Shareholder Returns 700.0-800.0 billion yen

Policy

- **Continue the current Medium-Term Management Plan policy:** Always remain mindful of the optimal capital structure and, after ensuring necessary investments and financial soundness, actively return any capital in excess of the appropriate level

Means

- **Plan to continue dividends of 120 yen/share (equivalent to 350.0 billion yen)**
- **Plan flexible shareholder returns of ¥350.0–450.0 billion (dividends/share buybacks)**

Optimal Capital Structure

Manage the equity ratio at approximately 40–50%, including on- and off-balance-sheet items

- Achieve both financial soundness and capital efficiency with an awareness of business risks

Enhancement of Corporate Value

ROE of 15% or higher

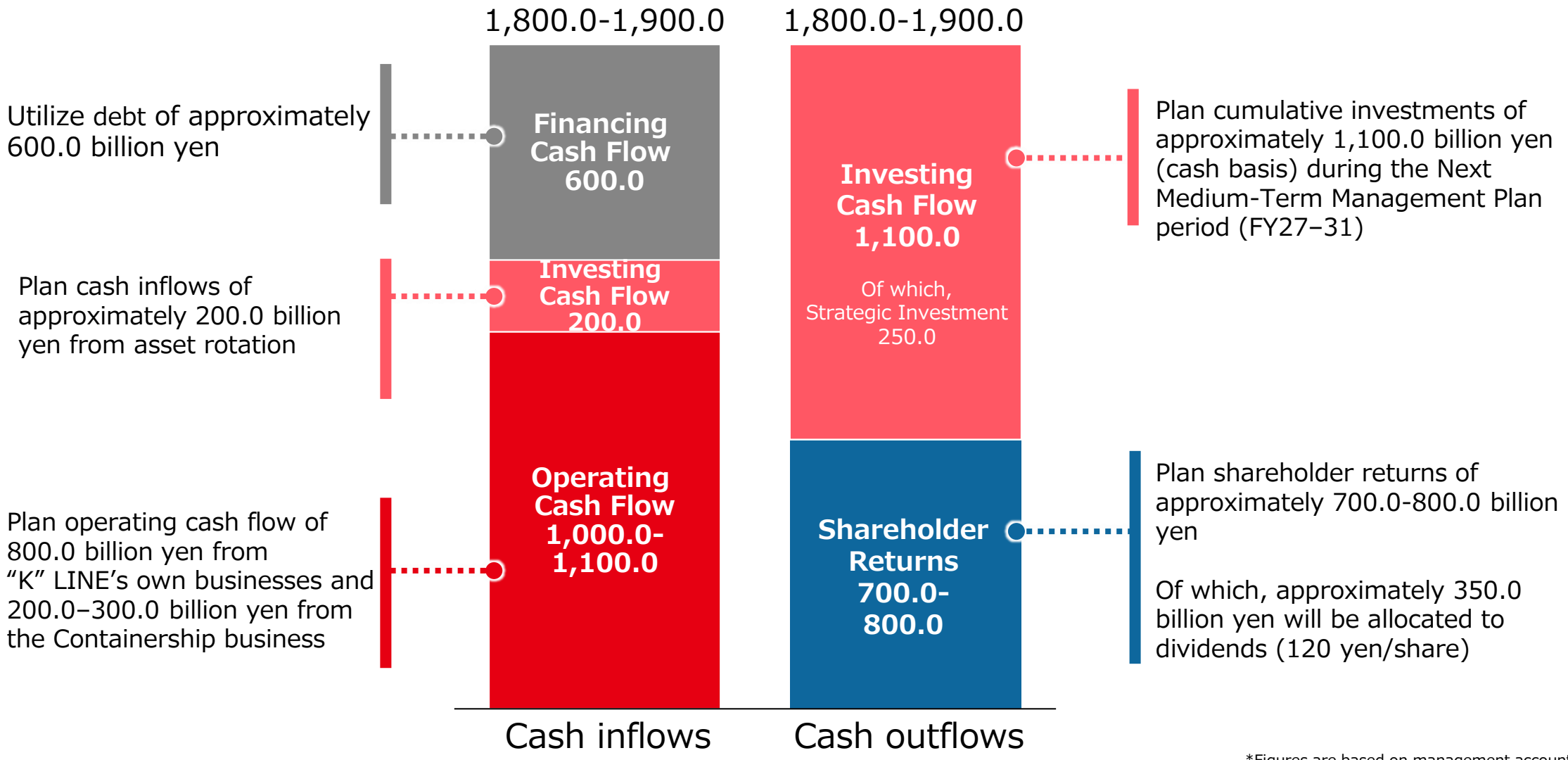
- In addition to optimizing the capital structure, **achieve an ROE of 15% or higher** by further enhancing earnings power
- Through the above initiatives, **achieve and sustain a PBR above 1.0 and drive further improvement**

*Figures are based on management accounting

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Plan to Allocate 900.0 billion yen to Net Investments and 700.0-800.0 billion yen to Shareholder Returns

Illustrative breakdown of cash allocation (billion yen)

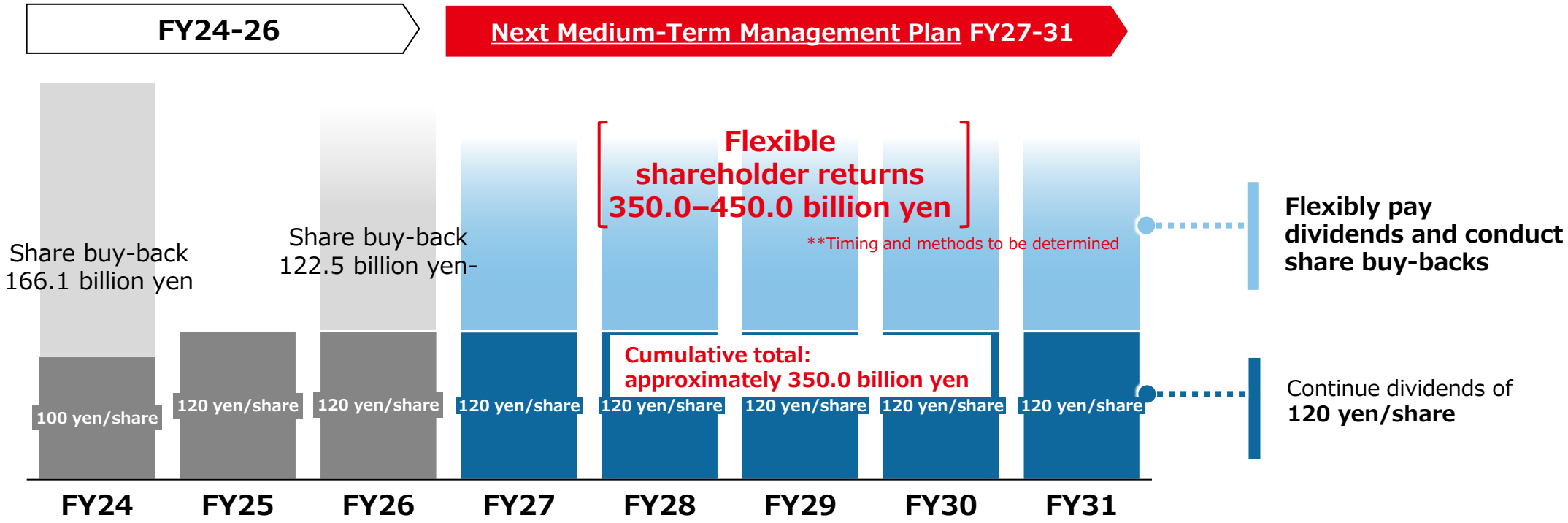


*Figures are based on management accounting

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Shareholder Return Policy

- **Continue the current Medium-Term Management Plan's shareholder return policy**
- **Continue dividends of 120 yen/share (total approximately 350.0 billion yen)**
- **A total of 700.0–800.0 billion yen is planned, including flexible shareholder returns of 350.0–450.0 billion yen, taking into account progress against the profit plan and the cash flow situation**



* Dividends for the current Medium-Term Management Plan period are based on actual results since the most recent stock split (April 1, 2024)

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03 | Appendix

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Business Strategy | Dry Bulk (Coal & Iron Ore Carriers / Bulk Carriers)

Coal & Iron Ore Carrier Business



Achieve sustainable profit growth by maintaining and expanding our existing customer base, capturing demand in growth regions and new demand for raw material transport, and building a competitive fleet

Market Environment Assessment

- While **structural changes are expected in China's transport demand**, long-distance transport from West Africa and demand for coal and iron ore transport driven by growth in India and the Middle East will **support ton-mile demand**
- Against the backdrop of older vessels being retired and shipyard capacity constraints, the supply-demand balance is expected to **remain broadly balanced over the medium to long term**. Meanwhile, speculative ordering and delays in scrapping are risk factors
- As progress toward decarbonization and transport needs vary by customer, **it is becoming increasingly important to develop a fleet and provide transport solutions tailored to each customer**

Our Strategic Approach

- **Deepening customer relationships:** Building on relationships of trust cultivated over the years, we will leverage our strengths in safe and reliable transport and environmental capabilities to provide high-quality operational services tailored to customer needs, thereby maintaining and expanding our customer base
- **Expanding into growth regions and caputuring new demand:** Through customer-oriented sales activities, we will support growing demand in regions such as India and the Middle East through transport, while responding to changes in supply chains, including those for reduced iron, and new demand for raw material transport. In addition, we will capture new transport demand, including West African projects and demand for environmentally friendly vessels, while attaching importance to investment discipline and earnings power
- **Fleet development:** We will build a competitive and flexible fleet aligned with customers' progress on environmental initiatives and their transport needs, through agile vessel procurement in response to market conditions and vessel price cycles, while capturing strategic investment opportunities

Bulk Carrier Business（Panamax and Sub-Panamax）



Improve earnings power by focusing on customers and cargo where we can leverage our strengths, and transitioning to a more efficient fleet and business operating structure

Market Environment Assessment

- **Transport demand**, particularly for grain and minor bulk, **is expected to expand gradually**, against the backdrop of global population growth and rising income levels in emerging and developing countries
- Although vessel supply is expected to increase in the short term, **the supply-demand balance is expected to remain broadly balanced over the medium to long term** as pressure to retire older vessels intensifies

Our Strategic Approach

- **Concentrating on strategic cargoes:** We will concentrate on strategic cargoes, such as reduced iron, for which we can leverage our strengths and customer base
- **Improving capital efficiency:** Our basic approach is to manage our fleet with a focus on capital efficiency, flexibly adjusting asset ownership structures in response to the market conditions
- **Strengthening cost competitiveness through more efficient business operations:** We will establish an efficient operating structure by further developing our overseas operational capabilities and enhancing business processes through digital technologies

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Business Strategy | Energy Resource Transport (LNG Carriers, Thermal Coal Carriers, and Oil Tankers, and LPG Carriers)

LNG Carrier Business



Optimize the asset portfolio and expand the customer base and business areas

Market Environment Assessment

- **LNG demand is expected to grow steadily**, driven by increasing electricity demand from AI, data centers, etc.
- LNG supply sources are diversifying beyond the Middle East to include **North America, Africa**, and other regions
- **Medium-term chartering needs are expanding** amid concerns over vessel obsolescence risks due to environmental regulations.

Our Strategic Approach

- **Optimizing the asset portfolio:** We will secure new projects and add or replace assets as appropriate to maintain and expand stable earnings while improving capital efficiency and earnings power
- **Securing projects by leveraging our strengths:** We will focus on customers and contract projects for which our customer service capabilities as well as marine operations and technical capabilities are valued
- **Expanding into Adjacent Business Areas:** We will leverage our customer base to expand into adjacent business areas, including FSRU and liquefied CO_2 transport

Thermal Coal Carrier Business



Maintain and strengthen the customer base through high-quality transport, leading to the creation of next-generation energy businesses

Market Environment Assessment

- From the perspective of energy security and supply-demand adjustment, coal-fired power generation will continue to play a certain role, and **a certain level of transport demand for domestic power generation is expected to remain in FY2040**
- While coal transport demand is expected to decline gradually, **vessel supply-demand may tighten over the medium to long term** due to the retirement of older vessels and limited supply of newbuilds

Our Strategic Approach

- **Strengthening the earnings base:** We will steadily capture transport demand for domestic power generation and strengthen our stable earnings base through flexible vessel deployment centered on COAs
- **Expanding into the decarbonization-related area:** We will leverage our customer touchpoints to create new revenue opportunities in the carbon-neutral field, including CCS and ammonia

Oil Tanker and LPG Carrier Business



Strengthen existing services, primarily in Japan, through safe, high-quality transport, while seeking to win business overseas

Market Environment Assessment

- **VLCC:** Global crude oil transport demand remains firm. Although transport volumes bound for Japan are expected to decline gradually, a vessel supply shortage is anticipated against the backdrop of an aging fleet
- **VLGC:** Expansion of North American LPG exports is driving transport demand. Charter rates have risen sharply in the near term, affected by the situation in the Middle East

Our Strategic Approach

- **VLCC:** We will provide high-quality transport services, primarily to domestic customers, to maintain and expand the earnings base
- **VLGC:** We will maintain and expand the Japanese customer base while capturing demand from major overseas traders to expand the earnings base
- **Expanding into next-generation energy transport:** We will leverage our knowledge gained through LPG transport to capture future opportunities for clean ammonia transport in line with demand

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Business Strategy | Energy Resource Transport (CCS and Offshore Wind-Related Businesses)

CCS-Related Business



Northern Lights JV ©

Focus on stabilizing earnings through long-term contracts in Europe, and maintain a front-runner position in Japan

Market Environment Assessment

- **Expectations for CCS are growing as a decarbonization solution** for hard-to-abate industries.
- In Japan, suitable sites for CO_2 storage are limited, making the maritime transport of liquefied CO_2 an important part of the infrastructure
- While there are delays in establishing regulatory frameworks and subsidy policies, **there is significant room for long-term market growth** asapplication expand, including in the power sector

Our Strategic Approach

- **Building on our leading track record in Europe:** We will leverage our operational track record and existing customer base to strategically pursue transport opportunities and enhance earnings stability
- **Establishing a domestic business foundation:** Through joint business development, including public-private partnerships, we will capture opportunities as the domestic market develops and maintain our position as a leading company
- **Expanding into high-value-added fields:** We will explore new business opportunities around the CCS value chain in addition to liquefied CO_2 transport

Offshore Wind Turbine-Related Business



Grow in line with the formation of the offshore wind turbine-related market, and combine the operator and shipowner businesses to achieve both stability and earnings power

Market Environment Assessment

- Against the backdrop of decarbonization and energy security, **the work vessel market supporting surveys, construction, maintenance, and operations is expected to grow over the medium to long term**
- Project formation is delayed due to factors such as rising equipment and materials costs and supply chain constraints, with continued uncertainty surrounding the emergence of the market
- It is necessary to carefully monitor the progress of market formation and business commercialization milestones

Our Strategic Approach

- **Optimizing the earnings model:** We will combine the operator business, which undertakes high-value-added work, with the shipowner business, which involves long-term vessel chartering, to achieve both earnings power and stability
- **Strengthening human resources and operational foundation:** We will strengthen the operational framework for Japanese-registered work vessels by securing and training Japanese seafarers and specialized personnel and collaborating with partners
- **Expanding business areas in stages:** While monitoring market formation, we will progressively enter the areas of survey, transport, construction and installation, O&M, and support for floating structures

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Business Strategy | Car Carriers/ Short Sea and Coastal, Logistics, and Port

Car Carrier Business



Aim for sustainable earnings growth by optimizing routes and fleet and advancing environmental initiatives, based on our high-quality services and customer base

Market Environment Assessment

- While exports from China and other countries are driving market growth, the competitive landscape is changing as Chinese shipping companies and emerging players expand their fleets
- Due to growing transport demand and continued restrictions on Suez Canal transits, **vessel supply and demand are not expected to come into balance until 2027 or later**
- Amid tight domestic shipbuilding capacity, **capturing growth requires an optimal fleet composition, including through investment, as well as further strengthening our competitiveness**

Our Strategic Approach

- **Optimizing customer and cargo portfolios and route networks:** We will further deepen relationships with existing customers while strategically capturing Chinese OEMs, cargoes originating in India, and H&H cargoes, turning growing demand into earnings growth
- **Strengthening fleet competitiveness:** We will build an optimal and competitive fleet that enables us to respond flexibly to fluctuations in demand while capturing upside in market conditions
- **Environmental initiatives:** We will steadily advance initiatives such as the introduction of environmentally friendly vessels in response to cargo owners' decarbonization needs and work to generate revenue by selling the environmental value created to external parties

Short Sea and Coastal, Logistics, and Port



Expand business scale and earnings power by maintaining and strengthening a stable domestic foundation while capturing growth markets and new cargoes through strategic investment and collaboration

Market Environment Assessment

- **Short Sea and Coastal :** Demand from modal shifts and the energy transition is expected, but overall market growth will be limited due to Japan's declining population. Amid challenges such as seafarer shortages, it is important to **respond to new demand arising from changes in the industry structure and pursue differentiation strategies that leverage our strengths**
- **Logistics :** International and intra-regional logistics demand is expanding. With limited room for growth in the domestic market, **it is important to capture growth markets and non-Japanese customers**
- **Port :** Port restructuring, joint operations, automation, and decarbonization are progressing. **It is necessary to secure stable cargo handling volumes and enhance port capabilities.**

Our Strategic Approach

- **Short Sea and Coastal :** We will maintain our customer base and route network while expanding earnings power through investments to further leverage our strengths, including biomass transport and expansion of the network through ferries and RORO vessels. We will also capture growing demand in the offshore support vessel business
- **Logistics :** With "K" LINE LOGISTICS at the core, we will promote collaboration with Kamigumi and coordination among domestic and overseas locations. We will expand our logistics functions and earnings base through investment in growth markets and M&A
- **Port :** For major domestic ports, we will participate in port restructuring and joint operations while securing stable handling volumes and earnings, and establish an optimal framework for the leasing and operation of the Group's container terminals

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～ For details, please refer to the separately published “K” LINE Environmental Vision 2050

Review of Our Environmental Vision 2050 ～ Securing Blue Seas for Tomorrow ～

Progress against the Targets of the Previous Vision (17 years since 2008)

2030: CO_2 Emissions Efficiency*

Interim Target: 50% improvement (from the 2008 baseline)

Progress

→2025 : 43% improvement

2050: Scope 1 and 2

Net-zero GHG emissions

Progress

→2025 : 50% reduction

*Scope 1

Next Medium-Term Management Plan period FY27-31 -FY35

CO_2 Emissions Efficiency*

(vs 2024)

Interim Target

2035 : 40% improvement

Goal for 2050 FY50

2050 Scope 1, 2, 3**

Enhanced Target

Achieve net-zero

**Categories 1–14 are covered

Action Roadmap

		Next Medium-Term Management Plan period		Interim Target		
		-FY26	FY27-31	2035	2040	2050
Introduction of LNG-fueled and zero-emission vessels		15 vessels***	600.0 billion yen	80 vessels	145 vessels	275 vessels
Number of vessels equipped with wind-assisted propulsion systems		0 vessel	50.0 billion yen	50 vessels or more	Increase the number of vessels equipped with these systems	
Other environmentally-friendly investments						
Development and demonstration of environmental technology	Installation of K-IMS (operational efficiency)		5.0 billion yen			
	Hybrid EV tugboats, etc.					
Contribute to emission reduction and decarbonization of society	CCS-Related Business	2024 Commenced operations of liquefied CO_2 carriers	35.0 billion yen	Contribute to the development of a CCS value chain through liquefied CO_2 transport		
	Offshore Wind Business	2021 Launched the business		Contribute to the wider adoption of offshore wind power generation		
	Involvement in hydrogen/ammonia fuel supply chains	2022 Executed world’s first long-distance hydrogen transport		Contribute to the development of hydrogen and ammonia fuel supply chains		
Other environmental investments			20.0 billion yen			

*** : As of the end of September 2026

Total approximately 710.0 billion yen

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～ For details, please refer to the separately released “AI & Digital Strategy 2035”

AI & Digital Strategy 2035: “Data-driven” and “Human-AI Collaboration” Drive the Achievement of the Next Medium-Term Management Plan

World of 2035: Five Scenarios <Concept>



In 2035, the world will become a place where ships, land, ports, and energy are connected by data, and humans collaborate with AI and robots.
We will create that world ourselves and transform frontline-driven integrated capability into “added value.”
We will backcast from that vision to determine what actions we need to take now.

1 Vessels equipped with robots and AI
→ AI utilizes accumulated data and knowledge, improving safety, quality, and the precision and reproducibility of vessel operation.

2 Ships are constantly connected to land
→ Remote support and onboard AI integrate ship and land, establishing a system to operate as ONE TEAM.

3 AI autonomously optimizes vessel operation
→ Optimizing service routes, vessel speed, fuel, and vessel deployment to achieve punctuality, low carbon, and low costs, while providing data to the ecosystem.

4 Ships, cargo, ports, and terminals synchronize
→ Linking data on port entry and departure, loading and unloading of cargo, land transport, and inventory to optimize the entire supply chain through sea-land collaboration.

5 Connecting with new energy supply chains
→ Visualizing everything from fuel supply to CO2 reduction through data, and demonstrating decarbonization value in combination with environmental technologies.

Re-evaluating the present based on the future vision of 2035: Clarify priority issues to be addressed, looking ahead to the goal five years later

the next Medium-Term Management Plan FY27-31

Initial Phase of the Next Medium-Term Management Plan
- Onboard IT infrastructure renewal and continuous ship-land data connectivity【②】
- Development of company-wide cross-functional data platform and cargo information integration【④】
- Prototype AI crew for onboard operations and review regulations【③】

Second half of the Medium-Term Management Plan
- Real-world operations of remote support and predictive maintenance【①②】
- Link ships, ports, and land transport via product logistics【④】
- Commercialize GHG data and low-carbon certification【⑤】

2035

Our Vision for 2035: Creating the Future Ourselves and Generating Earnings through Added Value
- Onboard robot collaboration and autonomous vessel operation optimization【①③】
- Design supply chains with clients and offer them to other companies【④】
- Connect new energy supply chains to deliver decarbonization【⑤】

The ability to connect everything from problem-solving to corporate value improvement

Frontline-driven (At sea, on land, clients, ports, logistics, and social issues) + **Integrated Capability** (Connect diverse expertise into one) → **Data** (Comprehensively capture signs, associations, and impacts) × **Human-AI Collaboration** (Identify better solutions and execute them thoroughly) → **Enhancement of Corporate Value** (Return to stakeholders)

Foundation for Creation and Transformation through AI and Digital Strategy
- AI & Data Governance
- Development of a Data Platform
- Cybersecurity (ongoing sophistication)
- Expand Digital Talent

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Actual results may differ materially due to changes in economic conditions, supply and demand in the shipping industry, bunker price, foreign currency exchange rates and other factors.

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