



# FACTBOOK 2023

## Business Segment and Market Data

As of February 2024





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

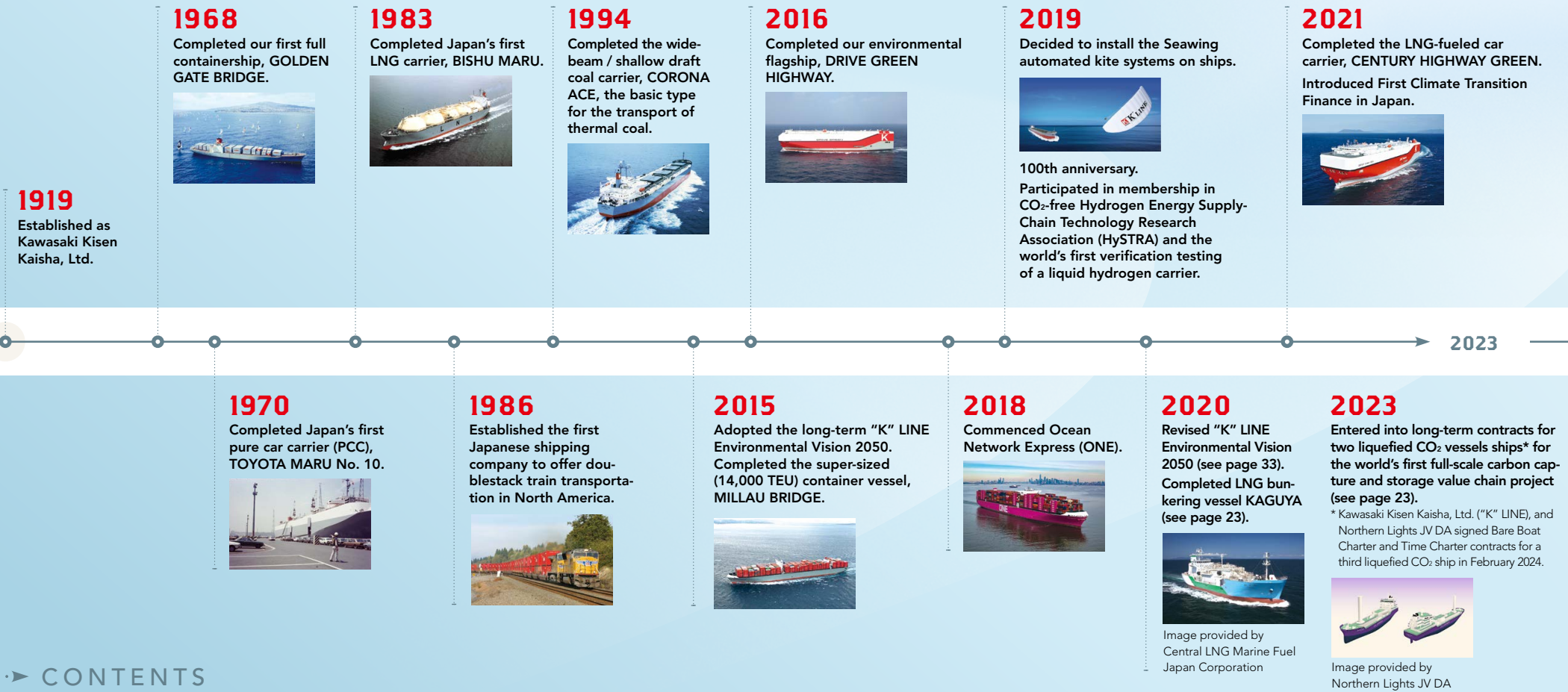
Providing the value only "K" LINE can in pursuit of expertise

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

# Corporate History



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		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
		(Millions of yen)*1										
Operating results (for the year)	Operating revenues	¥1,134,771	¥1,224,126	¥1,352,421	¥1,243,932	¥1,030,191	¥1,162,025	¥836,731	¥735,284	¥625,486	¥ 756,983	¥ 942,606
	Operating income (loss)	14,886	28,854	47,988	9,427	(46,037)	7,219	(24,736)	6,840	(21,286)	17,663	78,857
	Ordinary income (loss)	28,589	32,454	48,980	3,338	(52,388)	1,962	(48,933)	7,407	89,498	657,504	690,839
	Profit (loss) attributable to owners of the parent	10,669	16,642	26,818	(51,499)	(139,478)	10,384	(111,188)	5,269	108,695	642,424	694,904
Financial position (at year-end)	Total assets	1,180,433	1,254,741	1,223,328	1,115,223	1,045,209	1,036,886**2	951,261	896,081	974,608	1,574,960	2,052,616
	Net assets	361,975	410,688	467,440	379,913	245,482	243,094	181,233	200,234	316,162	984,882	1,546,679
	Equity capital	340,571	388,837	441,531	355,375	219,484	217,010	103,576	101,095	218,193	884,634	1,515,399
	Interest-bearing liabilities	629,864	643,794	536,846	525,152	550,512	570,584	550,211	543,451	507,005	423,455	351,692
	Capital expenditures	134,554	93,377	89,501	116,592	68,048	101,105	97,911	81,148	45,332	43,442	71,827
	Depreciation and amortization	59,667	52,243	53,526	48,302	47,421	43,410	40,789	44,253	43,869	42,821	42,396
	Cash flows from operating activities	59,756	88,228	101,825	39,635	(43,919)	1,167	(6,808)	(21,797)	33,397	226,460	456,049
	Cash flows from investing activities	(27,212)	(5,113)	(11,177)	(29,569)	(24,881)	(22,813)	(35,493)	(20,286)	16,987	(5,848)	(46,745)
	Free cash flows	32,544	83,115	90,648	10,066	(68,801)	(21,646)	(42,303)	(42,083)	50,384	220,611	409,304
	Cash flows from financing activities	26,364	(26,634)	(119,253)	(14,835)	26,436	22,239	19,290	16,731	(34,845)	(116,001)	(300,790)
Per share data**3	Earnings (loss) per share (EPS) (Yen)	40	59	95	(183)	(496)	37	(397)	19	388	2,296	2,571
	Book-value per share (BPS) (Yen)	1,211	1,382	1,570	1,264	781	776	370	361	780	3,161	6,128
	Cash dividends applicable to the year (Yen)	8	15	28	17	—	—	—	—	—	200	400
	Dividend payout ratio (%)	20.7	25.4	29.7	—	—	—	—	—	—	8.7	15.6
Management index	Ordinary income (loss) on revenue (%)	2.5	2.7	3.6	0.3	(5.1)	0.2	(5.8)	1.0	14.3	86.9	73.3
	Profit (loss) attributable to owners of the parent on revenue (%)	0.9	1.4	2.0	(4.1)	(13.5)	0.9	(13.3)	0.7	17.4	84.9	73.7
	Return on equity (ROE) (%)	3.7	4.6	6.5	(12.9)	(48.5)	4.8	(69.4)	5.1	68.1	116.5	57.9
	Return on assets (ROA) (%)	2.5	2.7	4.0	0.3	(4.8)	0.2**2	(4.9)	0.8	9.6	51.6	38.1
	Debt equity ratio (DER) (Times)	1.85	1.66	1.22	1.48	2.51	2.63	5.31	5.38	2.32	0.48	0.23
	Equity ratio (%)	28.9	31.0	36.1	31.9	21.0	20.9	10.9	11.3	22.4	56.2	73.8
	Assets turnover (Times)	0.96	0.98	1.11	1.12	0.99	1.12	0.88	0.82	0.64	0.48	0.46
	EBITDA	104,797	90,472	111,978	24,678	(77,180)	67,567	(50,293)	65,746	167,779	712,219	745,269
	EV / EBITDA (Times)	6.28	6.97	5.63	21.53	(8.70)	9.57	(10.42)	7.72	3.67	1.30	1.01
	Price earnings ratio (PER) (Times)	16.49	12.56	11.29	—	—	22.44	—	14.37	2.18	1.16	1.18
	Price book-value ratio (PBR) (Times)	0.55	0.54	0.69	0.58	1.27	1.08	1.08	0.75	1.08	0.85	0.49
	Total shareholders return (TSR) (%)	—	—	—	—	—	—	47.72	32.56	101.64	345.63	436.05
Comparative Indicator: TOPIX Total Return (%)	—	—	—	—	—	—	94.96	85.94	122.15	124.57	131.82	
Average during the period	Exchange rate (¥ / US\$)	82	100	109	121	109	111	111	109	106	112	135
	Fuel oil price (US\$ / ton)	671	626	541	295	265	349	450	467	363	551	769

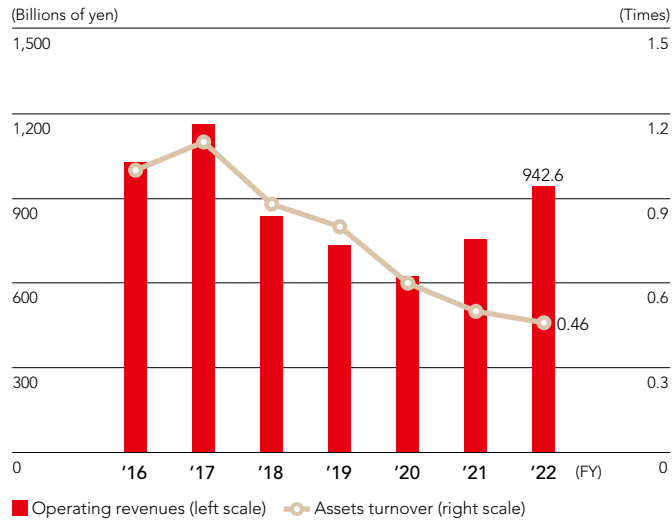
Note: Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued by the Accounting Standards Board of Japan on March 31, 2020) has been applied from the beginning of fiscal 2021. The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition.

\*1. Rounded down to the nearest millions of yen.

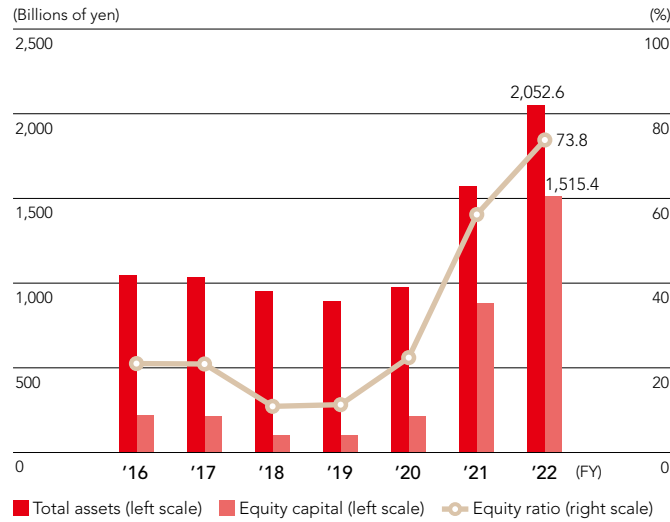
\*2. Partial Amendments to the Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, issued on February 16, 2018) has been applied from the beginning of fiscal 2018, and applied retroactively to the total assets and return on assets for fiscal 2017 for recalculation.

\*3. Adjusted to reflect the October 1, 2017, common stock consolidation (10 to 1) and October 1, 2022, stock split (1 to 3) (rounded to the nearest yen).

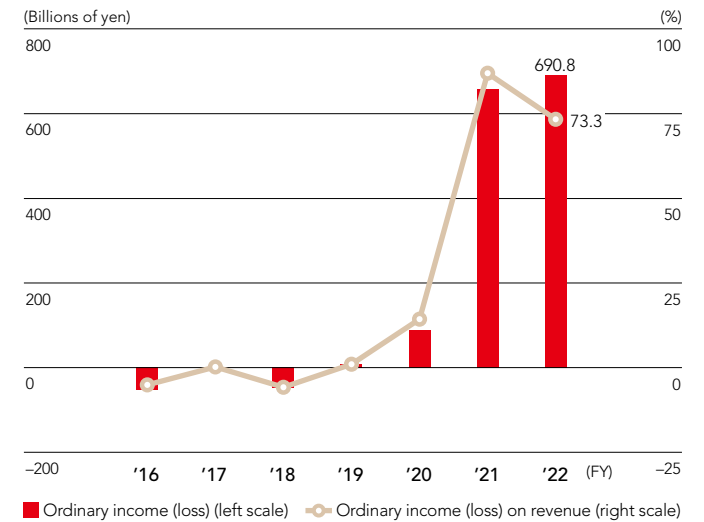
### Operating Revenues, Assets Turnover



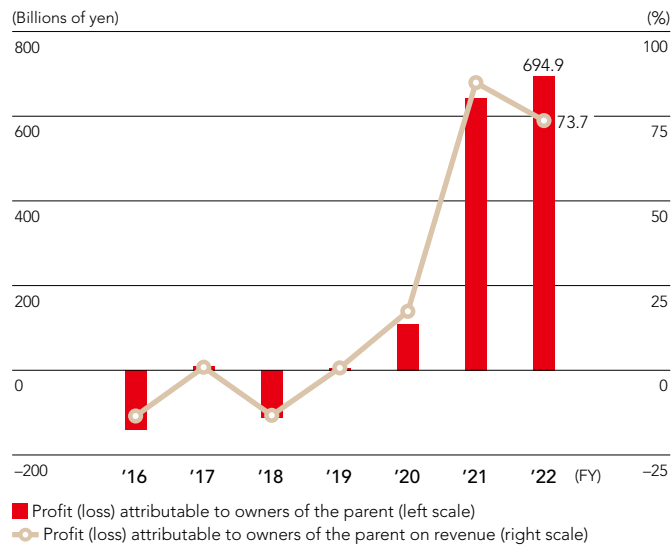
### Total Assets, Equity Capital, Equity Ratio



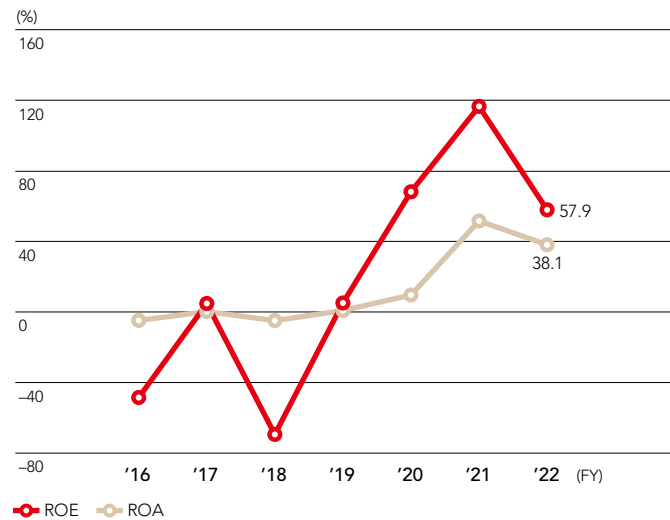
### Ordinary Income (Loss), Ordinary Income (Loss) on Revenue



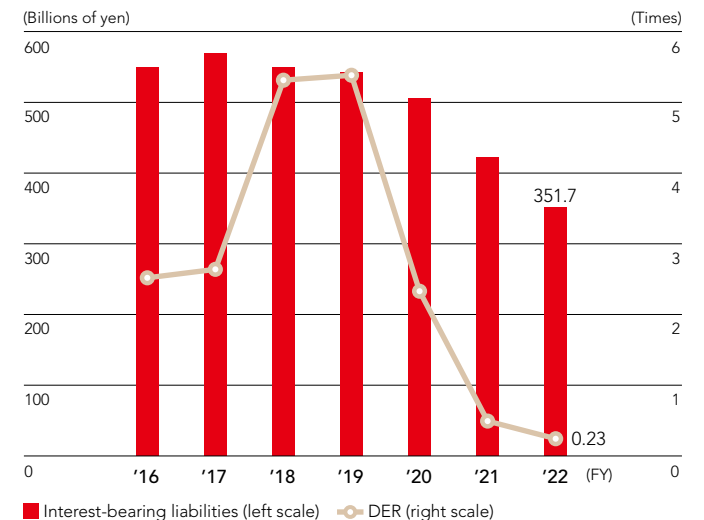
### Profit (Loss) Attributable to Owners of the Parent, Profit (Loss) Attributable to Owners of the Parent on Revenue



### Return on Equity (ROE), Return on Assets (ROA)

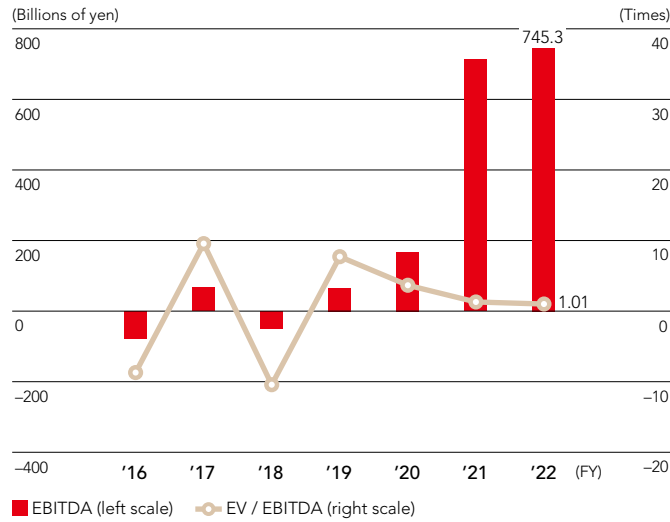


### Interest-Bearing Liabilities, Debt Equity Ratio (DER)

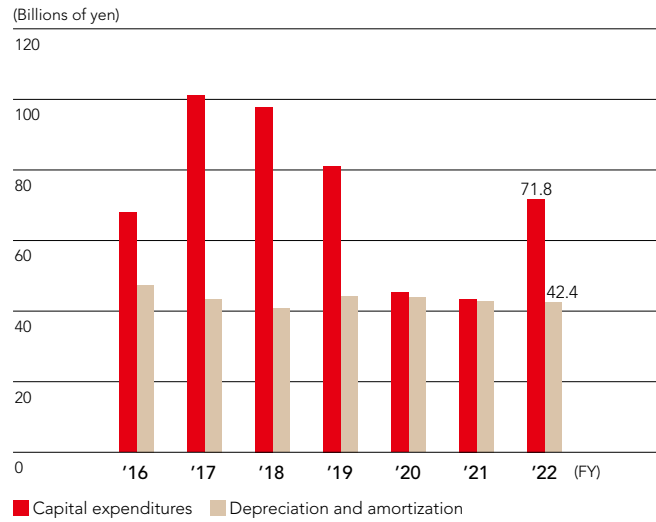




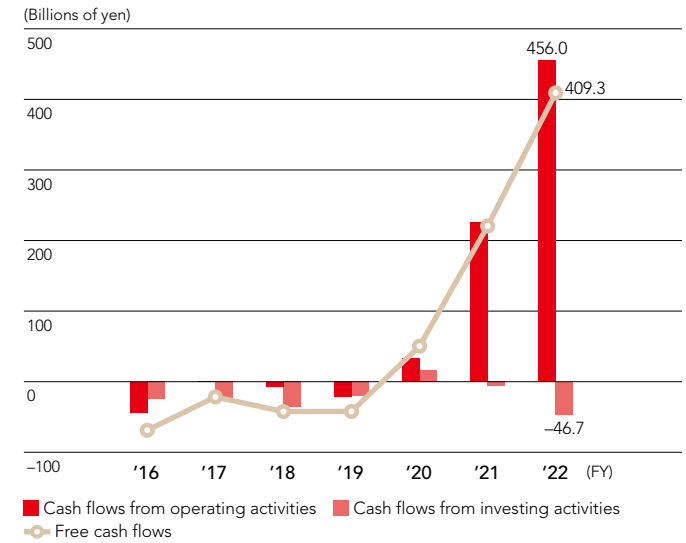
### EBITDA, EV / EBITDA



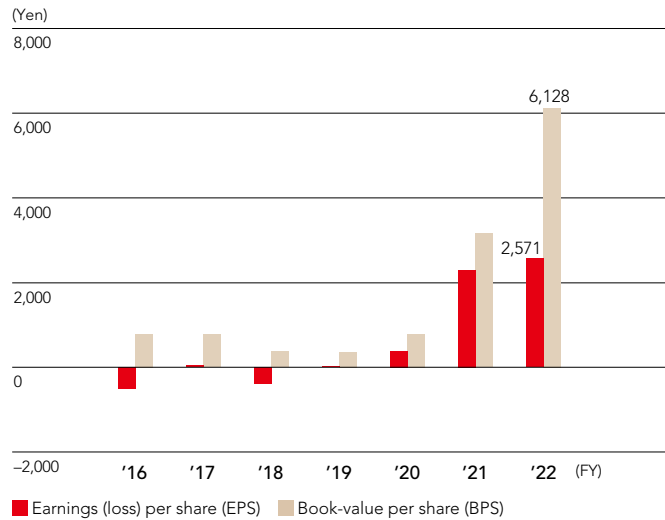
### Capital Expenditures, Depreciation and Amortization



### Cash Flows



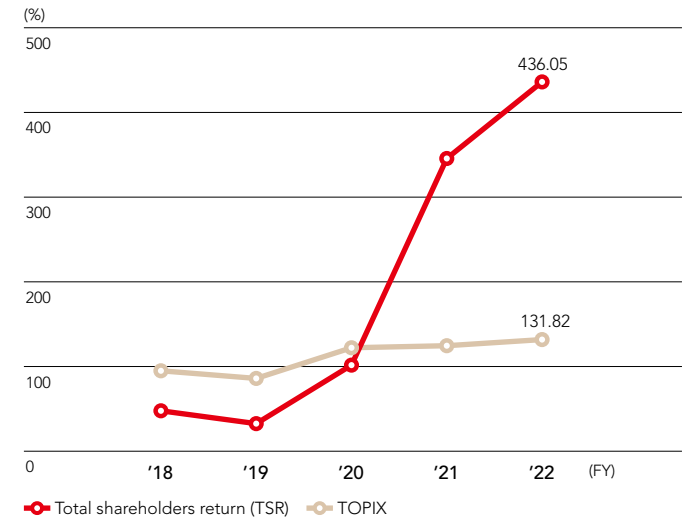
### Earnings (Loss) per Share (EPS), Book-Value per Share (BPS)



### Price Earnings Ratio (PER), Price Book-Value Ratio (PBR)

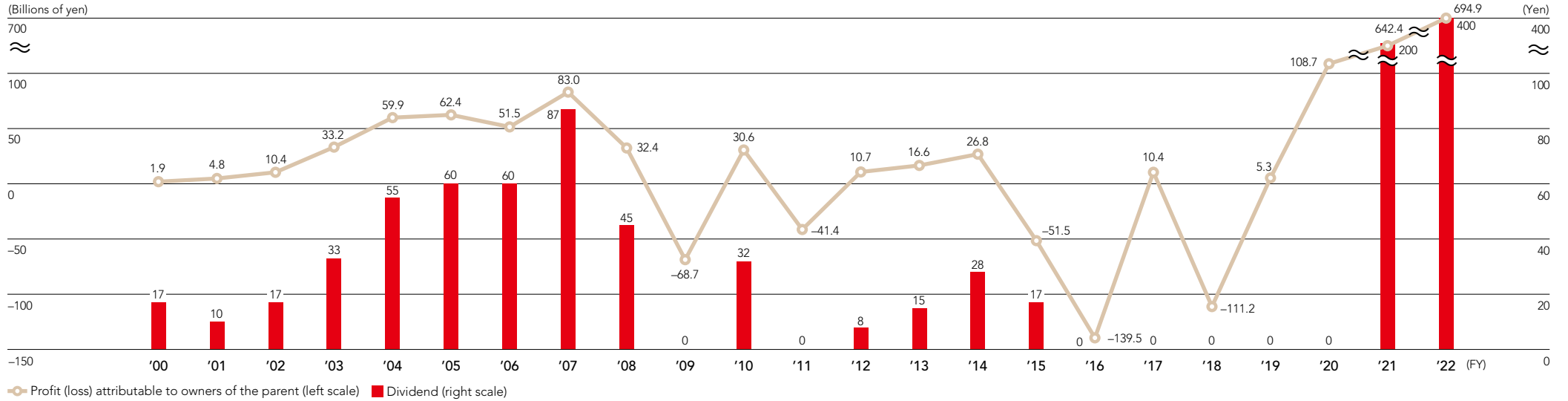


### Total Shareholders Return (TSR), TOPIX

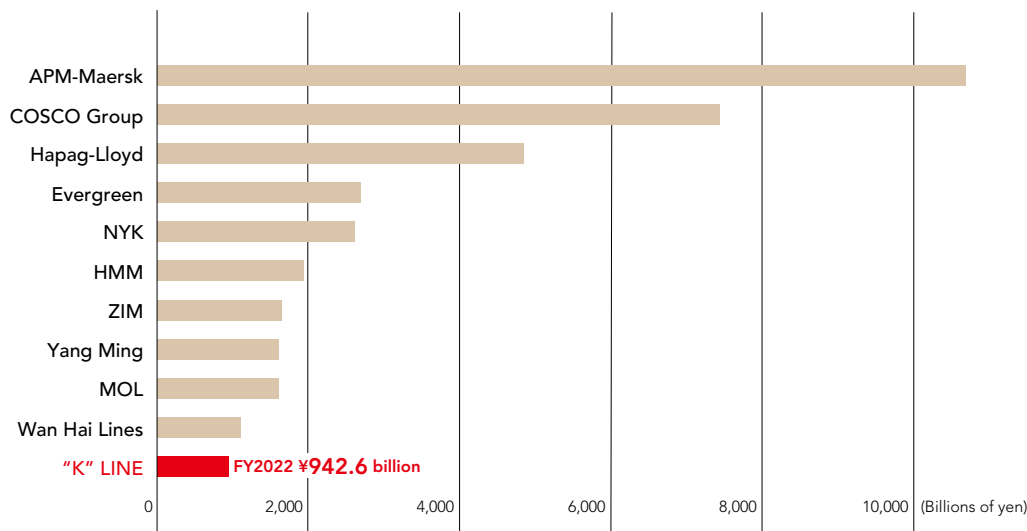


\* Adjusted to reflect the October 1, 2017, common stock consolidation (10 to 1) and October 1, 2022, stock split (1 to 3) (rounded to the nearest yen)

Profit (Loss) Attributable to Owners of the Parent and Dividend



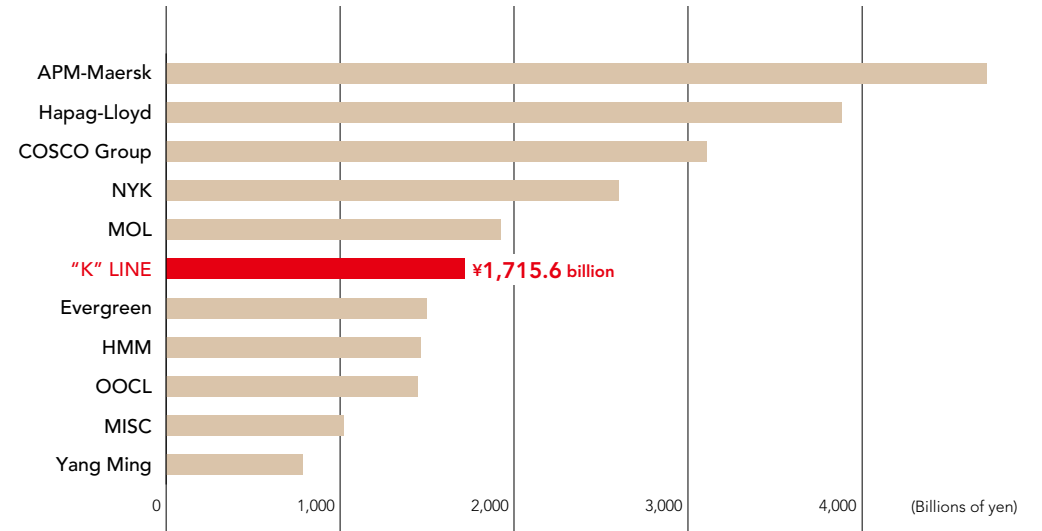
Annual Revenue Ranking of Listed Shipping Companies (FY2022)



Source: Refinitiv

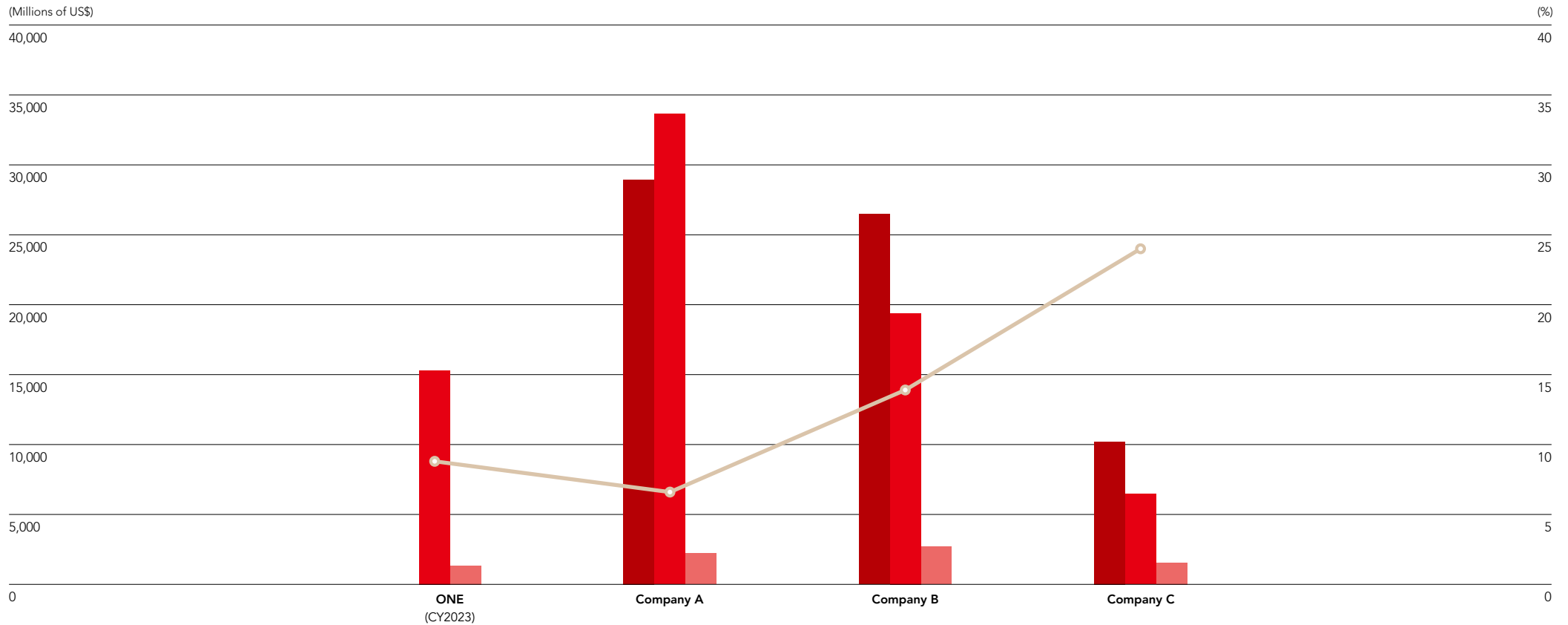
Market Capitalization Ranking of Listed Shipping Companies

(as of January 31, 2024)



Source: Refinitiv

## Major Containership Companies CY2023: Full-Year Results Comparison



	OCEAN NETWORK EXPRESS (ONE)	Company A	Company B	Company C
■ Market capitalization (millions of US\$)	N/A	\$28,938	\$26,471	\$10,213
■ Revenue (millions of US\$)	\$15,313	\$33,653	\$19,400	\$ 6,451
■ EBIT (millions of US\$)	\$ 1,352	\$ 2,227	\$ 2,700	\$ 1,549
◊ EBIT margin (%)	8.8%	6.6%	13.9%	24.0%
■ Fleet scale (vessels)	232	672	264	211

■ Market capitalization (left scale) ■ Revenue (left scale) ■ EBIT (left scale) ◊ EBIT margin (right scale)

- Notes: 1. Estimated by "K" LINE based on publicly available information  
 2. Results of ONE for 2023 are calculated on a calendar-year basis.  
 3. Company C's results (Revenue / EBIT / EBIT margin) are calculated on a nine-month basis (as of September 30, 2023).  
 4. Market capitalization: as of January 31, 2024  
 5. Fleet scale: as of December 31, 2023  
 6. Regarding Company A, figures are for Ocean segment only



## Overview of the Long-Term Management Vision and Medium-Term Management Plan

### Overview of the Long-Term Management Vision and Medium-Term Management Plan (Business Strategy, Business Base, Capital Policy) →

In order for the "K" LINE Group to maintain the trust of all stakeholders, we will focus management resources on businesses that play a leading role in growth.

The aim is to realize low-carbon and carbon-free business operations and in society as a whole through the construction and development of partnerships with customers who can share growth opportunities. We are looking to promote sustainable growth and improve our corporate value.



**Promoting low-carbon and carbon-free business operations and in society as a whole, while enhancing our corporate value**

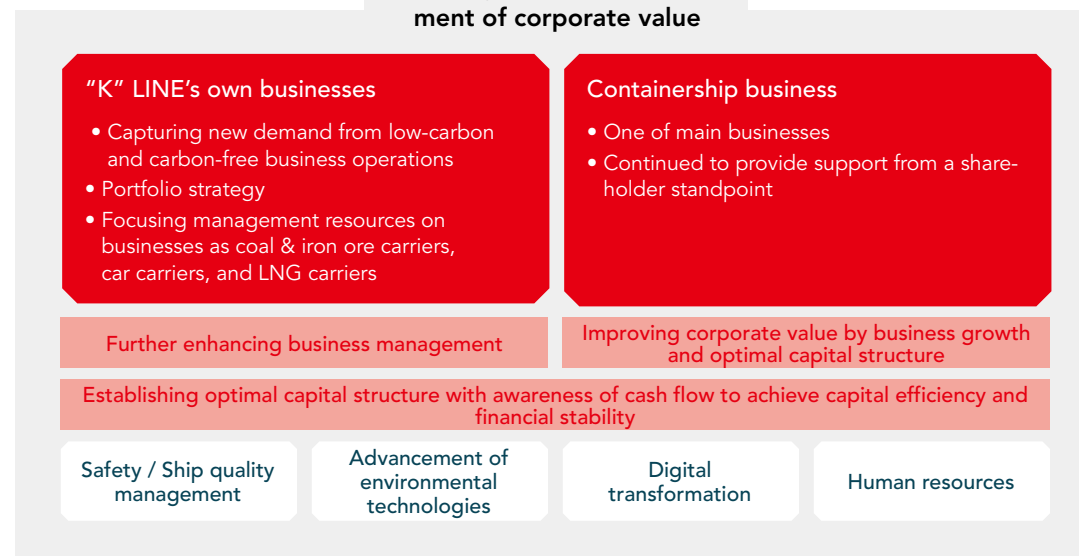
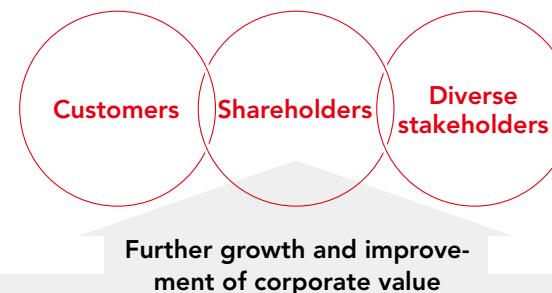


**Concentration of management resources on organizational roles that drive growth**



**Partnerships with customers who can share growth opportunities**

Based on its fiscal 2022 medium-term management plan, the "K" LINE Group is advancing its business strategy, reinforcing its business base, and following its capital policy to tap into growth opportunities presented by changes in the global community, along with shifts in "K" LINE's own operations and society toward becoming low-carbon and carbon-free. Specifically, we are concentrating management resources in the three businesses of coal & iron ore carriers, car carriers, and LNG carriers, which we have positioned as growth drivers, and continuously supporting Ocean Network Express (ONE) as a shareholder as it grows and develops the containership business. Through investments in human resources, the Group is reinforcing its business foundations and carrying out functional strategies to strengthen technologies, specializations, and organizational sales capabilities—the sources of its competitive advantage. In order to realize these strategies, the "K" LINE Group is executing a capital policy based on capital efficiency and financial soundness with a mind to optimizing its capital structure.



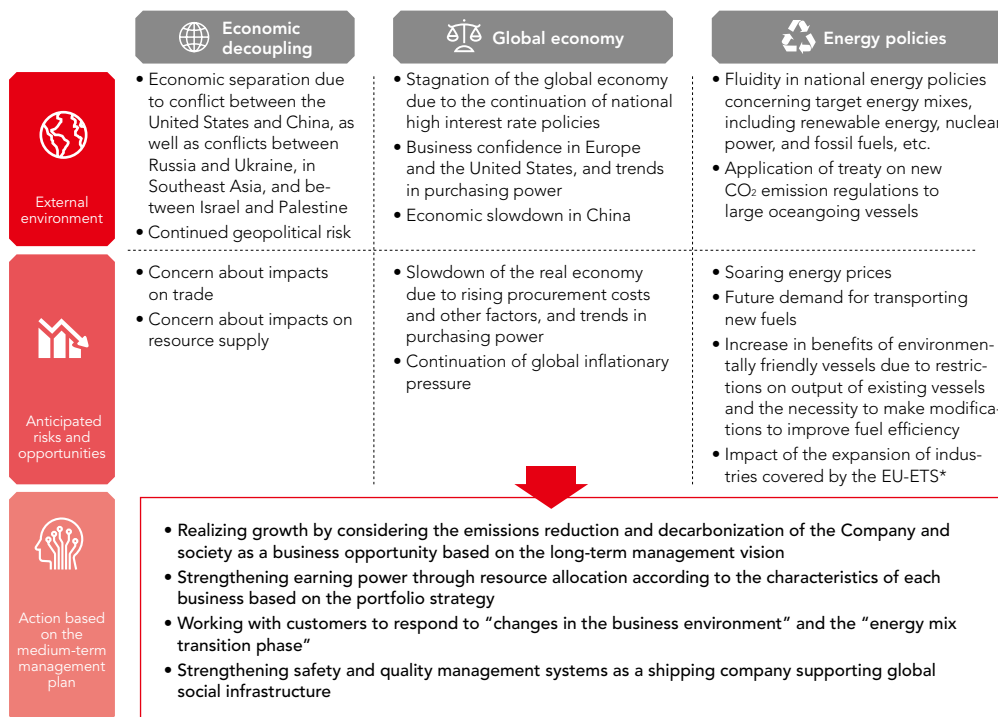
### Policy of shareholders' return

The basic dividend for the remaining period of the medium-term management plan (FY2023–FY2026) will be ¥120 per share, and the total return amount over the medium-term management plan period will be at least ¥500.0 billion. In fiscal 2023, we have completed a share buyback of 11,676,000 shares with a total value of ¥56.2 billion. Moreover, we have announced an additional dividend of ¥130 per share for fiscal 2023 and fiscal 2024. We are continuing to investigate the total return amount of ¥500.0 billion or more. In May 2024, we plan to announce the shareholder return policy for the remaining medium-term management plan period for fiscal 2024 and onwards.

We are promoting shareholders' return, including share buyback regarding an excess of appropriated equity capital, by awareness of the optimal capital structure, securing of investment (required) to enhance corporate value, and strengthening the stability of the financial basis.

## Changes in the Business Environment and Action Based on the Medium-Term Management Plan

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



\* EU-ETS: EU Emission Trading System

Since the outset of 2022, the business environment has been murky amid a decoupling of the economy against a background of increasing geopolitical risks, rising interest rates to combat increased inflationary pressures, and fluidity in government policy on energy in search of an energy mix that facilitates the movement toward low-carbon and carbon-free footprints. The "K" LINE Group is improving its resilience to market forces by allocating resources in accordance with its portfolio strategy, which leverages its strengths, and continues to increase corporate value by advancing initiatives outlined in the medium-term management plan.

## KPIs for Business Management

Under the fiscal 2022 medium-term management plan, the "K" LINE Group targets sustainable return on equity (ROE) of at least 10%, ordinary income of ¥140 billion in fiscal 2026, and earnings growth in its own businesses. We are committed to achieving our target of ¥140 billion for ordinary income ahead of schedule by improving our own businesses. Through a project to increase the sophistication of corporate management, our aim is to sustain growth by strengthening our business-based corporate management structure with an awareness of the cost of capital by utilizing corporate management KPIs for maximizing corporate value.






	ROIC	ROE	Earnings targets
FY2022 (Result)	29%	58%	<b>Ordinary income</b> <b>¥690.8 billion</b> (of which, ¥83.3 billion was derived from "K" LINE's own business)
FY2026 (Target)	6.0–7.0%	More than 10%	<b>Ordinary income</b> <b>¥140.0 billion</b>
Current progress and response policy	○ We will achieve sustainable growth by implementing an internal management system using business-specific financial KPIs (ROIC, EVA, etc.). The aim is to maximize corporate value during the medium-term management plan period through a project for further advancement of business management.	○ Surpassing targets due to improved performances of the containership business as well as "K" LINE's own businesses.  ○ During the period of the medium-term management plan, we aim to sustainably achieve the target while maintaining an awareness of capital efficiency, including the further strengthening of "K" LINE's own businesses.	○ Good performance in the product logistics segment is currently being maintained.  ○ Efforts will be made for steady target achievement ahead of schedule during the medium-term management plan period through improvements in "K" LINE's own businesses.

**Price book-value ratio (PBR): aim for 1.0 or more**

Based on the medium-term management plan, we will promote the enhancement of earning power and strive to further improve corporate value by maintaining capital efficiency and financial soundness with an awareness of optimal capital structure and cash allocation.

Business Strategy

The "K" LINE Group has been strengthening portfolio management as a business strategy in its medium-term management plan. Management has drawn up strategic directions based on five categories of roles, including the three roles for its own existing businesses, namely the "role of driving growth," "role of supporting smooth energy source conversion and taking on new business opportunities," and "role of contributing by enhancing profitability," in addition to the containership business and new business domains. Management has laid out specific measures and clarified priority issues along with targeted markets and customers.

Business	Role	Strategic direction	FY2022 progress and achievements	Priority issues after FY2023
<ul style="list-style-type: none"> <li>Coal &amp; Iron Ore Carriers</li> <li>Car Carriers</li> <li>LNG Carriers</li> </ul>  <p>Role of driving growth</p>	<ul style="list-style-type: none"> <li>Achieving growth by taking on environmental challenges as opportunities and turning these business areas into mainstays of Groupwide profitability</li> <li>Securing market share with existing and new customers</li> <li>Achieving growth that surpasses market growth</li> </ul>	<ul style="list-style-type: none"> <li>Concentrated allocation of management resources</li> </ul>	<p><b>Coal &amp; Iron Ore</b></p> <p>We strengthened our partnerships with target customers, starting with environmental initiatives, centered on steel mills in Japan and South Korea. Progress has been made in establishing a customer-oriented sales structure in India and the Middle East. By optimizing internal and long-term chartered vessel capacity, we have enhanced our responsiveness and resilience to changes in market conditions.</p> <p><b>Car Carriers</b></p> <p>We expanded our transportation capacity by addressing demand from existing finished vehicle OEMs and demand for high &amp; heavy cargo. By basing our operations on a strong customer base and designing routes and maintaining fleets accordingly, we promote sustainable growth with a strong customer base together with balanced route design and fleet development.</p> <p><b>LNG Carriers</b></p> <p>The "K" LINE Group expanded business by securing a total of 12 long-term charter contracts in Qatar, its largest customer. The Company also entered into several long-term charter contracts with the Petronas Group, in Malaysia.</p>	<p><b>Coal &amp; Iron Ore</b></p> <p>While expanding the rollout of Seawing, the "K" LINE Group will strengthen its ship management structure and step up investments in growth to expand the fleet in response to demand for reducing GHG emissions, such as ships fueled by LNG and ammonia.</p> <p><b>Car Carriers</b></p> <p>We will continue to maintain the fleet and address customer demands pertaining to environmental measures, such as reducing GHG emissions. We will also focus on the establishment of a transportation system for battery electric vehicles (BEVs) and on capturing related transportation demand.</p> <p><b>LNG Carriers</b></p> <p>The "K" LINE Group continued to increase the number of vessels to match customer demand and strengthen its customer base in emerging regions, including China, Malaysia, India, and Indonesia.</p>
<ul style="list-style-type: none"> <li>Thermal Coal</li> <li>VLGC / VLCC</li> </ul>  <p>Role of supporting smooth energy source conversion and taking on new business opportunities</p>	<ul style="list-style-type: none"> <li>Transforming our business structure while helping customers transform their energy mix</li> </ul>	<ul style="list-style-type: none"> <li>Business risk minimization</li> <li>Responding to demand for alternative fuels</li> </ul>	<p>For thermal coal carriers, very large crude carriers (VLCCs), and liquefied petroleum gas (LPG) carriers, we promote operations based on medium- to long-term contracts, ensuring stable revenue.</p>	<p>We aim to lock onto new energy demand by maintaining and enhancing transportation quality technology, and updating ship management and operational systems to cater to new transportation demand.</p>
<ul style="list-style-type: none"> <li>Bulk Carriers</li> <li>Short Sea and Coastal</li> <li>Port / Logistics</li> </ul>  <p>Role of contributing by enhancing profitability</p>	<ul style="list-style-type: none"> <li>Strengthening resistance to market fluctuation and securing stable income</li> <li>Business strategy seeking synergy</li> </ul>	<ul style="list-style-type: none"> <li>Asset-light strategy (Bulk Carriers)</li> </ul>	<p><b>Bulk Carriers</b></p> <p>The "K" LINE Group achieved asset-light operations through structural reforms. Ongoing measures to improve efficiency in operations and ship allocation has led to lower operating costs.</p> <p><b>Short Sea and Coastal / Port / Logistics</b></p> <p>Profitability improved in the logistics and port business, as well as short sea and coastal shipping following a withdrawal from unprofitable routes.</p>	<p><b>Bulk Carriers</b></p> <p>We will continue efforts to increase profitability through appropriate management of market exposure and improvements in vessel allocation efficiency.</p> <p><b>Short Sea and Coastal / Port / Logistics</b></p> <p>The "K" LINE Group will acquire reliable cargo, such as through medium- to long-term contracts for biomass fuel transportation, and promote collaboration aimed at creating synergy within the Group.</p>
<ul style="list-style-type: none"> <li>Containerships</li> </ul>  <p>Role of supporting the business as a shareholder and stabilizing the earnings base</p>	<ul style="list-style-type: none"> <li>Stabilization of Groupwide earnings</li> </ul>	<ul style="list-style-type: none"> <li>Maximizing corporate value through ongoing human resource support and involvement in management governance</li> </ul>	<p>Amid robust cargo demand, freight rates remained high, resulting in increased ordinary income and net income for ONE.</p>	<p>We will continue to support ONE as it steadily carries out business operations through agile responses to trends in market demand.</p>
<ul style="list-style-type: none"> <li>Projects for emissions reduction and decarbonization</li> </ul>  <p>Expansion of new businesses in fields where "K" LINE can utilize its strengths</p>	<ul style="list-style-type: none"> <li>Expansion of business areas where "K" LINE's capabilities can be utilized and advanced</li> </ul>	<ul style="list-style-type: none"> <li>Pursuing synergies between "K" LINE and our subsidiary companies</li> </ul>	<p>We began to collaborate with Penta-Ocean Construction in ship management and other matters in the field of offshore wind power construction and maintenance. We also further participated in the liquefied CO<sub>2</sub> transport business, as well as the hydrogen and ammonia transport business.</p>	<p>Advancements also continue in the offshore support vessel for wind power generation business and the liquefied CO<sub>2</sub> transport business—such as by participating in the world's first full-scale carbon dioxide capture and storage (CCS) project, Northern Lights—as well as the hydrogen and ammonia transport business.</p>

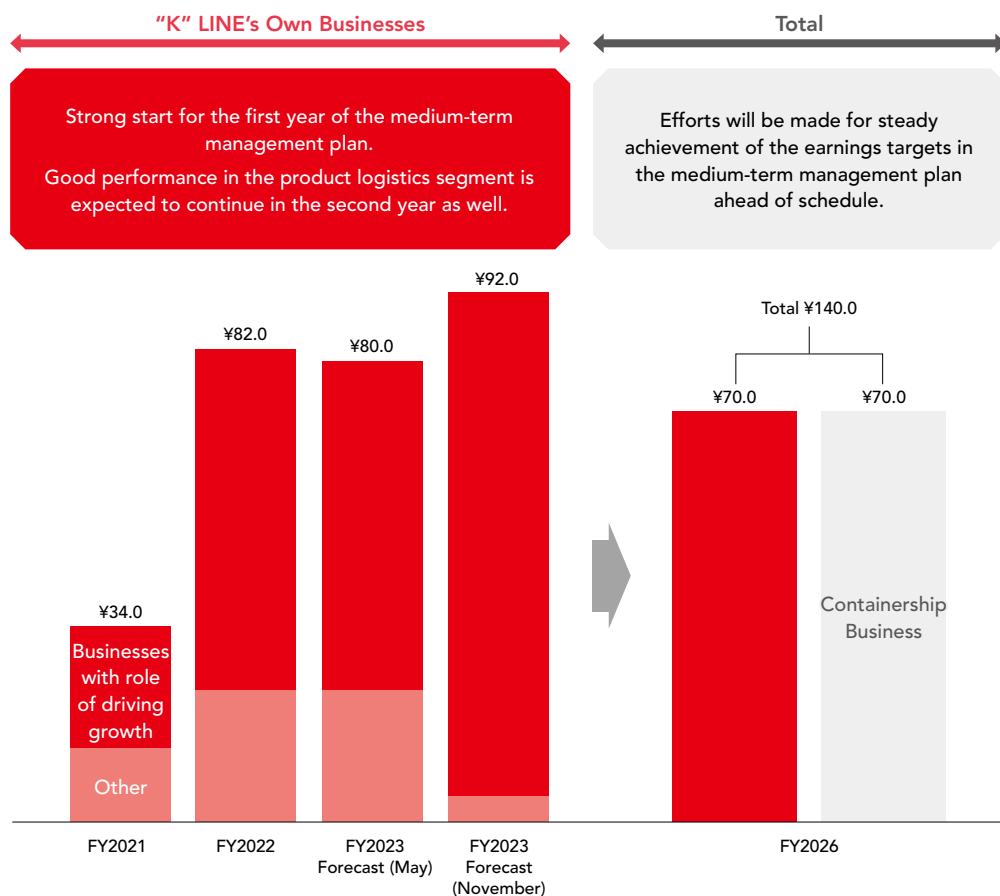
Capital Policy

▶ Profitability Target and Results

In fiscal 2022, among our own businesses, the three businesses positioned as growth drivers grew steadily. As a result, the "K" LINE Group reported solid earnings, effectively achieving ahead of schedule its income target for a single fiscal year, with ordinary income reaching ¥82.0 billion. Fiscal 2022 marked an excellent start as the inaugural year of our medium-term management plan. We will continue to work toward reliably achieving ahead of schedule our target for ordinary income of ¥140.0 billion, and then to maintain and expand ordinary income.

Ordinary Income / Loss

(Billion yen)

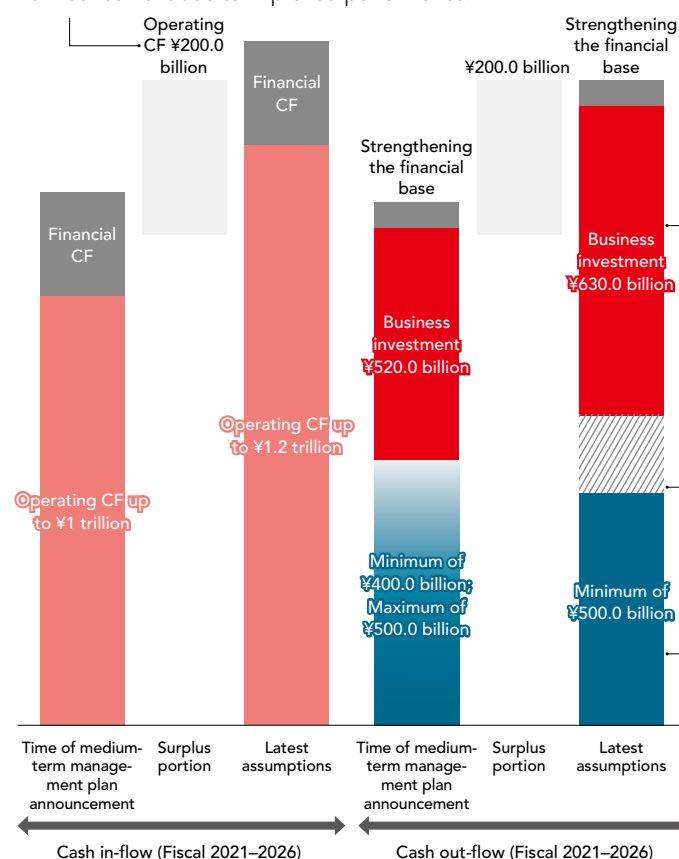


Note: The allocation method for SG&A expenses has been partially changed from FY2023. FY2022 actual figures for comparison were also created using the method after the change.

▶ Cash Allocation

As a result of improvement in fiscal 2022 earnings, the Company expects operating cash flow from fiscal 2021 through fiscal 2026 to exceed its target of ¥1 trillion, which was set at the formulation of the medium-term management plan, by ¥200 billion, for a total of ¥1.2 trillion. With this larger-than-expected cash flow, management intends to increase business investments for improving corporate value by ¥110 billion and raise the minimum amount of total returns for shareholders by at least ¥100 billion. Accordingly, our cash allocation plan as of fiscal 2023 calls for ¥630 billion in total business investments over the five-year period starting in fiscal 2022 and a minimum of ¥500 billion for shareholder returns. The "K" LINE Group will continue to maintain its financial position.

Operating cash flow (CF) is expected to increase by ¥200.0 billion compared with the initial plan announcement due to improved performance.



Approach to resource allocation for surplus cash flow

When using the generated cash, we will strive for a balance between investment in growth and shareholder returns.

Due to factors such as exchange rate fluctuation effects and new investment opportunities, we plan to invest ¥630.0 billion from the cash flow increase of ¥110.0 billion compared with the time of the medium-term management plan announcement.

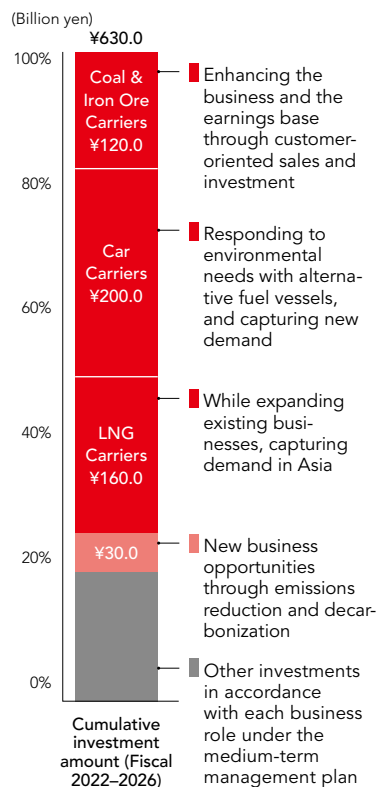
Investment / shareholder returns

We plan to return ¥500.0 billion or more to shareholders thanks to the operating cash flow surplus (minimum raised by more than ¥100.0 billion from ¥400.0 billion).

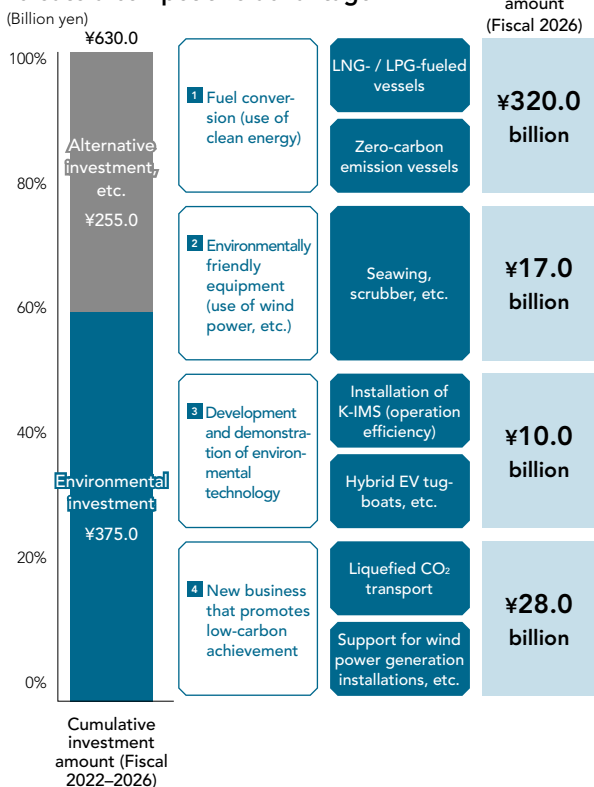
**Business Investment Plan**

Over the five-year period from fiscal 2022 to 2026, the "K" LINE Group plans to invest ¥630 billion, an increase of ¥110 billion from the ¥520 billion originally planned at the formulation of the medium-term management plan. This ¥110 billion increase reflects the overshoot in operating cash flow in fiscal 2022. Based on our medium-term management plan, investments will focus on growth drivers and environmental measures while exercising investment discipline in view of risks and returns according to business characteristics and objectives. The "K" LINE Group will concentrate about 80% of the total business investment amount in the three businesses positioned as growth drivers. Roughly 60% of the total business investment amount will be in environment-related initiatives that help maintain and strengthen a competitive advantage while addressing needs for moving toward realizing a low-carbon and carbon-free footprint.

**Focusing 80% of investment on role of driving growth**



**Allocating 60% of investment on environmental measures that can create a competitive advantage**



**Returns to Shareholders**

The "K" LINE Group has a target for total returns to shareholders during the medium-term management plan at least ¥500 billion, including the ¥250 billion already returned to shareholders during fiscal 2021 and fiscal 2022. The Company plans to return at least ¥250 billion to shareholders from fiscal 2023 onward, and has increased the basic dividend to ¥120 per share. In fiscal 2023, the Company has completed share buy-back of 11,676,000 shares with a total value of ¥56.2 billion as additional shareholder returns. Also, the Company revised its dividend forecast for fiscal 2023 and fiscal 2024, with a revised additional dividend of ¥130 per share, resulting in an annual dividend of ¥250 per share. Management will continue to consider active shareholder returns based on investment for growth and cash allocation that takes into account the optimal capital structure, and plan to make an announcement on an update in May 2024.

		Actual		Plan		
		FY2021-2022	FY2023	FY2024	FY2025	FY2026
Dividend and additional shareholder return per share	Additional shareholder return	<ul style="list-style-type: none"> <li>We are continuing to investigate the total return amount of ¥500.0 billion or more.</li> <li>In May 2024, we plan to announce the shareholder return policy for the remaining medium-term management plan period for FY2024 and onward.</li> </ul>				
	Responsive return delivery		Share buy-back ¥56.2 billion			
	Additional dividend		Additional dividend ¥130 / share	Additional dividend ¥130 / share		
	Basic dividend		Basic dividend ¥120 / share	Basic dividend ¥120 / share	Basic dividend ¥120 / share	Basic dividend ¥120 / share
Total return amount	Responsive return delivery		¥56.2 billion			
	Additional dividend		¥31.0 billion (¥130 / share)	¥31.0 billion (¥130 / share)		
	Basic dividend		¥29.0 billion (¥120 / share)	¥87.0 billion (¥29.0 billion / year) (Basic dividend ¥120 / share)		
	Total return amount	¥250.0 billion		¥250.0 billion-		

\* The amount of the dividend is based on shares before the stock split (each share of common stock owned by shareholders to be split into three shares per share), which has an effective date of April 1, 2024.

Business Base

▶ "K" LINE Group's Six Capitals

The "K" LINE Group's management capital lies in technologies for safety in navigation and cargo operations and expertise accumulated over many years. We possess human resources and organizations that transform these capabilities into value that meets the unique needs of our customers. As a result, the strong partnerships we have forged with acquired customers are important capital assets that underpin our business activities. Fusing these capital assets leads to growth for the "K" LINE Group and greater corporate value. We aim to augment these assets in accordance with our corporate philosophy: "As a logistics company rooted in the shipping industry, we help make the lives of people more affluent."

Direction of Functional Strategy to Manage Business Strategy



**Environment · Technology**  
Continuing initiatives to pursue new technologies while also enhancing measures for technology investigation and verification in preparation for implementation



**Digital Transformation**  
Enhancing the core values of safety, environmental conservation, and quality through the utilization of data and digital technology and increasing the added value of our services



**Safety · Ship Quality Management**  
Enhancing the organization system, which covers safety and quality management in both worldwide marine transport businesses and regional businesses



**HR · Organization**  
While embracing diverse values, securing the quality and quantity of human resources for each business portfolio



Financial Capital

Maintaining both capital efficiency and financial soundness based on an awareness of optimal capital structure and cash flow

The "K" LINE Group unveiled its medium-term management plan in May 2022, having observed major improvements to its financial position on the strength of increased earnings. The Company announced plans to proactively return value to shareholders while monitoring cash flow for the portion of capital that exceeded requirements for investing to enhance corporate value and maintain a healthy financial position. In the first fiscal year of the medium-term management plan, earnings were higher than forecasted, mainly in our own businesses. Management is reviewing its outlook for operating cash flow through 2026, investment plans, and targets for shareholder returns. We are committed to advancing further business management by introducing management indicators for each business with the cost of capital in mind.

Human Capital

People and organizations that continuously support logistics infrastructure in global society

Hiring and training personnel who support all-important safety in fleet navigation, lead change, and sustain growth in our businesses, and capably address changes, in the business environment is an issue of utmost importance to the "K" LINE Group. We strive to create a work environment where employees with diverse values can thrive and apply their abilities.

Theme of enhancing functional strategy



Equipment Capital

Fleet with appropriate flexibility to manage business strategy

Having completed structural reforms by 2021, the "K" LINE Group has been advancing various initiatives under the new medium-term management plan. These include focusing on the growing coal & iron ore carrier, car carrier, and LNG carrier businesses, introducing environmentally friendly ships such as LNG and ammonia carriers, replacing existing vessels, strengthening cost competitiveness through fleet upsizing, ensuring fleet flexibility in light of the risk of a retreat in demand, and organizing fleets capable of meeting diverse transportation needs, including high & heavy cargo. We are also promoting the development and introduction of environmentally friendly systems, such as Seawing and Kawasaki Integrated Maritime Solutions.

Theme of enhancing functional strategy



Intellectual Capital

Evolving environment · technology · innovation

The "K" LINE Group is keen to provide top-class industry solutions by addressing environmental needs for a low-carbon and carbon-free footprint, not only at "K" LINE but also among customers and throughout society; developing zero-emission vessels, including the establishment of a fuel supply network; and deploying advanced digital technologies for autonomous navigation, breakdown prediction, and energy conservation. Through these initiatives, we are refining our core values in safety, quality, and the environment.

Theme of enhancing functional strategy



Social and Relationship Capital

Solid customer base and partnerships backed by experience

Building on a customer base established through our track record of safe transportation, we aim to strengthen relationships with customers who share our view that low-carbon and carbon-free initiatives are a growth opportunity. In addressing social issues such as decarbonization, we participate in councils and joint research with both domestic and international partners. We are also revising our materiality with the intention of becoming a more trusted partner for all stakeholders.

Theme of enhancing functional strategy



Natural Capital








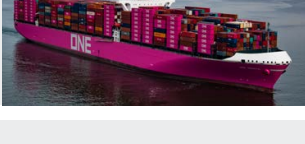
Contributing to the preservation of maritime environments

As a company for which oceans, a form of natural capital, are its business area, we strive to balance our ongoing developments and contributions to a sustainable society. Under the "K" LINE Environmental Vision 2050, we are committed to reducing environmental impacts, such as moving toward low-carbon and carbon-free operations and society as a whole, and conserving biodiversity.

Theme of enhancing functional strategy





Segment	Business	Business Overview	
Dry Bulk	Coal & Iron Ore Carrier Business / Bulk Carrier Business		We transport a large volume of dry bulk cargoes including iron ore, iron and steel products (steel stock), woodchip, grain and coal. We are expanding our business internationally by actively engaging in transportation of cargoes bound for not only Japan but also Korea, China, India and the Middle East, as well as trade between third countries within the Atlantic region. We are taking on the challenge of low/decarbonization such as wind power, biofuel, LNG fuel, methanol fuel, and ammonia fuel.
Energy Resource Transport	Tanker Business / Fuel Business		We transport oil-related cargoes such as crude oil and liquefied petroleum gas (LPG). We have developed a global business for customers both in Japan and overseas since the completion of the first large tanker in 1935, the first LPG tanker in 1974 and the new dual-fuel LPG/ammonia carrier AXIS RIVER in 2023. In addition to procuring bunker fuel (heavy oil, marine diesel oil, LNG, biofuel, etc.) for "K" LINE fleets, the Fuel Business conducts study projects of LNG / ammonia bunkering and liquefied hydrogen carriers aimed at enhancing fleet environmental performance.
	Electricity and Offshore Business		Our "Corona Series" of wide-beam, shallow-draft coal carriers, developed in-house in accordance with port restrictions of Japan's thermal power plants, provides safe and reliable transportation of coal mainly to power utility companies in Japan and Taiwan. In the Offshore Business, we participate in a drillship project off Brazil and a floating production, storage and offloading system (FPSO) off Ghana.
	LNG Carrier Business / Carbon-Neutral Promotion Business		In the LNG Carrier Business, we offer global transportation of LNG, a fuel source for which demand is increasing worldwide, and provide service to customers with diversifying needs across the LNG value chain. In the Carbon-Neutral Promotion Business, we promote business development related to renewable energy, including offshore wind power generation; carbon capture, utilization, and storage (CCUS); and alternative fuels.
Product Logistics	Car Carrier Business		Since developing and introducing Japan's first pure car carrier (PCC) in 1970, we have continued to provide high-quality transportation service of passenger cars, trucks and other vehicles globally. The business will further enhance its RORO cargo services (roll-on, roll-off cargo services using specialized handling equipment) based on knowledge honed over 50 years. An LNG-fueled car carrier was delivered in fiscal 2020 and fleet optimization is conducted with special care for environmental factors.
	Logistics and Terminal Business		We provide comprehensive logistics services to meet various customer needs for ocean cargo transportation as well as air cargo transportation, tugboats, land transportation, warehousing, and automotive logistics. In addition, we operate container terminals at four ports in Japan—Tokyo, Yokohama, Osaka, and Kobe.
	Short Sea and Coastal Business		Kawasaki Kinkai Kisen Kaisha, Ltd. provides domestic marine transportation and ferry services. It operates ferries, RORO vessels, dedicated limestone carriers for steel mills, dedicated thermal coal carriers for electric power utilities and also general cargo carriers. It also operates general cargo and bulk carriers for cargo to and from Asia. Furthermore, it has started offshore support vessel operations around Japan to further enhance the business.
	Containership Business		In April 2018, the containership businesses of three Japanese shipping companies were integrated to form a new company, ONE. The "K" LINE Group currently operates a containership fleet of over 200 vessels totaling 1.52 million TEU. Through our extensive service network covering more than 120 countries worldwide, we provide reliable and prompt international transportation services.
Other			Ship management business, travel agency business, and real estate rental and management business

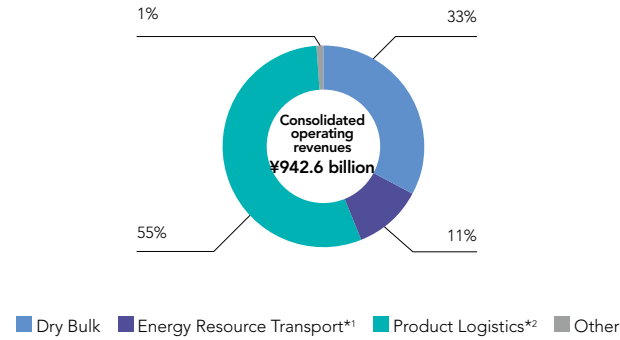
Vessel types	Cargo types
Capesize	Iron ore, coking coal and bauxite
Panamax	
Handymax	Steaming coal, iron ore, grain, salt, nickel ore, steel products and alumina, etc.
Small handy	
Woodchip carriers	Woodchip, etc.

Vessel types	Cargo types / Business
Oil tanker / VLCC	Crude oil
Oil tanker / Aframax	
LPG carriers	Liquefied petroleum gas (propane / butane)
LNG bunkering vessel	LNG as marine fuel
Thermal coal carriers	Steaming coal, etc.
Drillship mobile	Offshore drilling unit
FPSO	Floating production storage and offloading system
LNG carriers	LNG

Vessel types	Cargo types
Car carriers	Complete built-up cars, large vehicles (bus / trucks etc), construction machinery, agricultural machinery, static cargo, etc.
Short sea, coastal ships, and RORO vessels	Coking coal, limestone, steel products, biomass power generation fuel, paper products, foods and construction materials, etc.
Containerships	General consumer goods, parts, industrial products, precision machinery, food, wood products, dry cargo such as raw materials, etc., and frozen food, etc.

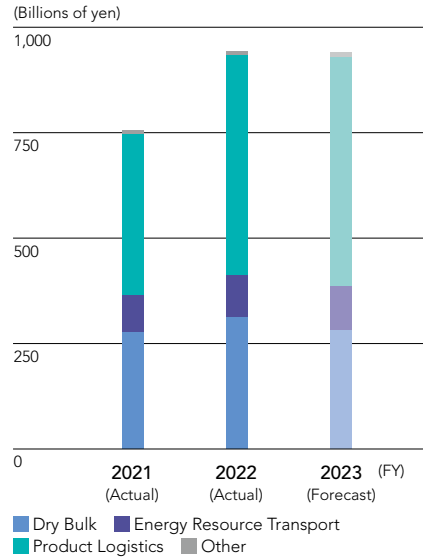


"K" LINE Group Operating Revenues by Segment (FY2022)

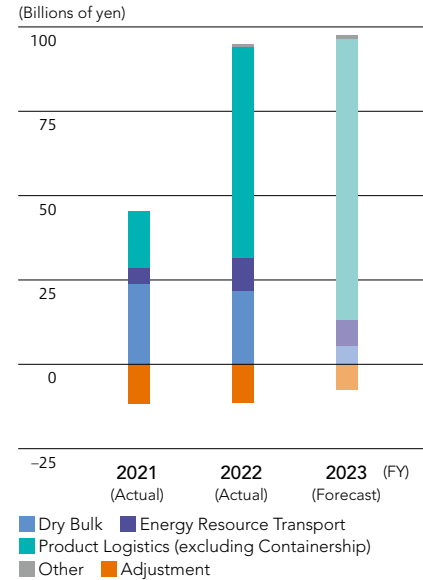


\*1. The Energy Resource Transport segment includes the Tanker and Fuel Business, Electricity and Offshore Business, LNG Carrier Business, and Carbon-Neutral Promotion Business.  
 \*2. The Product Logistics segment includes the Car Carrier Business, Logistics Business, Terminal Business, Short Sea and Coastal Business, and Containership Business.

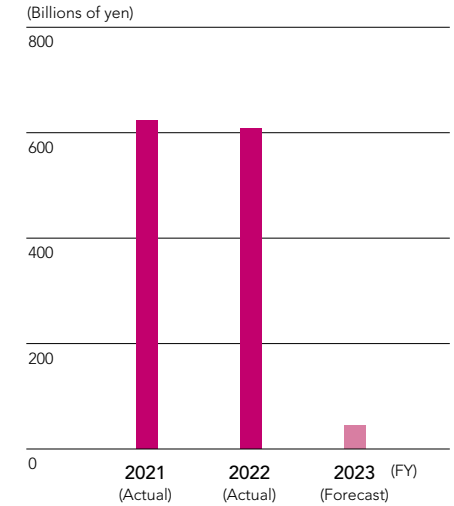
Operating Revenues by Segment



Ordinary Income (Loss) by Segment ("K" LINE's Own Businesses)

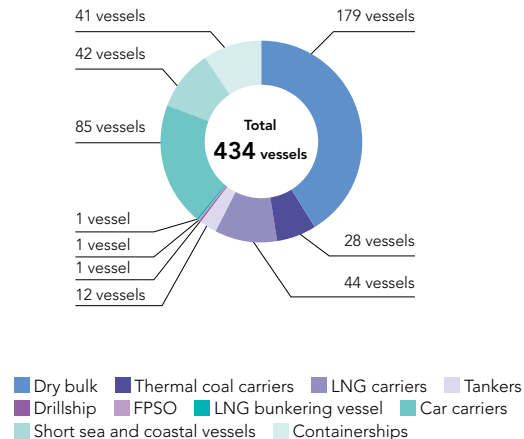


Containership Business Ordinary Income



Note: FY2023's forecasts for operating revenues by segment, ordinary income by segment ("K" LINE's own businesses), and the Containership Business's ordinary income are as of February 2024.

"K" LINE Group Vessels in Operation (as of March 31, 2023)

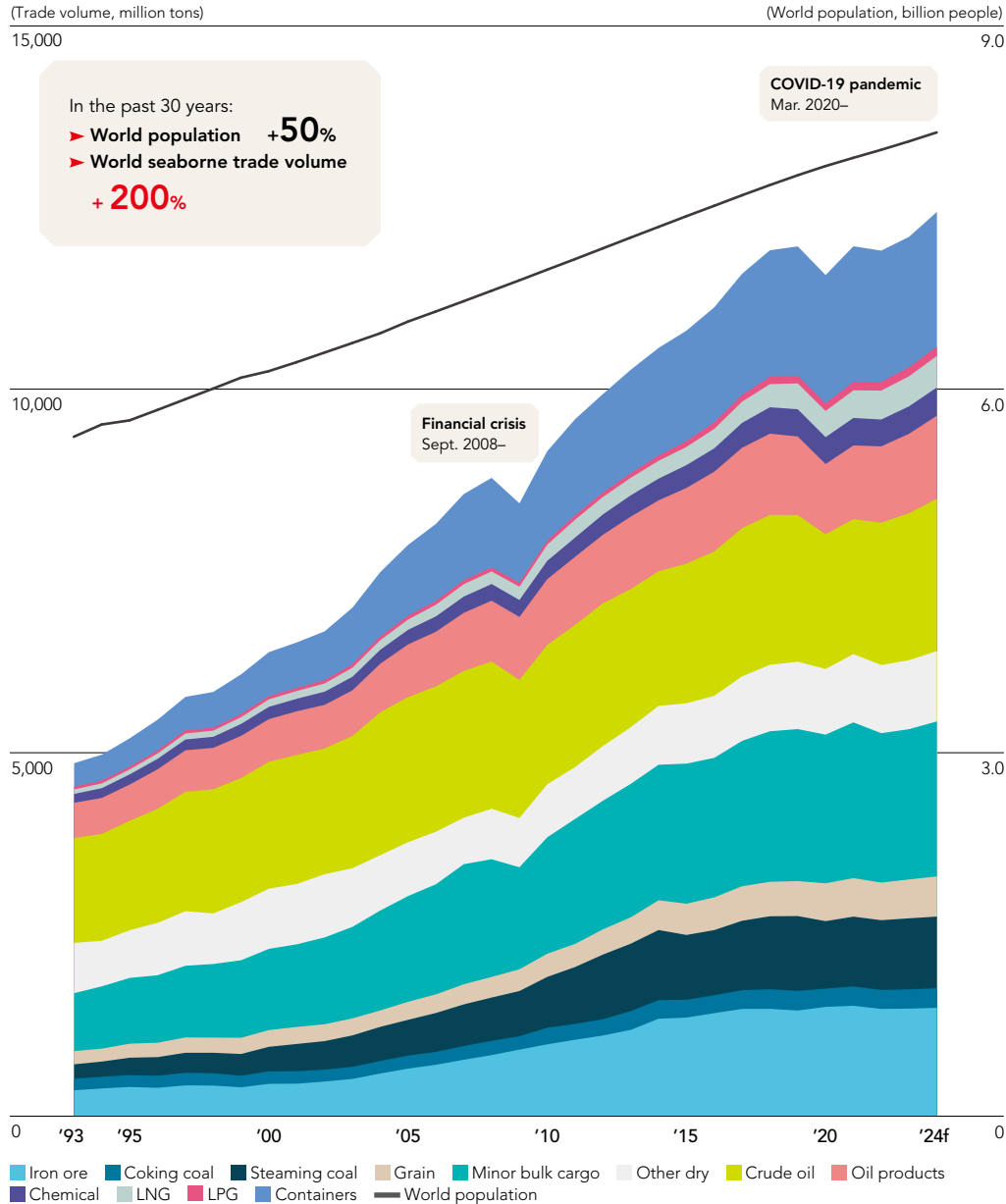


"K" LINE Group Vessels in Operation

Type of vessel	FY2020			FY2021			FY2022		
	Owned	Chartered	Total	Owned	Chartered	Total	Owned	Chartered	Total
Dry bulk	52	129	181	48	126	174	50	129	179
Thermal coal carriers	6	21	27	8	23	31	8	20	28
LNG carriers	42	2	44	41	2	43	43	1	44
Tankers	11	5	16	11	4	15	9	3	12
Offshore support vessels	6	0	6	0	0	0	0	0	0
Drillship	1	0	1	1	0	1	1	0	1
FPSO	1	0	1	1	0	1	1	0	1
LNG bunkering vessel	1	0	1	1	0	1	1	0	1
Car carriers	33	46	79	33	50	83	31	54	85
Short sea and coastal vessels	25	18	43	25	19	44	24	18	42
Containerships	7	36	43	11	30	41	11	30	41
<b>Total</b>	<b>185</b>	<b>257</b>	<b>442</b>	<b>180</b>	<b>254</b>	<b>434</b>	<b>179</b>	<b>255</b>	<b>434</b>

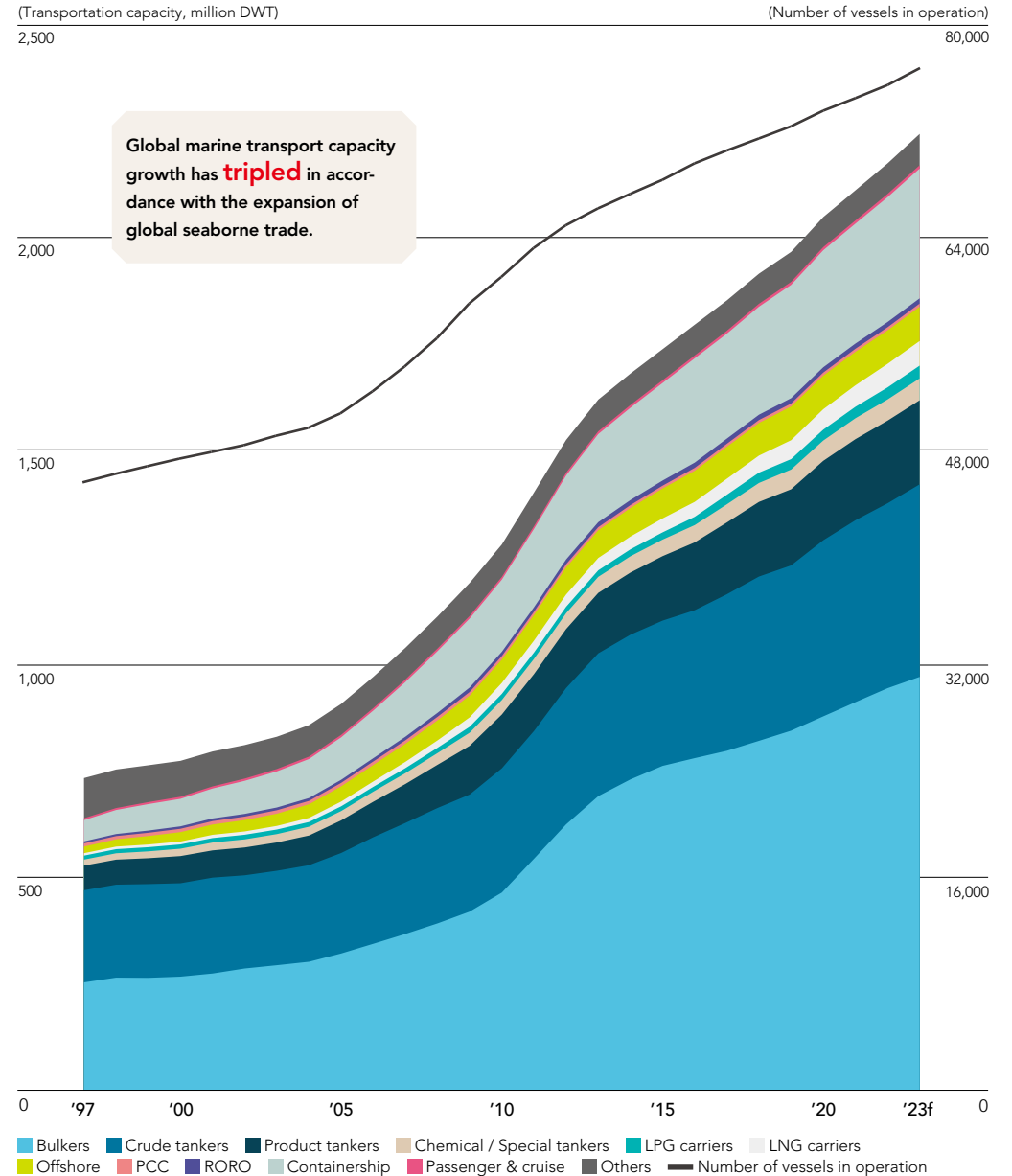
Notes: 1. The number of owned vessels includes co-owned vessels, and deadweight tonnage (DWT) includes shares of other companies' ownership in co-owned vessels.  
 2. Includes flagships and spot and short-term activities at the end of term.

### World Seaborne Trade Volume by Major Cargoes and World Population



Source: Based on Clarksons Shipping Review & Outlook March 2023 and database of the Ministry of Internal Affairs and Communications, Japan, etc.

### Total World Transportation Capacity and Number of Vessels in Operation



Source: Based on Clarksons Shipping Review & Outlook March 2023

### Dry Bulk (All Types) Fleet Ranking

(as of January 2024)

Ranking	Operator	100,000 DWT	Vessels
1	China COSCO Shipping	365.9	328
2	Fredriksen Group	152.7	108
3	Nippon Yusen Kaisha	133.3	146
4	Star Bulk Carriers	131.8	117
5	Berge Bulk	124.6	66
6	China Merchants	119.3	97
7	"K" LINE	119.1	98
8	Pan Ocean	113.4	77
9	ICBC	109.7	35
10	China Dev Bank (CDB)	104.7	118

Note: Owned vessels and a portion of chartered vessels

Source: Clarksons

### Capesize Fleet Ranking

(as of January 2024)

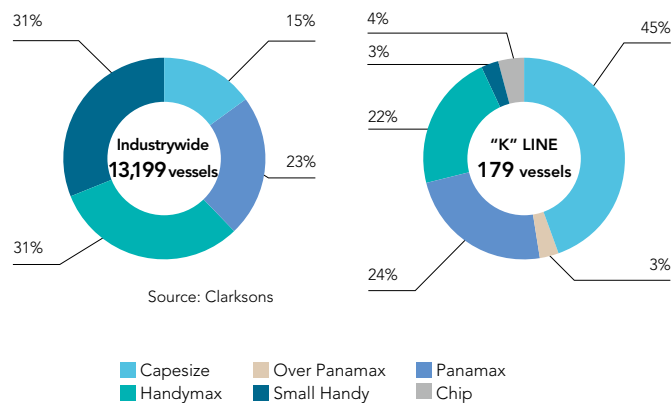
Ranking	Operator	100,000 DWT	Vessels
1	China COSCO Shipping	229.5	92
2	Berge Bulk	119.7	54
3	Fredriksen Group	117.0	62
4	ICBC	108.5	33
5	Pan Ocean	86.0	33
6	China Merchants	82.8	29
7	Winning Intl	82.3	43
8	Angelicoussis Group	81.7	44
9	Polaris Shipping	77.3	29
10	"K" LINE	76.7	39

Note: Owned vessels and a portion of chartered vessels

Source: Clarksons

### Dry Bulk Fleet Composition

(as of March 2023)

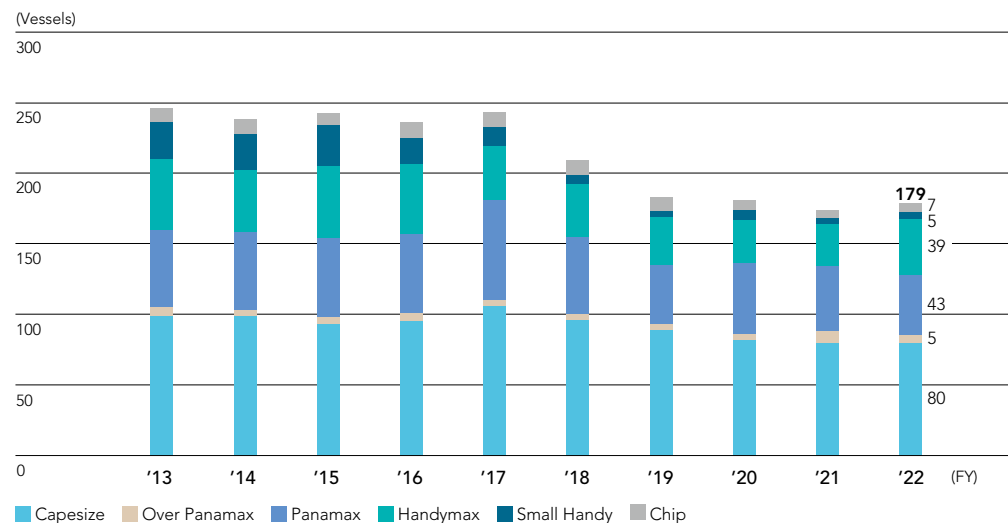


Source: Clarksons

■ Capesize   
 ■ Over Panamax   
 ■ Panamax  
■ Handymax   
 ■ Small Handy   
 ■ Chip

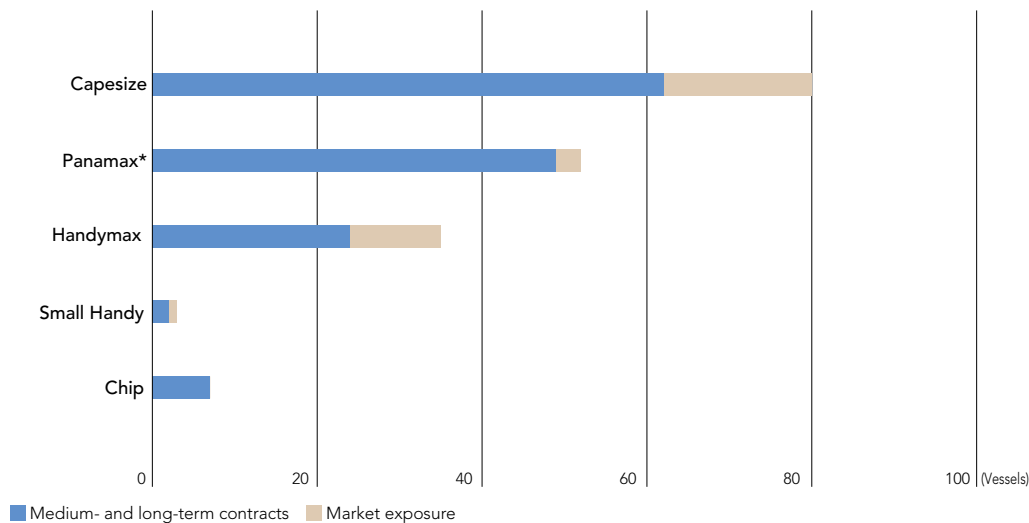
Note: Panamax includes Over Panamax.

### "K" LINE Dry Bulk Fleet



"K" LINE's Dry Bulk Fleet Medium- and Long-Term Contracts Covered Ratio in FY2023 (Forecast)

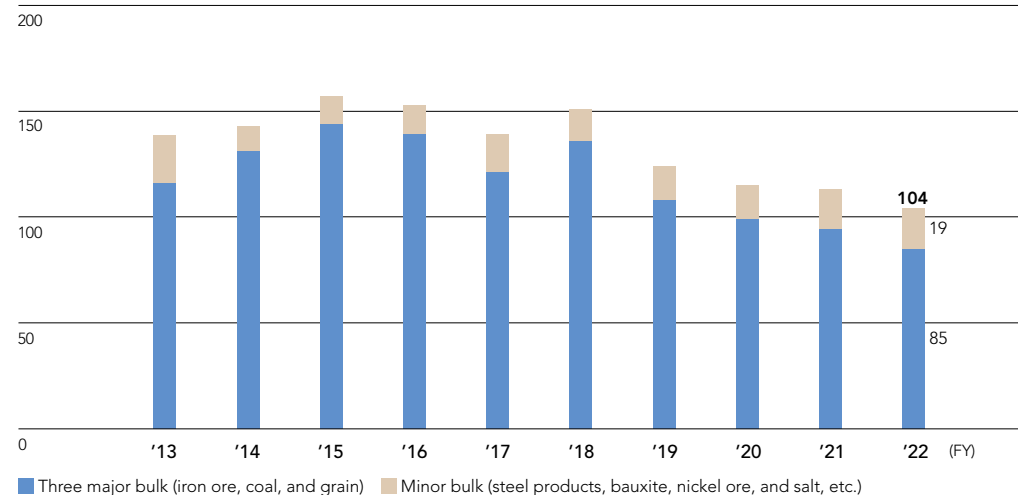
(as of July 2023)



\* Panamax includes Over Panamax.

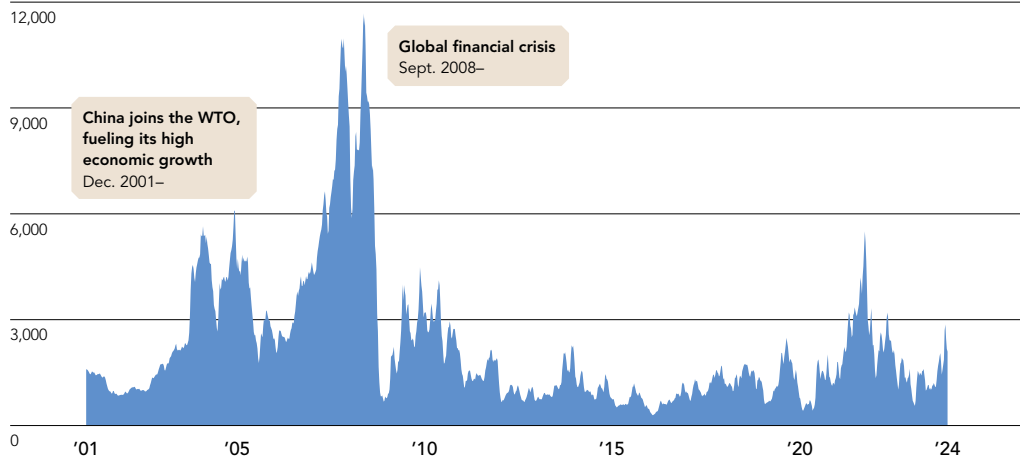
"K" LINE Cargo Tonnage Carried by Dry Bulk Carriers

(Million tons)



Note: The figures from fiscal 2017 exclude the results carried by the Electricity and Offshore Business.

Baltic Dry Index (BDI)



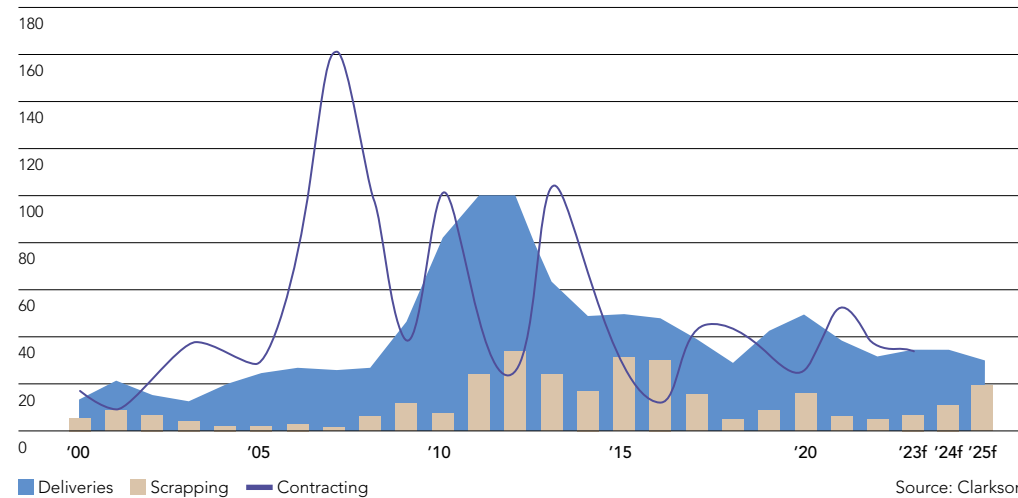
Note: The BDI is January 4, 1985 = 1,000.

Source: Clarksons

Dry Bulk Delivery and Removal Progress

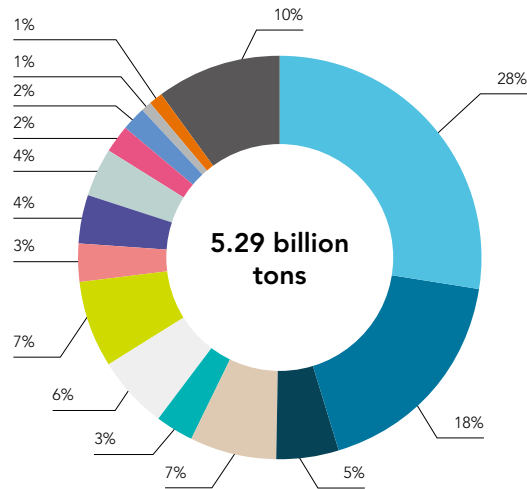
(as of December 2023)

(Million tons)



Source: Clarksons

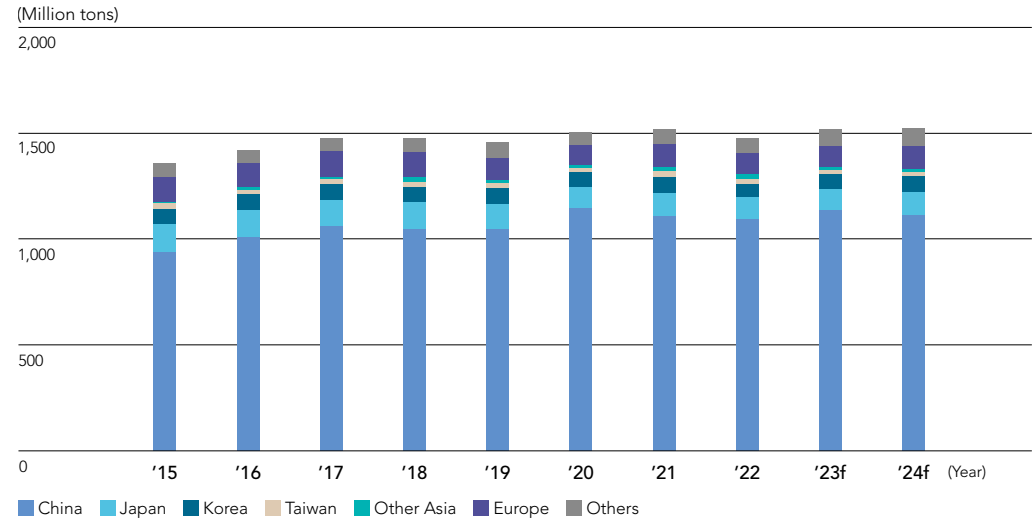
2022 Dry Bulk Cargo: Ocean Transport Commodity Breakdown



■ Iron ore 
 ■ Steaming coal 
 ■ Coking coal 
 ■ Wheat / Coarse grain 
 ■ Soybean 
 ■ Forest products 
 ■ Steel products 
 ■ Fertilizer 
 ■ Bauxite / Alumina 
 ■ Agribulks 
 ■ Cement 
 ■ Scrap 
 ■ Nickel ore 
 ■ Sugar 
 ■ Others 
 Source: Clarksons

Seaborne Iron Ore Imports by Major Country and Region

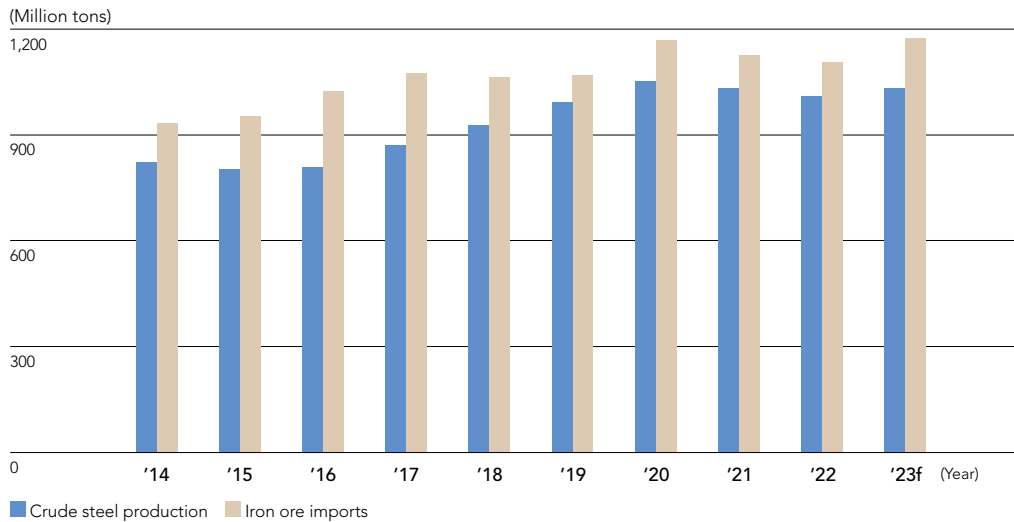
(as of September 2023)



Source: Clarksons

Crude Steel Production and Iron Ore Imports by China

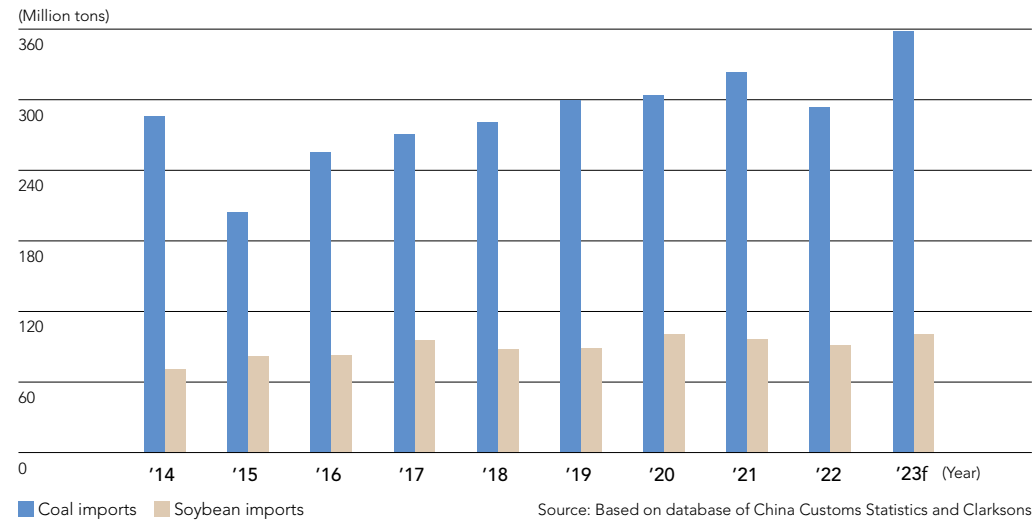
(as of December 2023)



Source: Based on database of National Bureau of Statistics of China, China Customs Statistics, and Clarksons

Coal and Soybean Imports by China

(as of December 2023)



Source: Based on database of China Customs Statistics and Clarksons

**LNG Carrier Fleet Ranking**

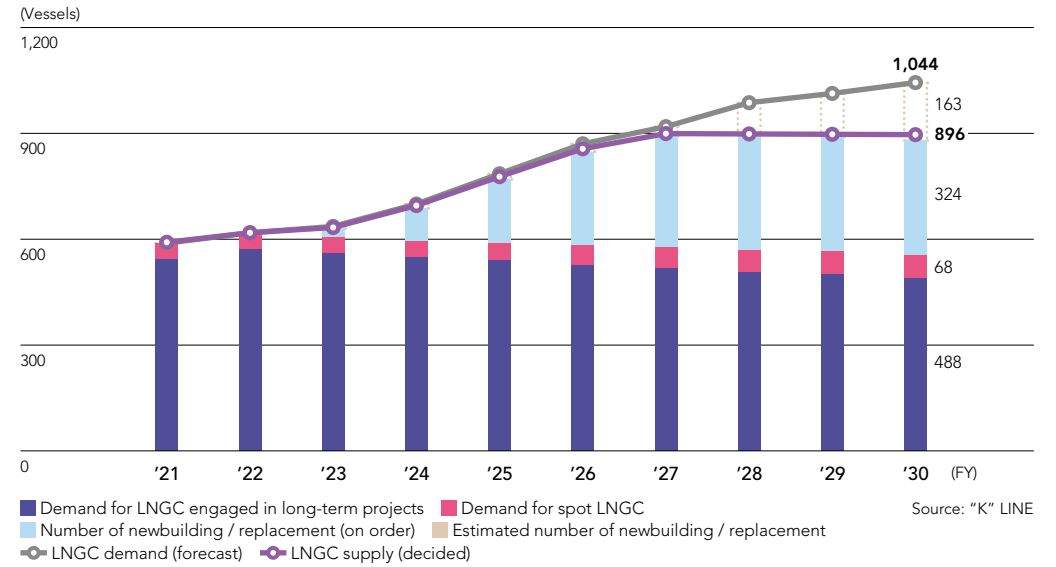
(as of March 2023)

Ranking	Operator	Vessels
1	MOL	94
2	NYK	86
3	Nakilat	69
4	Seapeak	47
5	<b>"K" LINE</b>	<b>44</b>
5	Maran Gas	44
7	MISC	29
8	Gaslog	26
9	Iino Lines	25
10	Bergesen Worldwide	23

Source: "K" LINE

**LNG Carrier (LNGC) Supply and Demand**

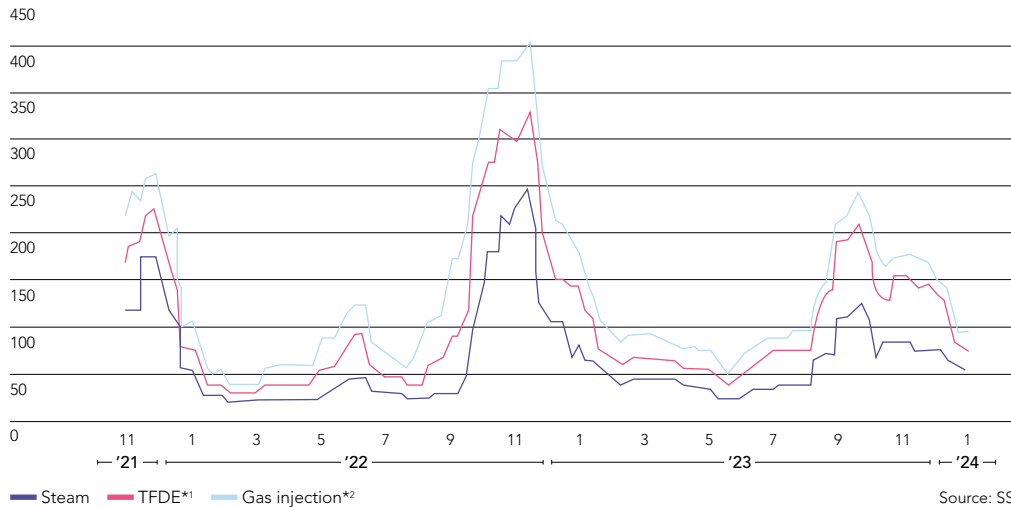
(as of June 2023)



Source: "K" LINE

**LNG Carrier Spot Market**

(Thousand US\$ / day)

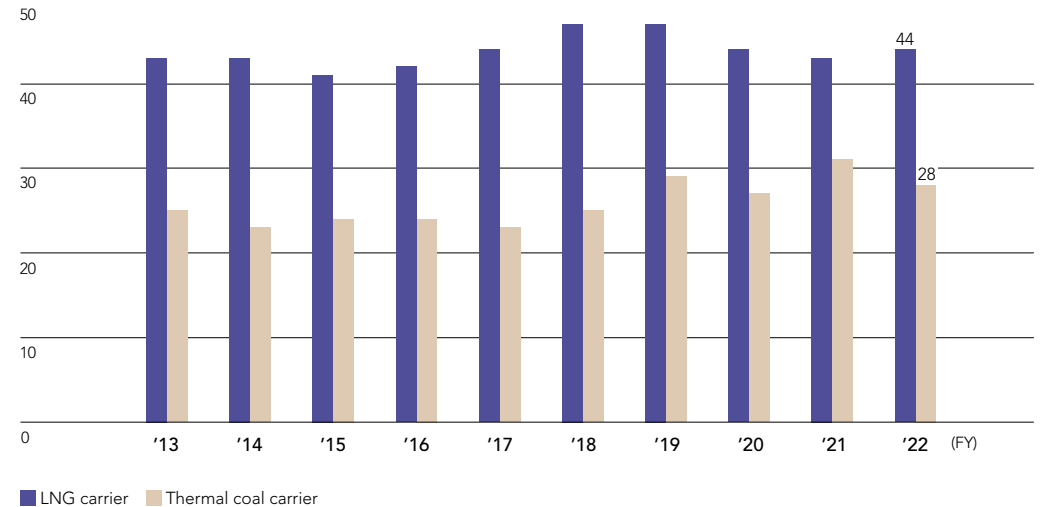


Source: SSY

\*1. TFDE (Tri Fuel Diesel Electric) propulsion plants are propelled by electric motors utilizing power generated by four-stroke engines fueled by boil-off gas or marine diesel oil or heavy oil.  
 \*2. Gas injection propulsion plants are propelled by two-stroke engines fueled by boil-off gas or marine diesel oil or heavy oil.

**"K" LINE LNG Carrier and Thermal Coal Carrier Fleet (Including Co-Owned)**

(Vessels)



Legend: LNG carrier (dark blue), Thermal coal carrier (tan)

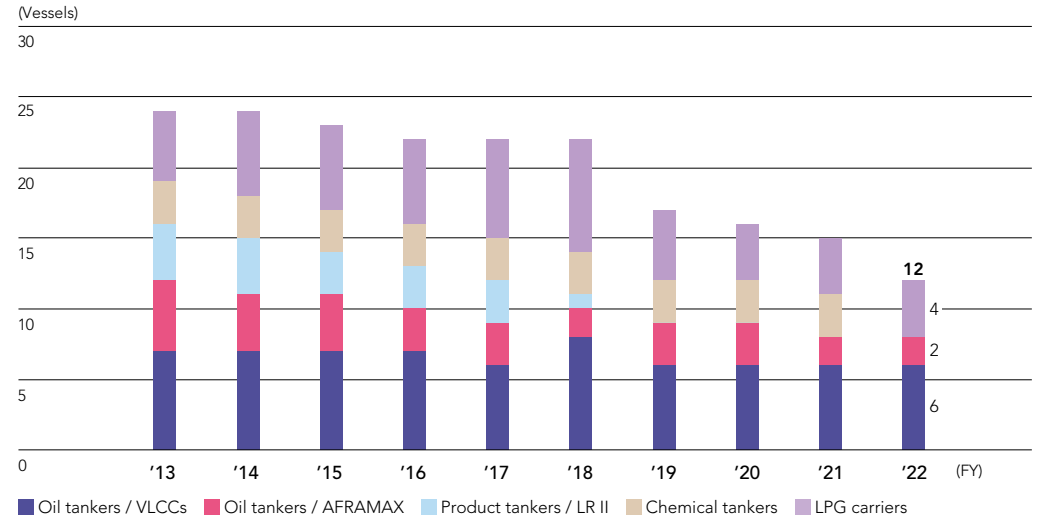
VLCC Fleet Ranking

(as of January 2024)

Ranking	Operator	100,000 DWT	Vessels
1	China Merchants	161.0	52
2	China COSCO Shipping	141.1	46
3	Angelicoussis Group	124.0	39
4	Bahri	118.4	38
5	Nat Iranian Tanker	117.6	38
6	Fredriksen Group	108.5	36
7	Euronav NV	89.5	29
8	DHT Holdings	74.8	24
9	Mitsui OSK Lines	70.8	23
10	SK Shipping	68.9	22
30	"K" LINE	18.4	6

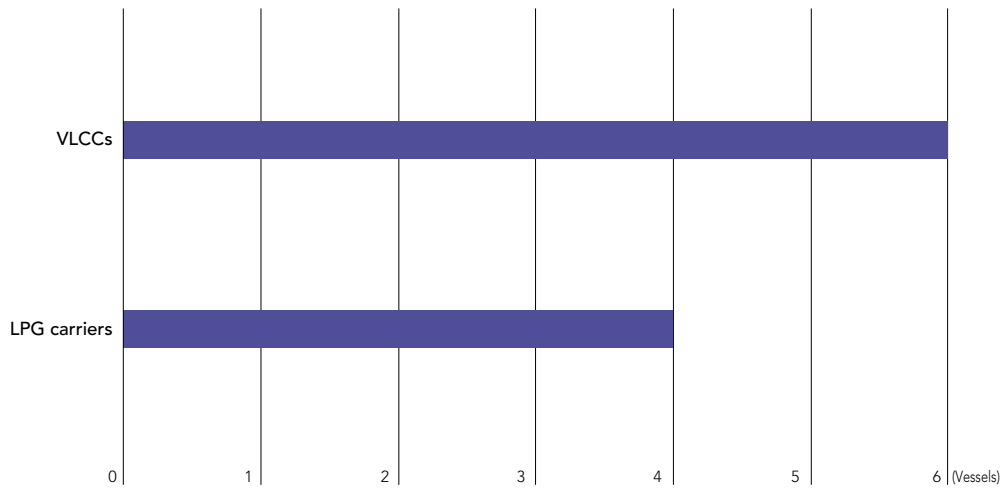
Source: Clarksons

"K" LINE Tanker Fleet Scale



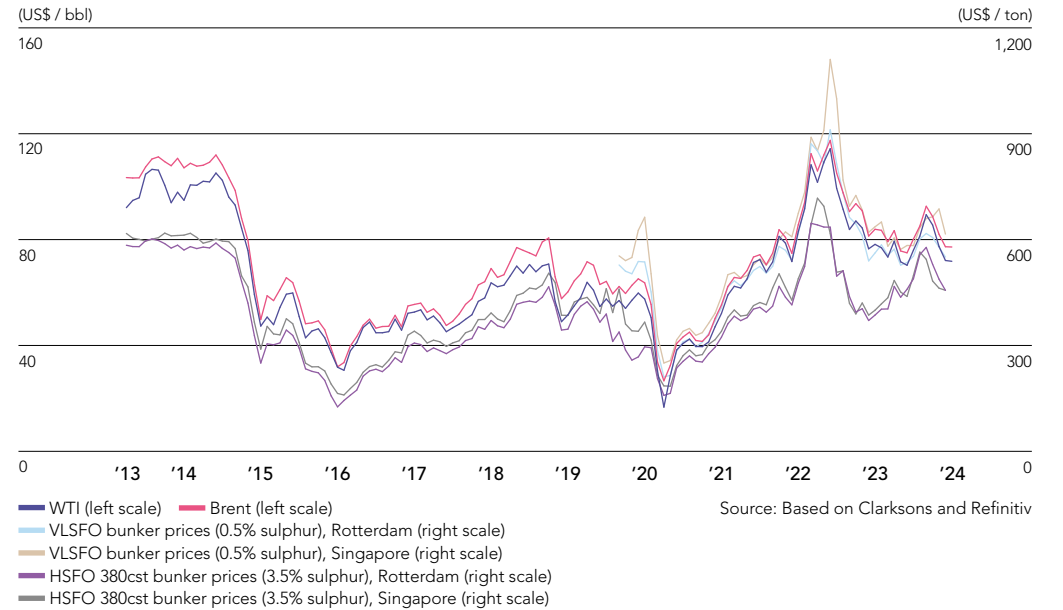
"K" LINE's Tanker Fleet Medium- and Long-Term Contracts Covered Ratio in FY2023 (Forecast)

(as of May 2023)



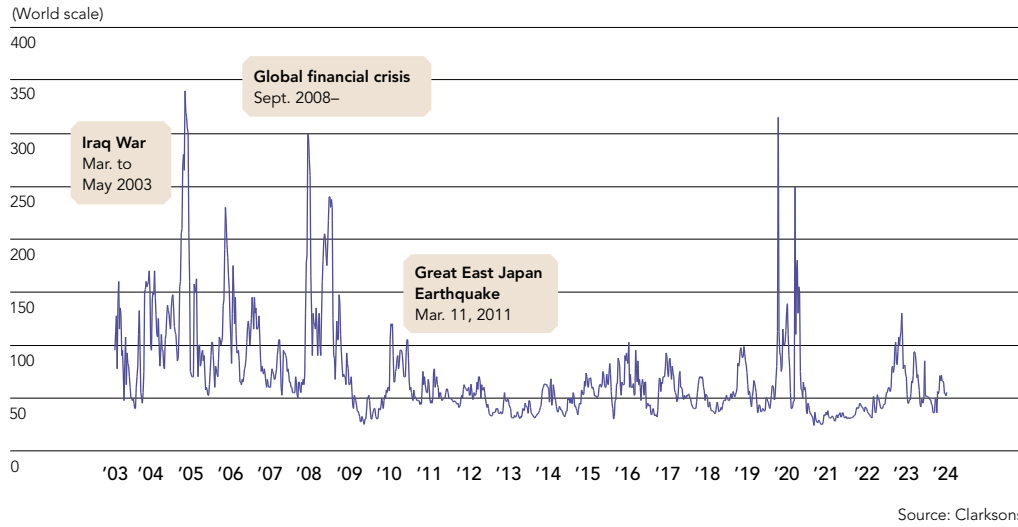
Medium- and long-term contracts

Historical Oil and Bunker Price Trends

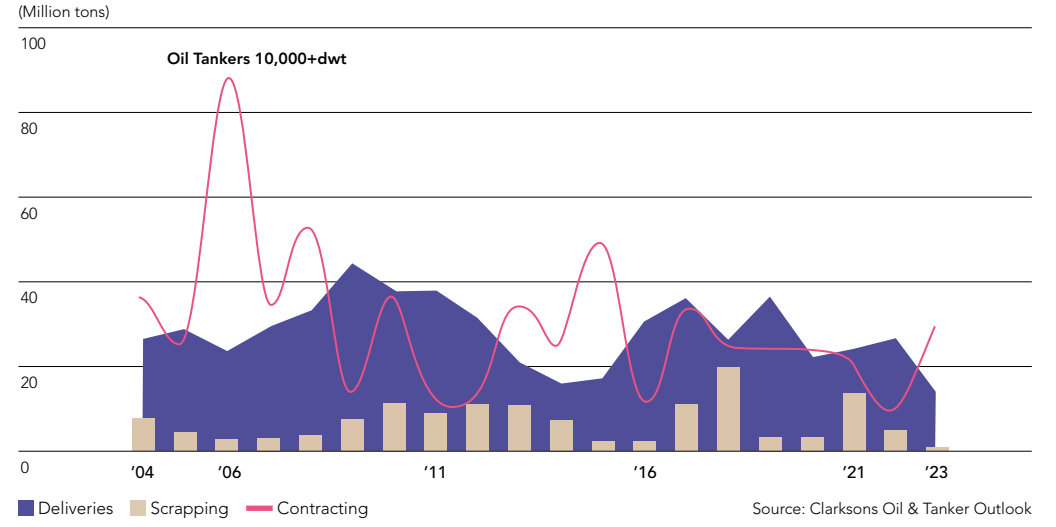




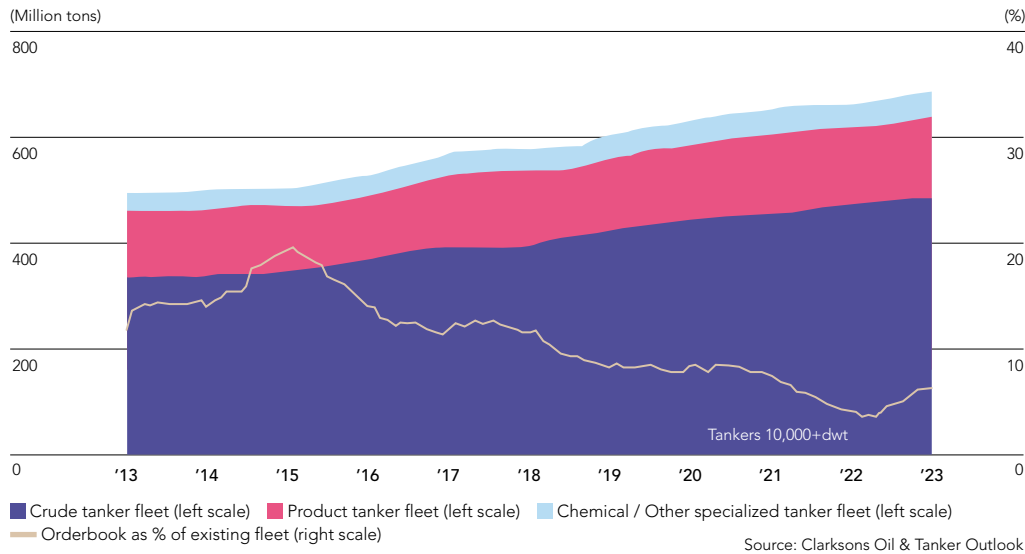
### Tanker Freight Index (World Scale)



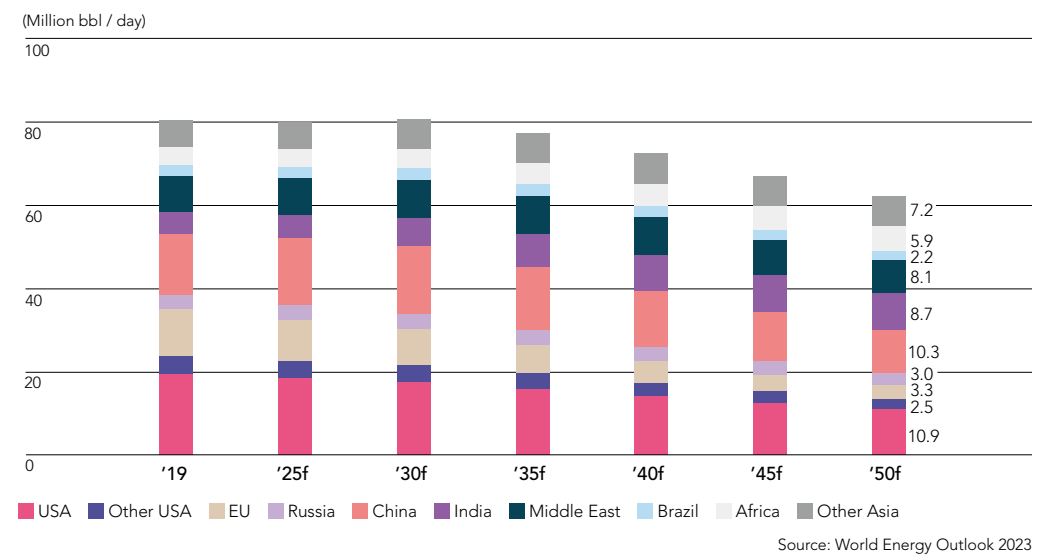
### Tanker Delivery and Removal Progress



### Tanker Fleet and Orderbook



### Forecast of Oil Demand by Country



## Mobile Offshore Drilling Unit (MODU)

- In 2009, "K" LINE participated in the ETESCO project for an ultra-deepwater drillship.
- This ship has been under charter to Petrobras since April 2012. The first well will be drilled in the Franco SW block in water approximately 2,000 meters deep about 200 kilometers off Rio de Janeiro. The area is located in pre-salt fields in which Petrobras holds an interest.
- It is capable of drilling in water depths of 10,000 feet (3,000 meters) and down to 30,000 feet (9,000 meters).



Drillship ETESCO TAKATSUGU J

## Floating Production Storage and Offloading (FPSO) System

- In 2017, an agreement was made on an FPSO owning and chartering business for an oil and gas field situated offshore Ghana.
- From 2017, chartering began for Eni Ghana Exploration and Production Ltd. (15-year long-term).
- The system is producing oil at Offshore Cape Three Point Block (OCTP), approximately 60 kilometers southwest of Ghana.
- In July 2020, an announcement was made for participation in an FPSO owning and chartering business for the Marlim II Project situated offshore Brazil.



FPSO John Agyekum Kufuor, offshore Ghana (Copyright: Yinson Holdings Berhad)

## LNG Bunkering Business

- Commencement of LNG bunkering business in the Chubu region through a joint venture company with JERA Co. Inc. (JERA), Toyota Tsusho Corporation, Nippon Yusen Kabushiki Kaisha (NYK), and "K" LINE in October 2020.
  - LNG bunkering vessel KAGUYA made ship-to-ship LNG fuel supply to our LNG-fueled car carrier CENTURY HIGHWAY GREEN in March 2021.
  - Commencement of technical management of Singapore's first LNG bunkering vessel FUELNG BELLINA owned by FueLNG Pte Ltd\* from February 2021.
- \* A joint venture of the LNG bunkering businesses of Keppel Offshore & Marine Ltd (Keppel O&M) and Shell Eastern Petroleum (Pte) Ltd.



LNG bunkering vessel, KAGUYA, and LNG-fueled car carrier CENTURY HIGHWAY GREEN (Image provided by Central LNG Marine Fuel Japan Corporation)



LNG bunkering vessel FUELNG BELLINA (Image provided by FueLNG Pte Ltd)

## Carbon Neutrality Initiatives

### "K" LINE Enters into Long-Term Contracts with Northern Lights for Three Liquefied CO<sub>2</sub> Vessels —World's First Full-Scale CCS Project—

Kawasaki Kisen Kaisha, Ltd. ("K" LINE), and Northern Lights JV DA signed Bare Boat Charter and Time Charter contracts for two 7,500 m<sup>3</sup> liquefied CO<sub>2</sub> ships\*. The ships will be delivered in 2024 and will contribute to the world's first full-scale carbon capture and storage (CCS) value chain.

The London-based subsidiary "K" LINE LNG Shipping (UK) Ltd. will undertake the management of two ships transporting liquefied CO<sub>2</sub> from industrial emitters, including the Norcem Brevik and Hafslund Oslo Celsio carbon capture facilities, to the Northern Lights CO<sub>2</sub> receiving terminal in Øygarden, Norway.

\* Kawasaki Kisen Kaisha, Ltd. ("K" LINE), and Northern Lights JV DA have signed Bare Boat Charter and Time Charter contracts for a third liquefied CO<sub>2</sub> ship in February 2024.



Northern Lights liquefied CO<sub>2</sub> vessel (Image provided by Northern Lights JV DA)



Northern Lights CO<sub>2</sub> receiving terminal (Under construction in Øygarden, Norway) (Image provided by Northern Lights JV DA)

### Memorandum of Understanding (MOU) Concluded on Joint Evaluation to Establish CCS Value Chain Originated from Japan Aligned with CCS Study in Malaysia

Japan Petroleum Exploration Co., Ltd., JGC Holdings Corporation, JFE Steel Corporation, and "K" LINE have agreed to conduct a joint evaluation aiming to establish the CCS (carbon capture and storage) value chain originated from Japan, aligned with the joint study on CCS in Malaysia with Petroliaam Nasional Berhad, and concluded an MOU among the four companies.

### "K" LINE and KEPCO Signed MOU on the Joint Study of Liquefied CO<sub>2</sub> Shipping for Developing CCS Value Chain

Kawasaki Kisen Kaisha, Ltd. ("K" LINE), has signed an MOU on the joint study of liquefied CO<sub>2</sub> shipping for developing the CCS value chain with the Kansai Electric Power Co., Inc. (KEPCO).

The two companies will jointly study optimal marine transportation schemes and shipping costs of liquefied CO<sub>2</sub> emitted from KEPCO's thermal power plants and aim to develop the CCS value chain in the future.

### Support Vessel Business for Offshore Wind Power Installations, through the Launch of "K" LINE Wind Service, Ltd. (KWS)

KWS has been established as a business platform of the "K" LINE Group for any vessel and transportation business related to offshore wind projects in Japan in June 2021.

KWS is working on the establishment of the concept for dedicated vessels for floating offshore wind power generation and also the basic design concept under the program of "Mass Production and Cost Reduction of Floating Offshore Wind Installation" adopted by the Green Innovation Fund of NEDO. Not only floating offshore wind but also for bottom fixed project, KWS signed an MOU in August 2022 with PENTA-OCEAN CONSTRUCTION CO., LTD., which is a front runner in marine civil engineering and offshore wind construction, regarding future collaboration on supporting vessels in the offshore wind construction and maintenance fields.



Offshore support vessel AKATSUKI



Offshore support vessel KAIKO

### Car Carrier Fleet Ranking

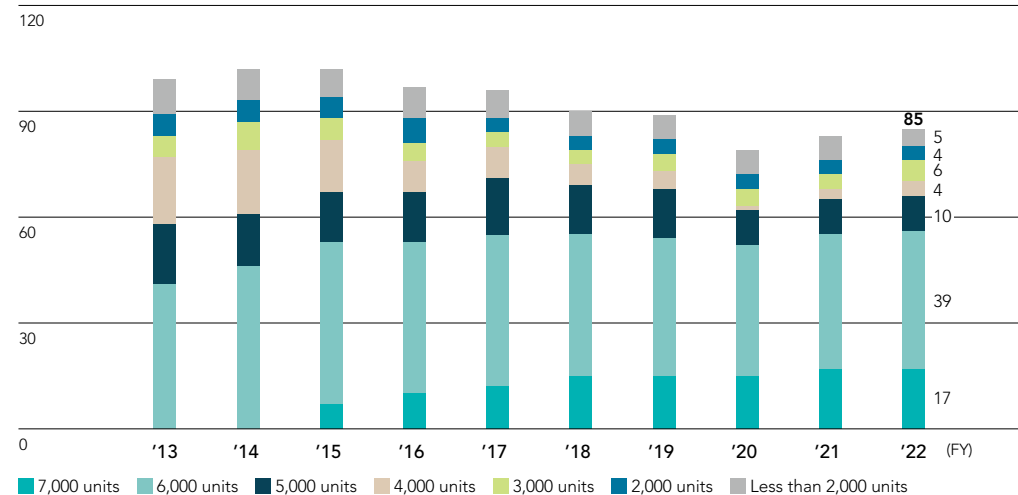
(as of April 2023)

Ranking	Operator	Vessels	Share of vessels	Capacity (units)	Share of capacity
1	WWO AS	115	16.9%	776,556	19.2%
2	NYK	104	15.2%	638,106	15.8%
3	MOL	88	12.9%	525,859	13.0%
4	"K" LINE	77	11.3%	462,087	11.4%
5	GLOVIS	75	11.0%	490,630	12.2%
6	Grimaldi	53	7.8%	255,692	6.3%
7	HOEGH	36	5.3%	248,515	6.2%
8	TOYOFUJI	16	2.3%	70,000	1.7%
9	ZIM	14	2.1%	70,070	1.7%
	Others	104	15.2%	500,428	12.4%
	Total	682	100.0%	4,037,943	100.0%

Based on Hoesung Shipping "AS Year Report"

### "K" LINE Car Carrier Fleet

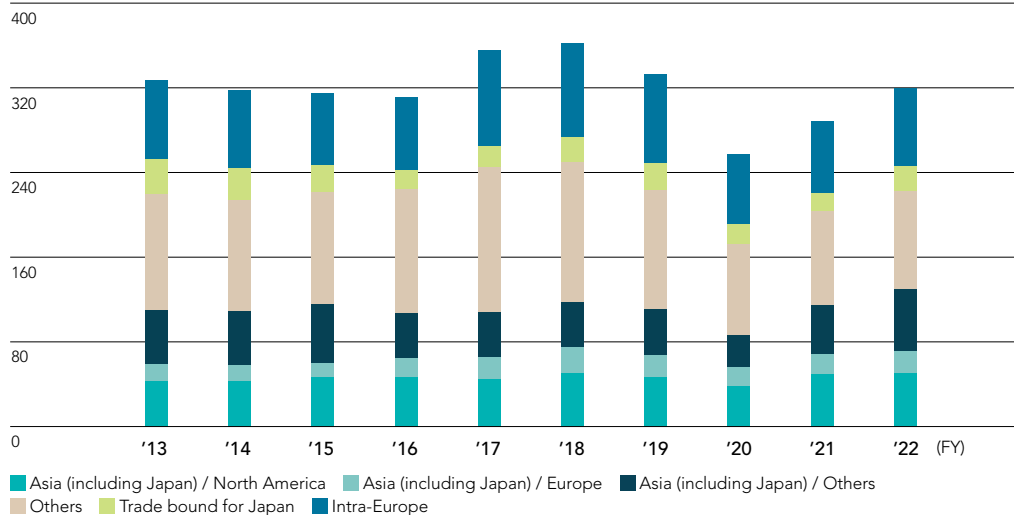
(Vessels)



Note: Includes short-term chartered vessels and Group company-operated vessels

### Cars and Trucks Transported by "K" LINE

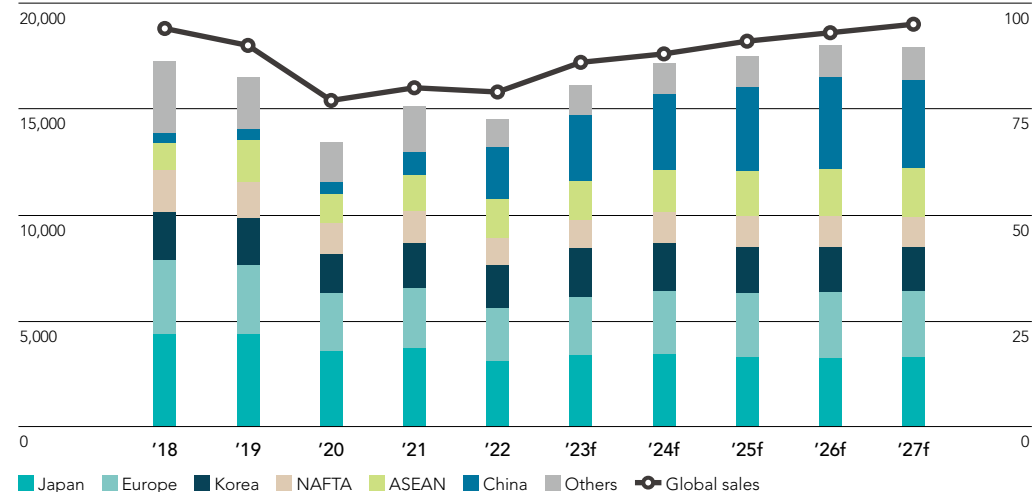
(10,000 cars)



### Worldwide Car Ocean Transportation Volume

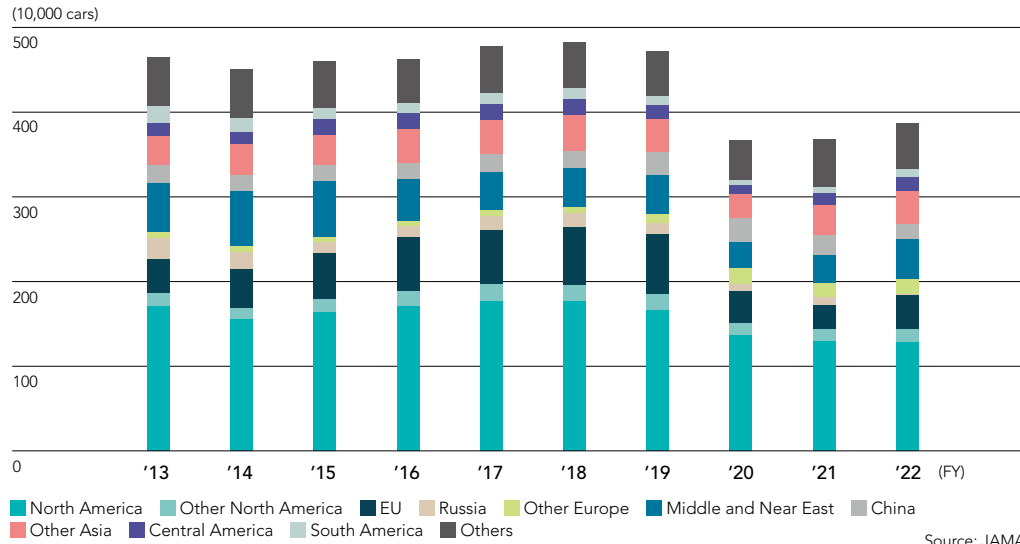
(1,000 cars)

(Global sales: million cars)

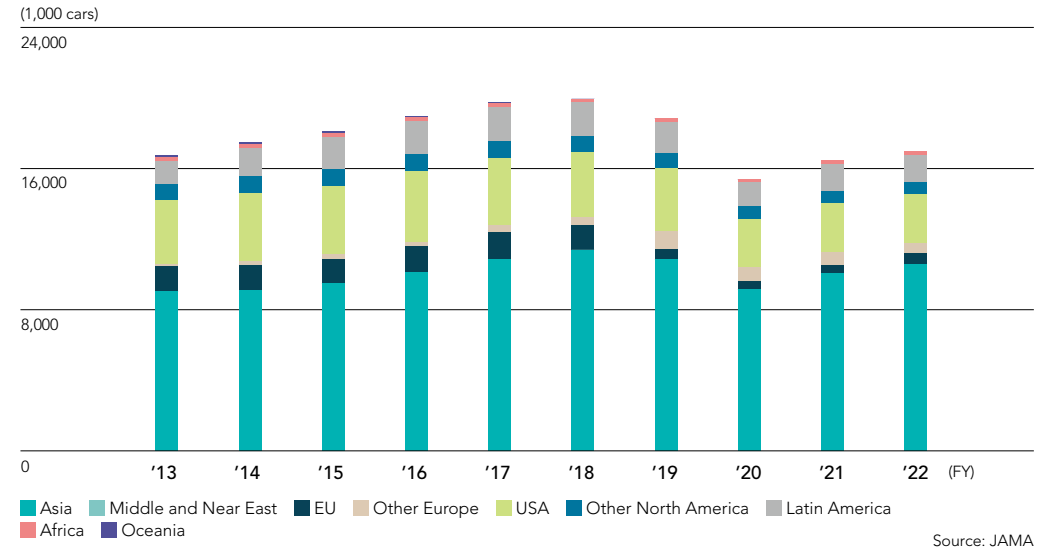


Based on S&P Global Mobility (January 2024)

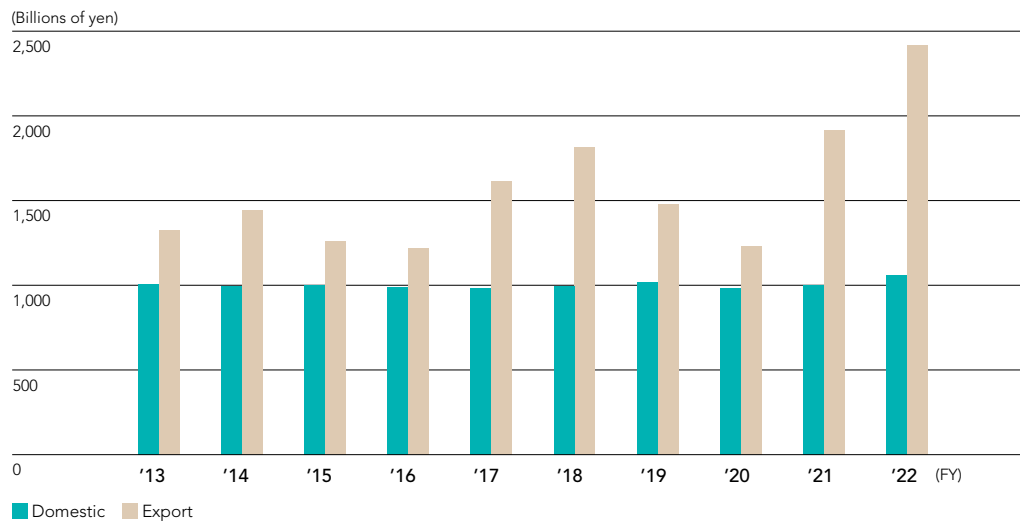
### Total Cars and Trucks Exported from Japan



### Japanese Automakers' Overseas Vehicle Production

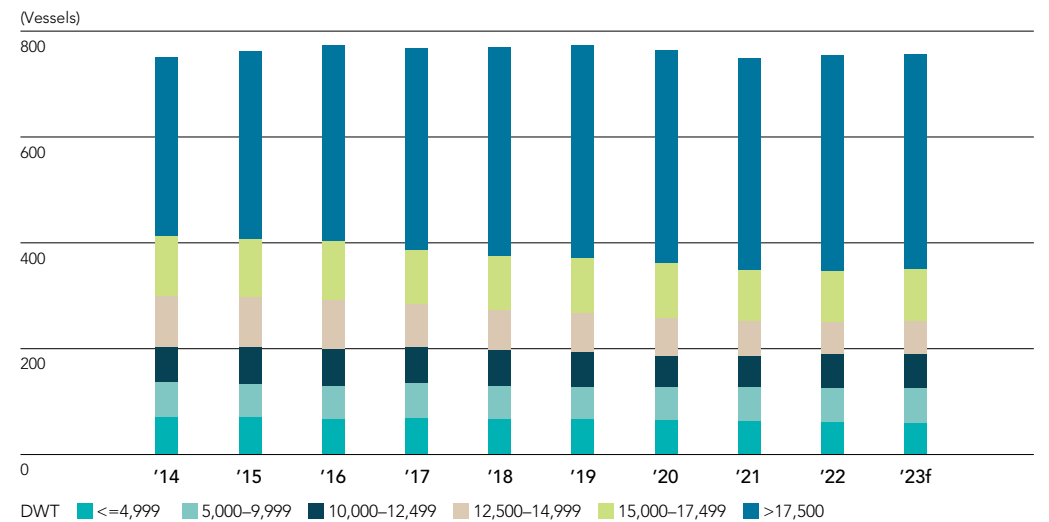


### Japanese Construction Machine Sales Results



### Pure Car Carrier Fleet Development

(as of January 2023)



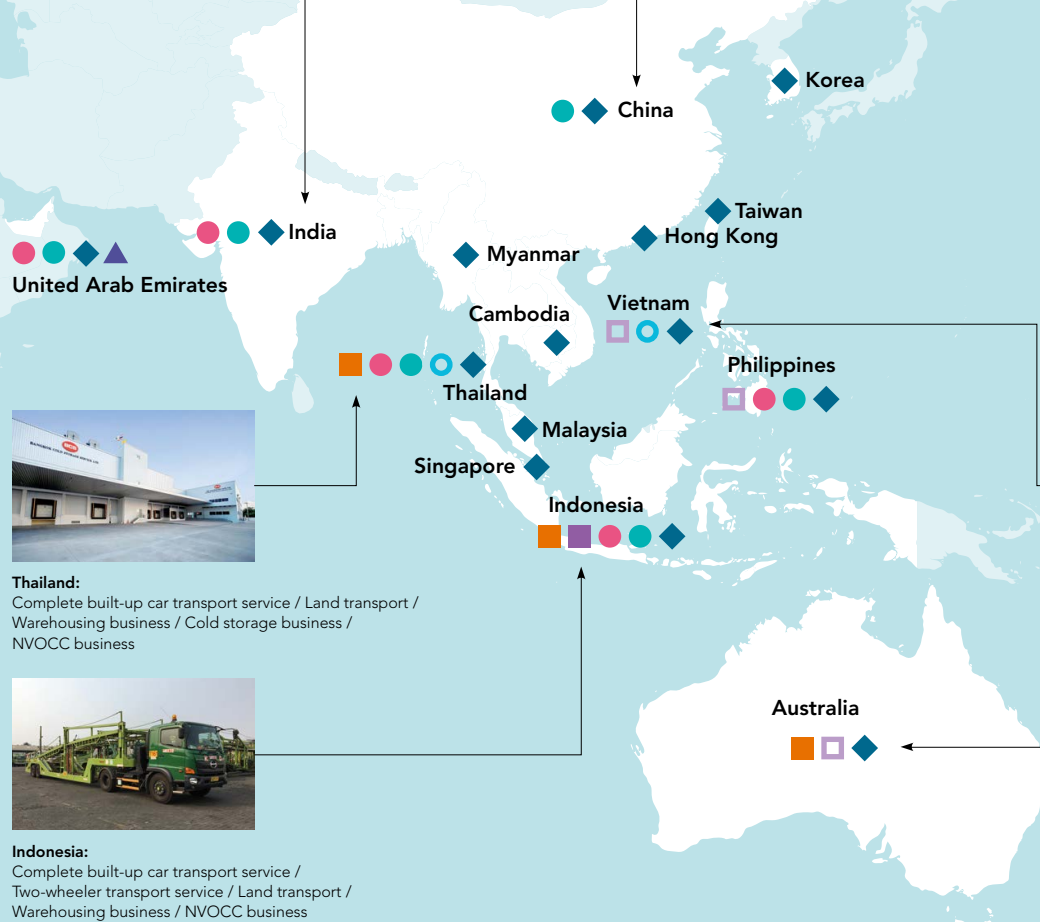
### The Group's Locally Oriented Comprehensive Logistics Services in Asia



**India:**  
Land transport / Warehousing business / NVOCC business



**China:**  
Warehousing business / NVOCC business



### "K" LINE's Automotive Logistics Business (11 locations in 11 countries)



**Vietnam:**  
PDI / Cold storage business / NVOCC business



**Australia:**  
Complete built-up car transport service / PDI / NVOCC business

- Complete built-up car transport service
- Two-wheeler transport service
- Pre-delivery inspection (PDI)
- Land transport (container transport service / truck transport service)
- Warehousing business
- Cold storage business
- ◆ NVOCC business
- ▲ In-house logistics

Fleet Size of Containership Operators (as of December 2023)

Ranking	Operator	TEU	Vessels	Share
1	MSC	5,506,913	792	19.8%
2	APM-Maersk	4,152,375	684	14.9%
3	CMA CGM Group	3,542,748	619	12.7%
4	COSCO Group	3,051,113	491	11.0%
5	Hapag-Lloyd	1,968,136	266	7.1%
6	ONE	1,731,270	228	6.2%
7	Evergreen	1,642,979	210	5.9%
8	HMM	783,732	70	2.8%
9	Yang Ming	707,423	94	2.5%
10	ZIM	585,010	121	2.1%
11	Wan Hai Lines	470,177	119	1.7%
12	PIL	298,653	91	1.1%
	Others	3,417,528	2,156	12.3%
	Total	27,858,057	5,941	100.0%

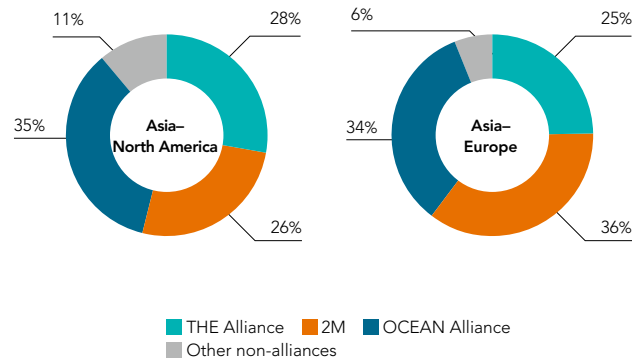
Members of each alliance

- THE Alliance: ONE, Hapag-Lloyd, Yang Ming, HMM
- OCEAN Alliance: COSCO Group, CMA CGM Group, Evergreen
- 2M: APM-Maersk, MSC

Based on Alphaliner

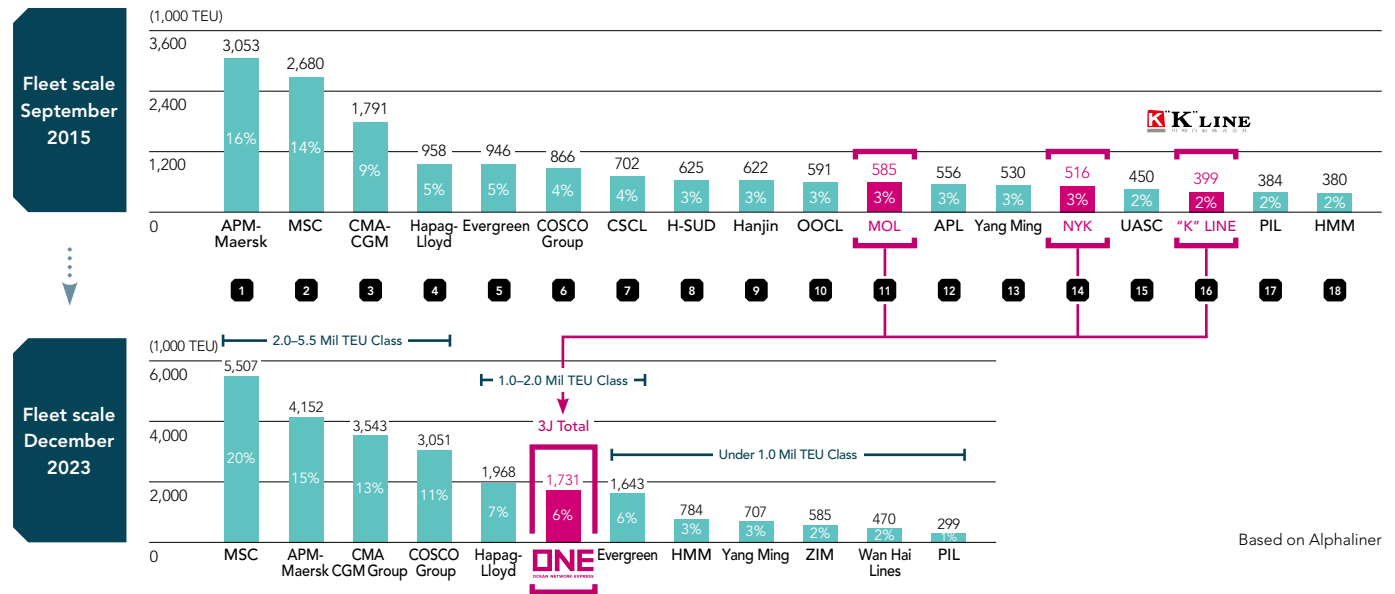
Trade Capacity Share by Alliance

(as of December 2023)



Source: Alphaliner

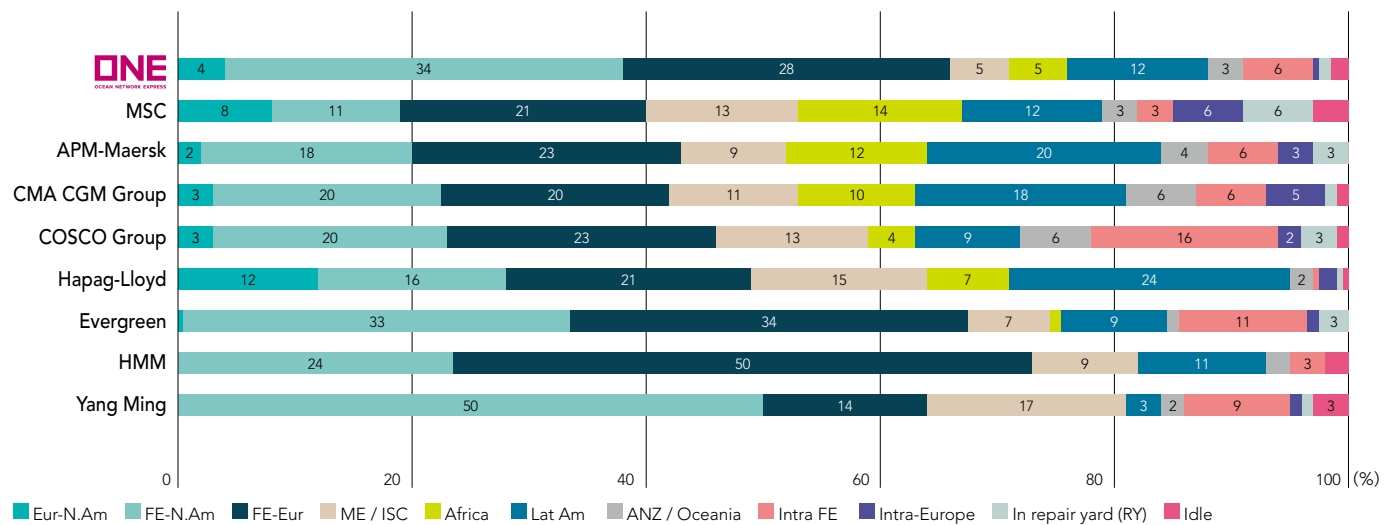
Change in Number of Containerships by Company and Capacity Scale



Based on Alphaliner

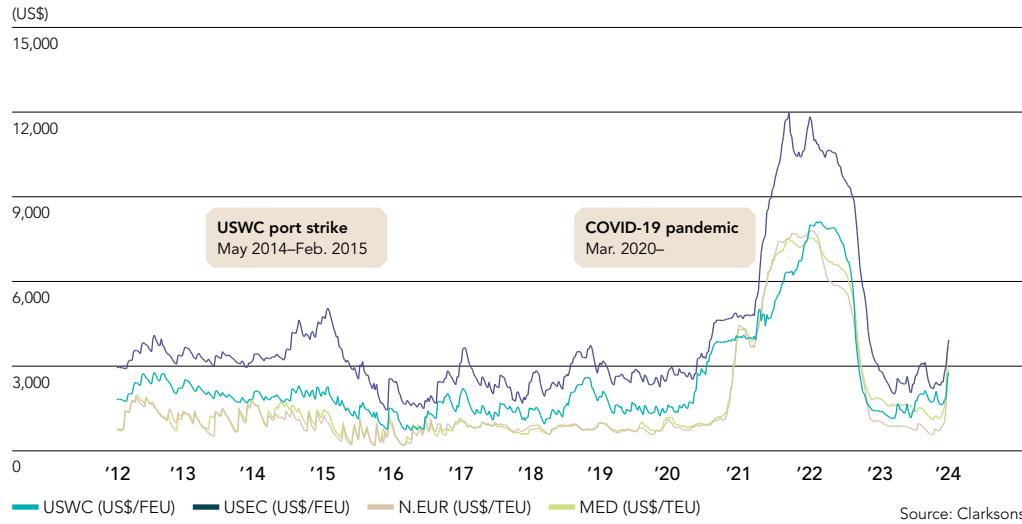
Main Carrier Breakdown of Capacity Operated by Trade

(as of December 2023)

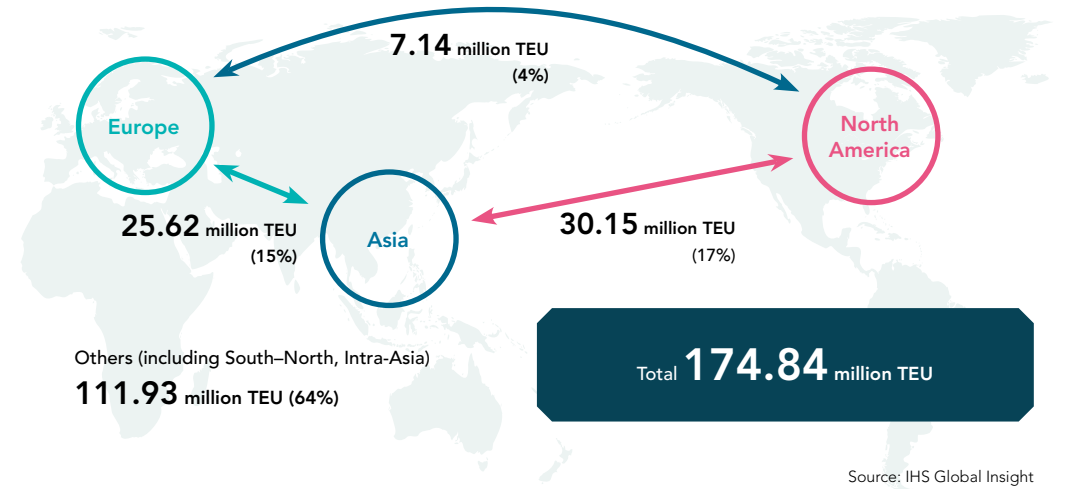


Source: Alphaliner

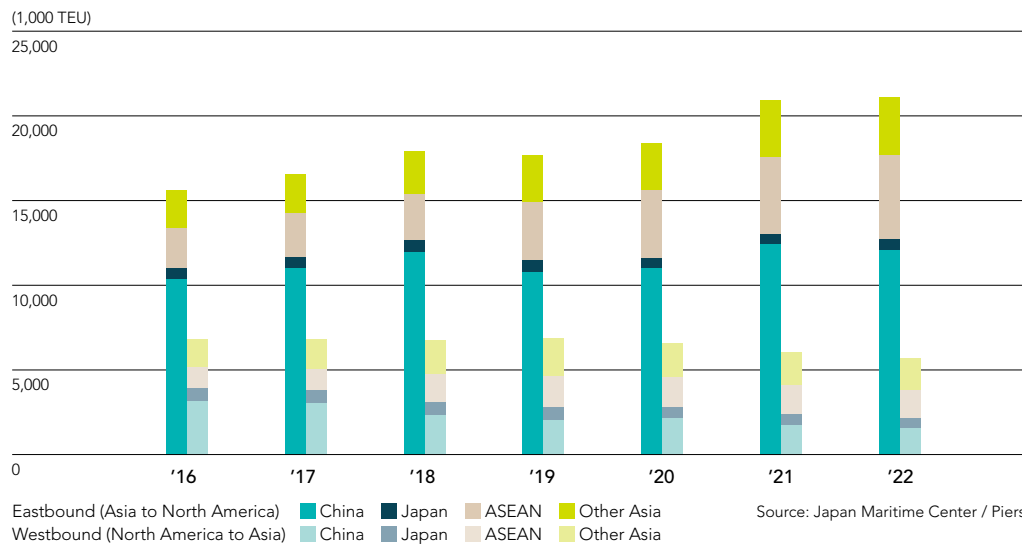
### Transition of Shanghai Containerized Freight Index (SCFI)



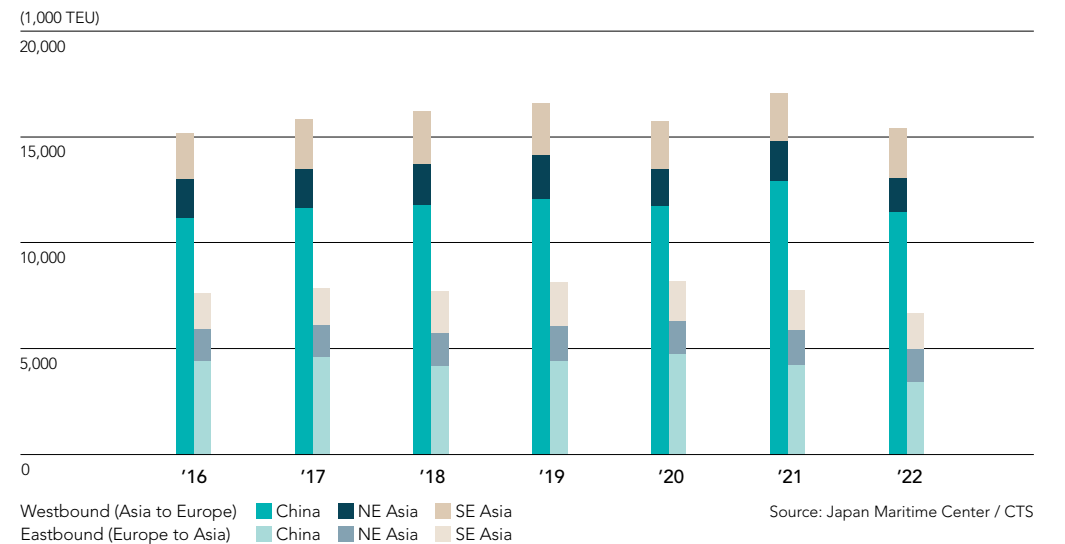
### Container Cargo Movements (2022)



### Asia-North America Cargo Volume



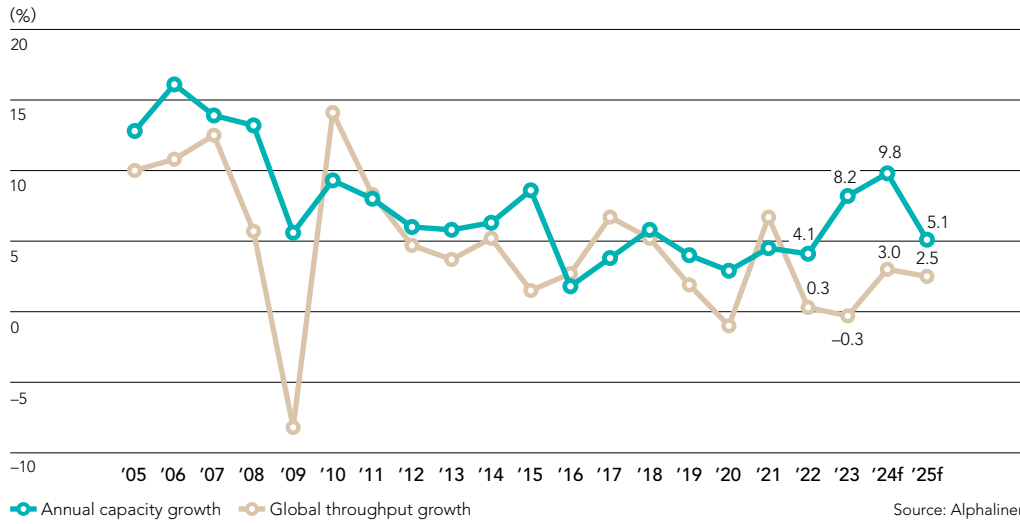
### Asia-Europe Cargo Volume





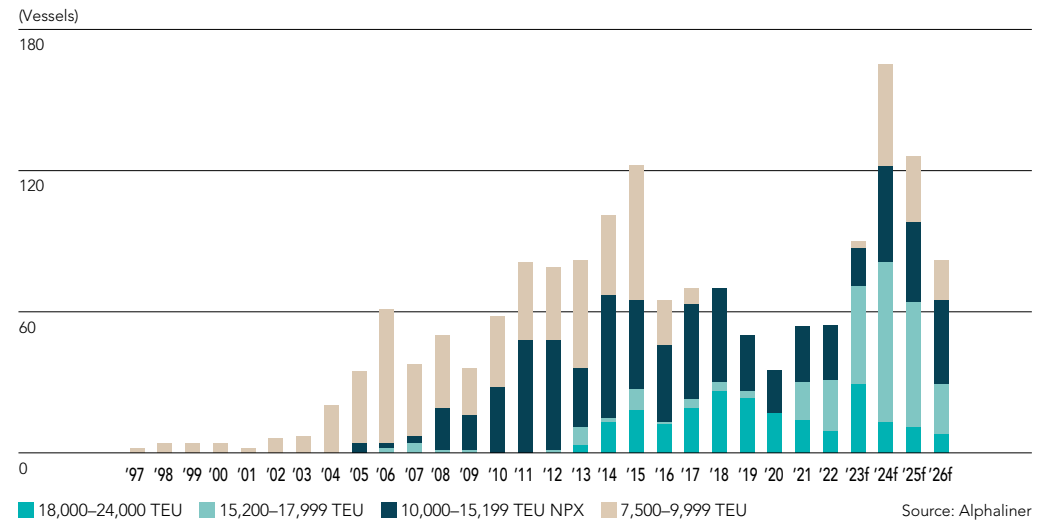
### Container Fleet Capacity, Supply and Demand

(as of January 2024)



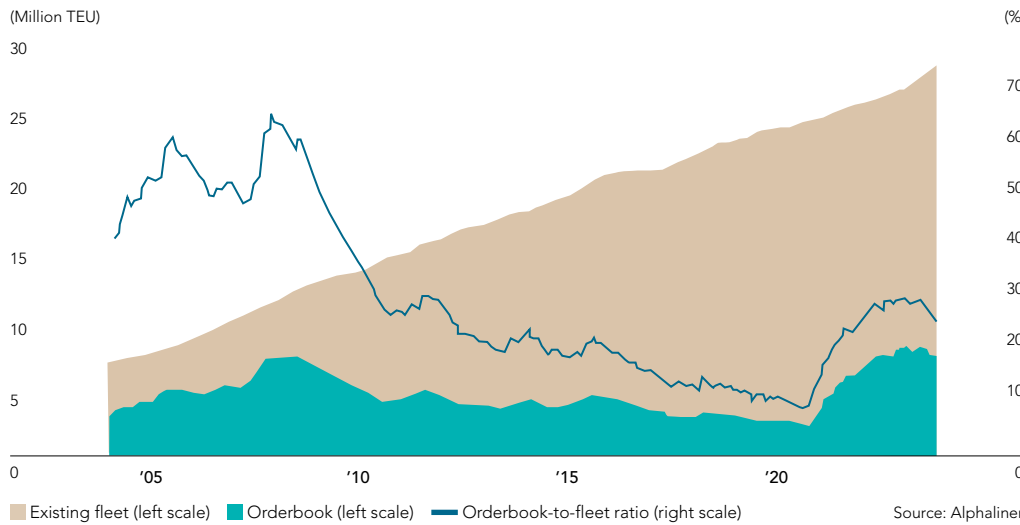
### Delivery of Very Large Container Ships

(as of January 2024)

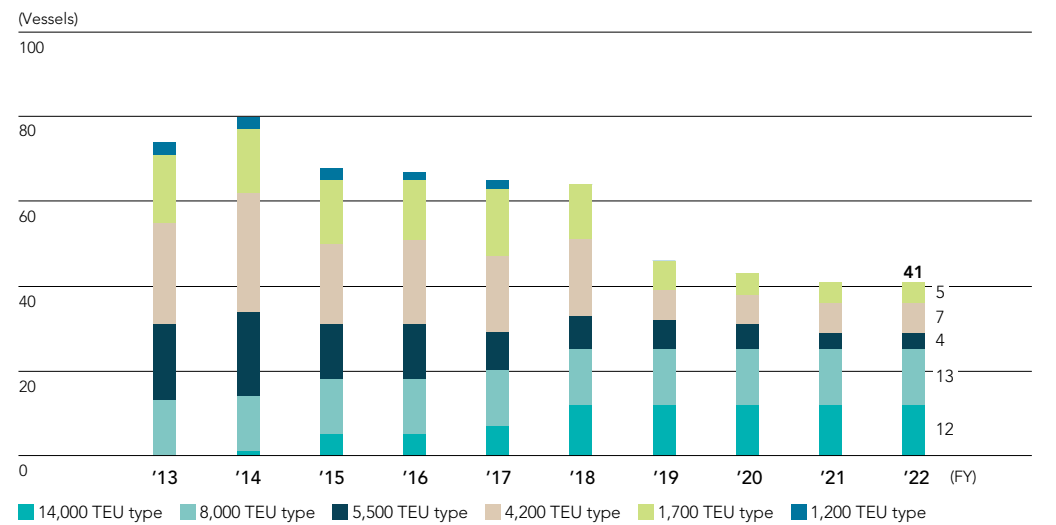


### Orderbook-to-Fleet Ratio

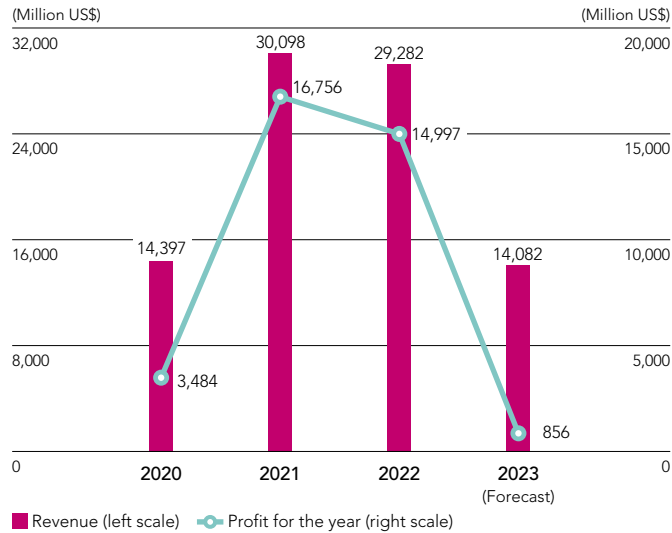
(as of January 2024)



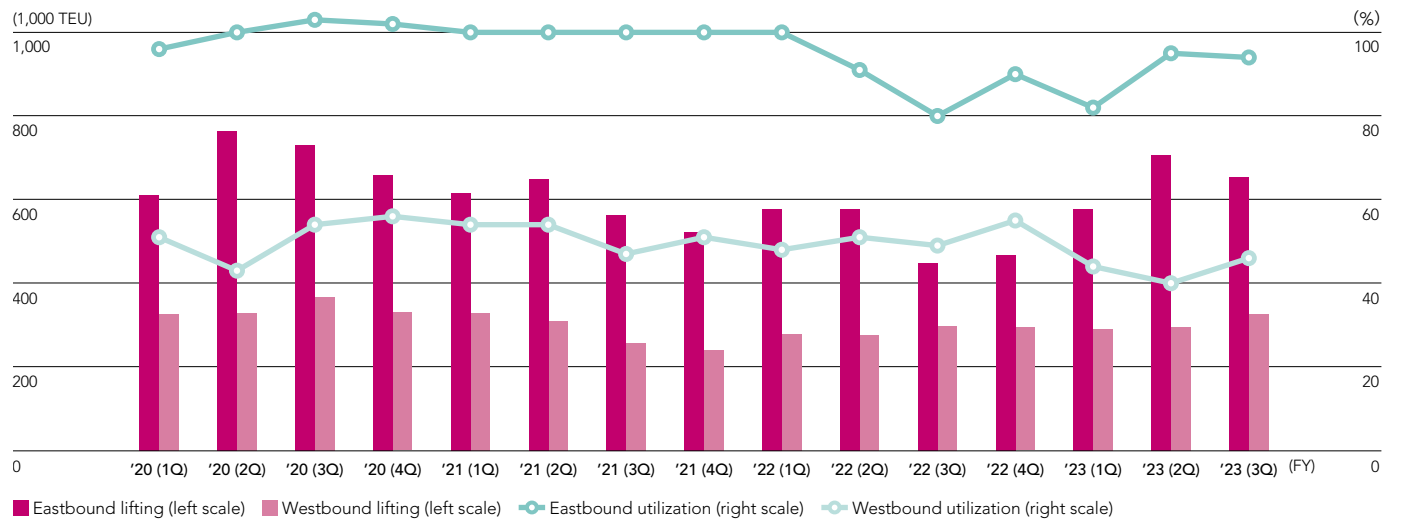
### "K" LINE Containership Fleet



### Financial Results for OCEAN NETWORK EXPRESS (ONE)



### Transition of ONE Liftings / Utilization (Asia-North America)



### Quarterly Financial Results for ONE

#### FY2020

Unit: Million US\$	1Q	2Q	3Q	4Q	Total
Revenue	2,736	3,181	3,757	4,724	14,397
Profit for the year	167	515	944	1,858	3,484

#### FY2021

Unit: Million US\$	1Q	2Q	3Q	4Q	Total
Revenue	5,776	7,557	8,332	8,433	30,098
Profit for the year	2,559	4,200	4,889	5,108	16,756

#### FY2022

Unit: Million US\$	1Q	2Q	3Q	4Q	Total
Revenue	9,019	9,367	6,254	4,642	29,282
Profit for the year	5,499	5,521	2,768	1,210	14,997

#### FY2023

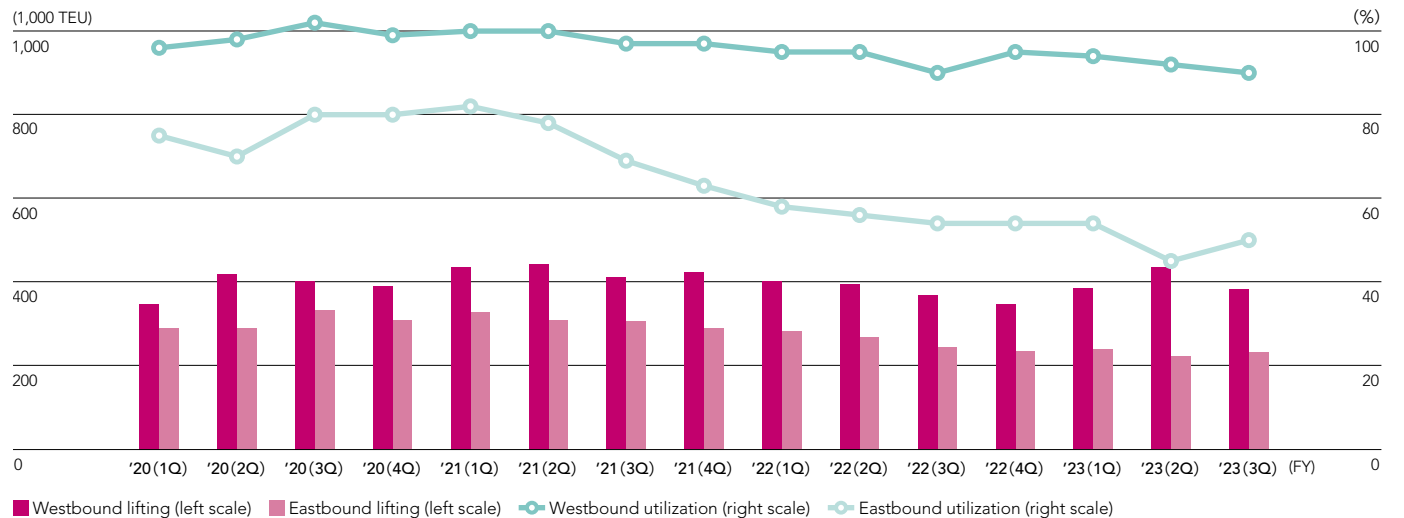
Unit: Million US\$	1Q	2Q	3Q	4Q (Forecast)	Total (Forecast)
Revenue	3,765	3,549	3,357	3,411	14,082
Profit (loss) for the year	513	187	(83)	239	856

#### Other Full-Year Results

	FY2021	FY2022	FY2023 (Forecast)	(Units)
EBITDA	18,279	16,320	1,925	Million US\$
EBIT	17,196	15,005	300	Million US\$
Annual lifting	12,061	11,081	-	1,000 TEU
Annual bunker consumption	3.4	3.0	-	Million MT

\* The forecasts for FY2023 are as of January 2024.

### Transition of ONE Liftings / Utilization (Asia-Europe)



Process to Identify Materiality

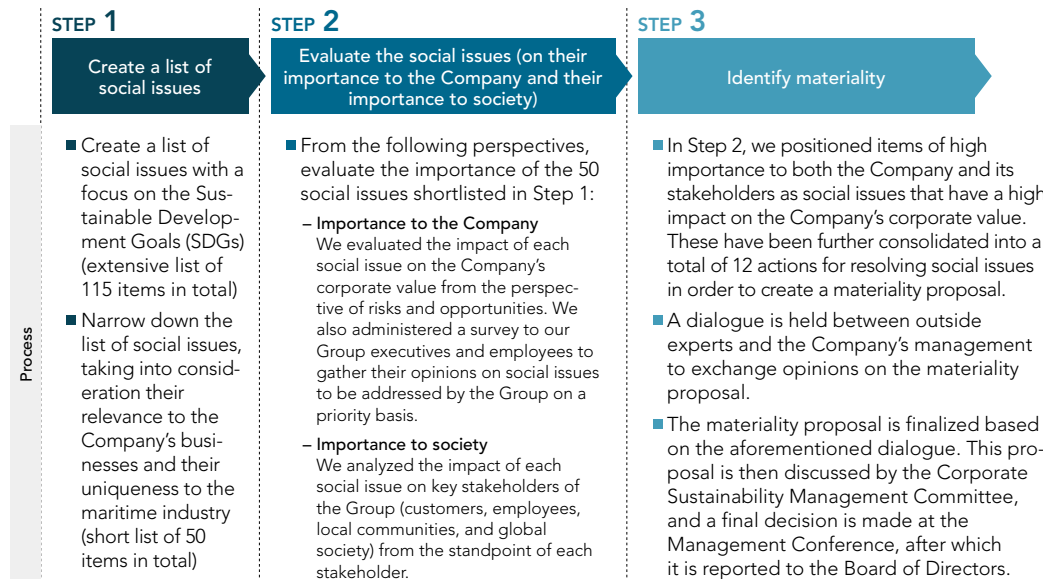
Background

In fiscal 2022, the "K" LINE Group reviewed its materiality and identified 12 new material issues across five areas. When identifying materialities, the Group referred to various sources of guidance related primarily to corporate social responsibility (CSR), including ISO 26000 and the OECD Guidelines for Multinational Enterprises. While considering SDGs and other social issues, we analyzed and evaluated materiality from the two perspectives of importance to the Company (importance from a business perspective) and importance to society (importance from a stakeholder perspective), in addition to factors such as their alignment with our business strategy and their impact on value creation.



Steps for Analyzing Materiality

In this year's review, we conducted materiality analysis using the following three steps:

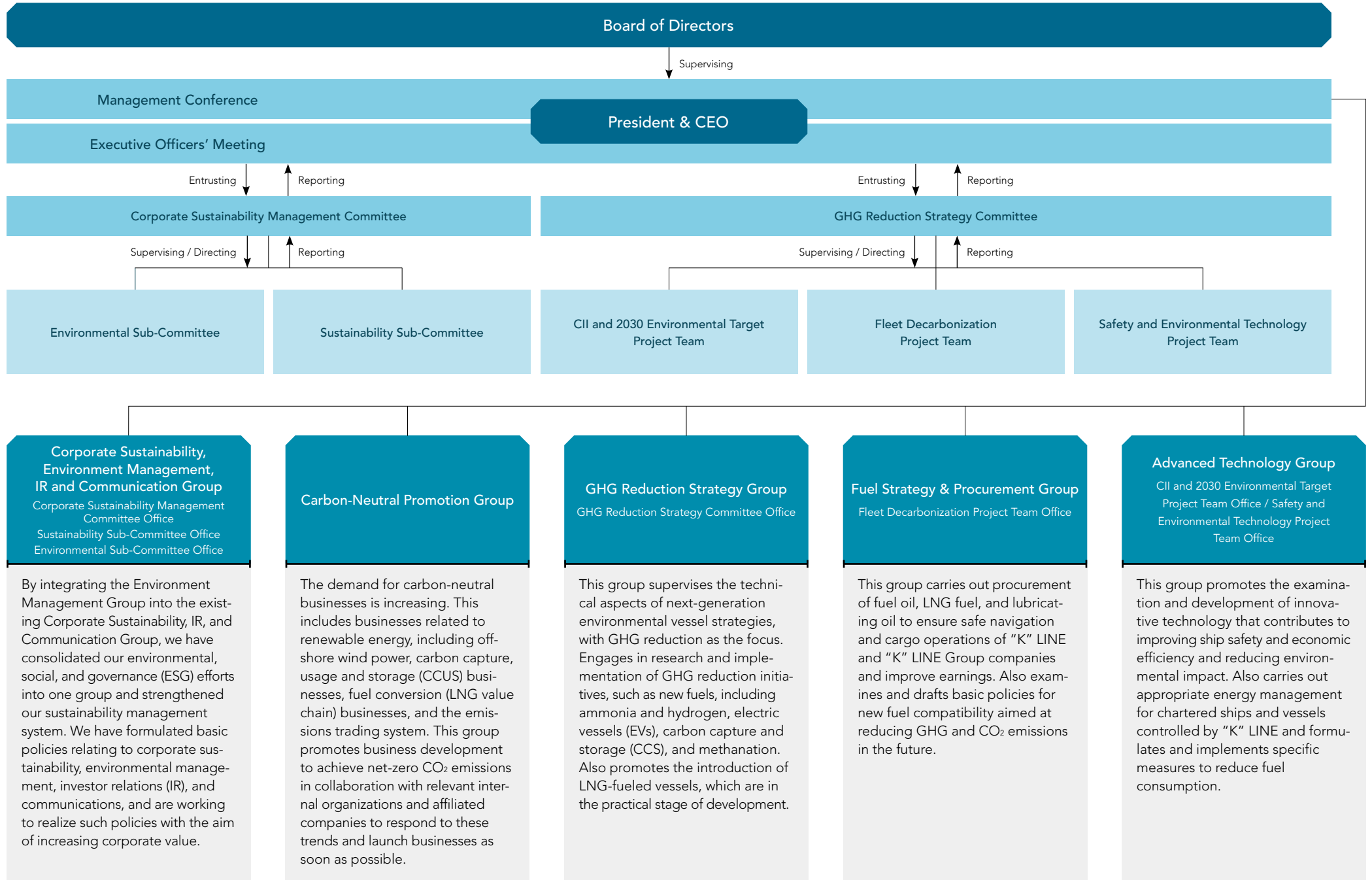


Material Issues and Related SDGs

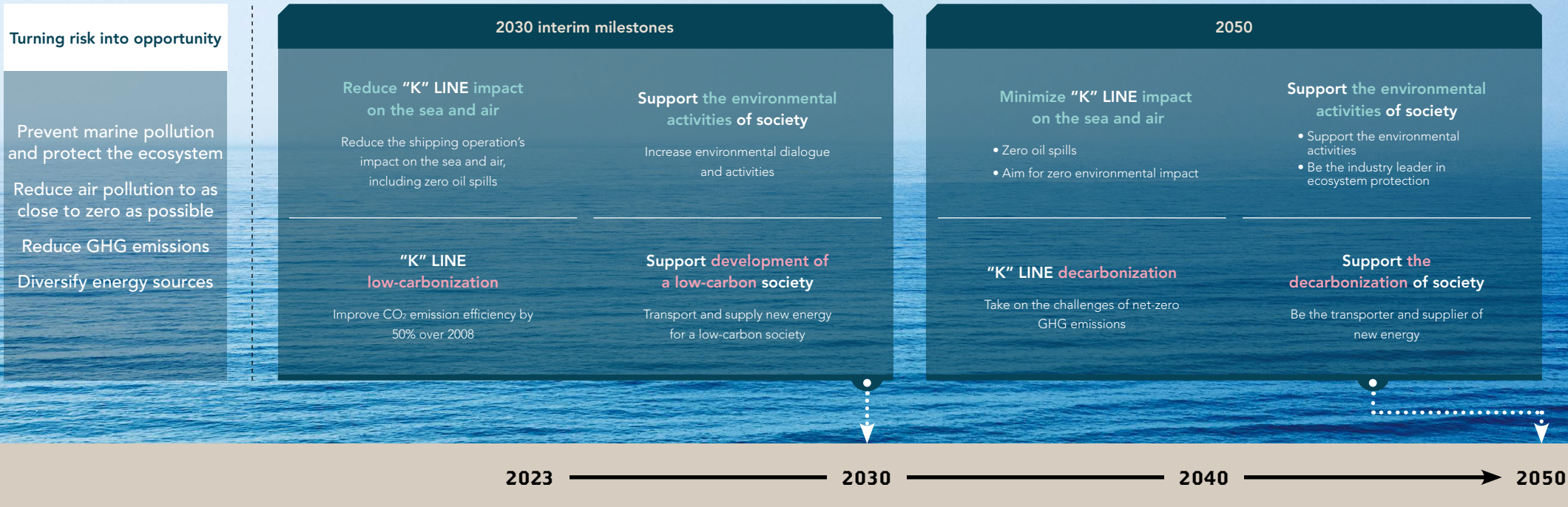
These 12 material issues have been categorized into five areas, including safety / ship quality management, advancement of environmental technologies, digital transformation, and human resources—the four pillars of our functional strategy for a solid business foundation to realize the business strategies set forth in our medium-term management plan—and management base, which serves as the foundation of the four pillars. The Group positions materiality as a set of key issues to be addressed in order to realize its corporate principle and vision, contribute to solutions for social issues, and achieve sustained growth and improve corporate value under the medium-term management plan. Our approach and initiatives for each material issue are described on the relevant pages for each theme in ESG Data Book.\*

\* [https://www.kline.co.jp/en/sustainability/esg\\_data/main/014/teaseritems2/0/link/ESG\\_DATA\\_BOOK\\_2022\\_\(EN\)\\_for\\_Browsing.pdf](https://www.kline.co.jp/en/sustainability/esg_data/main/014/teaseritems2/0/link/ESG_DATA_BOOK_2022_(EN)_for_Browsing.pdf)

Category	Material Issues (Actions for resolving social issues)	Related SDGs
Management base	Respect for human rights	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
	Reinforcement of corporate governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
	Promotion and reinforcement of compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Safety/ Ship quality management	Promotion of safety in navigation and cargo operations	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION, 14 LIFE BELOW WATER
Advancement of environmental technologies	"K" LINE low-carbon and carbon-free transition	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
	Supporting the development of a low-carbon and carbon-free society	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
	Reducing "K" LINE's impact on the sea and air to zero	3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS
	Promotion of innovation	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS
Digital transformation	Reinforcement of response to digital transformation (DX)	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS
Human resources	Diversity & inclusion	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
	Shaping of working environment and promotion of health management	3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
	The securing and development of human resources	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH



# "K" LINE Environmental Vision 2050 ~Blue Seas for the Future~



## Action Plan Road Map

	2023	2030	2040	2050	
<b>"K" LINE decarbonization</b>	LNG / LPG-fueled carriers	Operation / Expansion			
	Zero-emission vessels	R&D	Operation / Expansion		
	Seawing / Wind power propulsion	R&D	Operation / Expansion		
	Improvement of operational efficiency	Increasing			
<b>Support the decarbonization of society</b>	Support for renewable energy generation businesses / Transportation of new fuels / CO <sub>2</sub> transportation / etc. Expansion				



### Environmental Regulatory Trends in International Shipping

Key Environmental Issues

#### 1. Marine pollution measures

(1) Regulations on oil or noxious liquid substances (International Convention for the Prevention of Pollution from Ships [MARPOL] Annex I and II)

- Adopted MARPOL in the wake of incidents such as large-scale oil spills
- Following this, reinforced regulations in the wake of serious tanker accidents (such as a shift to double hulls)

(2) Regulations on waste (MARPOL Annex V)

- From January 1, 2013, disposal of waste from vessels is prohibited in principle (a shift from the blacklist system to the whitelist system).

#### 2. Air pollution measures

(1) Regulations on NOx and SOx (MARPOL Annex VI)

- Adopted MARPOL due to concerns about the adverse impact on human bodies and the effects of acid rain due to emissions of nitrogen oxide (NOx) and sulphur oxide (SOx) from vessels

(2) Reduction of GHGs (global warming measures) (MARPOL Annex VI)

- International Maritime Organization (IMO) excluded from UNFCCC Paris Agreement Deliberations by the IMO
- 2013: Introduction of new regulations for shipbuilding fuel consumption (Energy Efficient Design Index) (continues to be reinforced)
- 2018: Adoption of long-term reduction targets (GHG Reduction Strategy)
- 2019: Launch of a system for reporting performance for fuel consumption of all vessels (Data Collection System)
- 2023: Launch of regulations for fuel efficiency (Energy Efficient eXisting ship Index) and rating for fuel efficiency performance
- Now: Deliberating issues including creation of a new international fund and economic methods (market-based measures)

(3) Black carbon

- Currently considering measures for the issue of black carbon that has settled on top of Arctic ice and snow, accelerating thawing

#### 3. Aquatic life measures

(1) Regulations for ballast water (Ballast Water Management Convention)

- The Ballast Water Management Convention came into effect in 2017 as a measure against ecosystem disruption caused by living creatures that cross borders in ballast water.

(2) Regulations for marine life attached to the bodies of vessels

- Formulated guidelines in 2011 for the issue of ecosystem disruption caused by living creatures that cross borders attached to the bodies of vessels; currently deliberating new measures

(3) Regulations for ship-bottom paints (AFS Convention)

- Have prohibited the use of organotin; also considering additional regulations for controlled substances (cybutryne)

(4) Underwater noise

- Currently deliberating issues including the impact of noise from vessels on whales and other marine life

#### 4. Ship recycling measures

- Adopted the Ship Recycling Convention in 2009, after poor working environment issues during dismantling became apparent
- Working on the dissemination of the list of hazardous substances on board vessels and securing of safe and environmentally sound recycling facilities

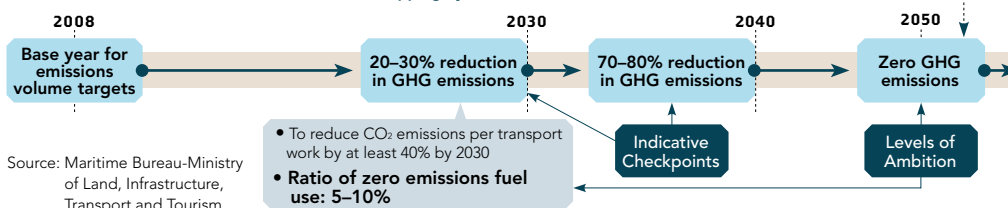
#### Basic Response Measures

- Naturally obligated to actively engage in marine environment conservation as a major shipping and shipbuilding country
- Conversely, another important perspective is ensuring environmental regulations and stable transportation systems, and securing their appropriate balance with industrial growth
- Furthermore, we aim to achieve both environmental conservation and strengthening of competitiveness of Japan's maritime industry through advanced international rule-making for leading technology possessed by Japan's maritime industry

Source: Japan Maritime Public Relations Center, "Shipping Now 2023-2024"

### Targets of the GHG Reduction Strategy of the International Maritime Organization (IMO)

In July 2023, member states of IMO have adopted the revised strategy to reduce GHG emissions from international shipping, which includes an enhanced common ambition to reach net-zero GHG emissions from international shipping by or around 2050.



Source: Maritime Bureau-Ministry of Land, Infrastructure, Transport and Tourism

		FY2020	FY2021	FY2022	
CO <sub>2</sub> emissions of the "K" LINE Group*1	Scope 1	9,202,613	6,583,464	6,649,847	
	Scope 2	Location basis	25,191	13,769	11,556
		Market basis	21,780	13,515	10,472
Scope 3	1,219,525	4,566,051	4,506,111		
Environmental data for "K" LINE's vessels*2	Fuel oil consumption (tons)	2,809,074	1,980,630	1,923,950	
	CO <sub>2</sub> emissions (tons)	8,761,756	6,174,863	5,997,064	
	SOx emissions (tons)	35,983	30,166	29,272	
	NOx emissions (tons)	181,429	117,864	118,264	
Environmental data per transportation unit for "K" LINE's vessels*2	Input of energy	Fuel oil (g / ton-mile)	1.39	1.31	1.34
		Lub. oil (g / ton-mile)	0.012	0.012	0.012
	Volume of CO <sub>2</sub> emissions (gram-CO <sub>2</sub> / ton-mile)	All types of vessels	4.49	4.10	4.20
	Volume of SOx emissions (gram-SOx / ton-mile)	All types of vessels	0.022	0.020	0.020
	Volume of NOx emissions (gram-NOx / ton-mile)	All types of vessels	0.089	0.078	0.082
Other environmental data for "K" LINE's vessels	Waste generation, etc. (all types of vessels)	Bilge (m <sup>3</sup> / ship-month)	4.02	4.04	4.72
		Sludge (m <sup>3</sup> / ship-month)	4.0	2.0	2.2
	Gray water from "K" LINE vessels (owned ships) (MT)	Garbage on board (m <sup>3</sup> / ship-month)	3.5	5.4	3.7
		All types of vessels (owned ships)	64,421.6	74,929.9	88,450.9
Environmental data for offices	Annual consumption	Electricity (kWh)	736,212	708,811	907,221
		Office paper (sheets)	2,178,527	2,157,950	2,073,834
	Annual consumption per person	Water (m <sup>3</sup> )	318	313	403
		Electricity (kWh)	836	793	823
		Office paper (sheets)	2,473	2,414	1,882
Water (m <sup>3</sup> )	0.50	0.48	0.58		
Total quantity of recycle	Ship recycle (tons)	All types of vessels	114,055	0	21,695
Waste (tons)	All offices	571	420	570	
	All vessels	6,361	5,192	6,858	
Environmental data for the "K" LINE Group	Energy water (m <sup>3</sup> )	96,018	117,999	86,780	
	Number of companies covered	(19 domestic, 37 overseas)	(18 domestic, 29 overseas)	(17 domestic, 29 overseas)	

Note: The data covers "K" LINE's consolidated subsidiaries, and almost 100% of consolidated operating revenues are covered.  
 \*1 The scope of aggregation has been revised from 2021. Vessels not under our operations are excluded from Scope 1 and container vessels are included in Scope 3.  
 \*2 The scope of aggregation has been revised from 2021. Vessels not under our operations are excluded.

Environment-Related Investment

The Introduction of Internal Carbon Pricing (ICP)

To promote low-carbon investment, we have been applying ICP (Internal Carbon Pricing). When evaluating investment, we take reduction of CO<sub>2</sub> into account with the assumption that reduction of 1 ton of CO<sub>2</sub> would contribute to revenue / profitability by ¥14,000.

AXIS RIVER, a NEW Dual-Fuel LPG/Ammonia Carrier Is Delivered

AXIS RIVER, a NEW dual-fuel LPG/ammonia carrier for GYXIS is equipped with a heavy oil-LPG dual fuel system. It is a next-generation, eco-friendly vessel that is expected to reduce GHG and air pollutant emissions. In addition, it is designed to transport liquefied ammonia, demand for which will grow as the world moves toward decarbonization.

AXIS RIVER, a NEW dual-fuel LPG/ammonia carrier



Joint Approval in Principle (AIP) for New Concept Design of Ammonia Fueled Bulk Carrier

Kawasaki Kisen Kaisha, Ltd. ("K" LINE) together with ITOCHU Corporation, Nihon Shipyard Co., Ltd., MITSUI E&S Co., Ltd. and NS United Kaiun Kaisha, Ltd. have obtained an Approval in Principle (AIP) from Classification Society, Nippon Kaiji Kyokai (Class NK) for the design of an ammonia-fueled vessel (200,000 deadweight ton class bulk carrier).

The acquisition of the AIP is an important milestone for the implementation of ammonia-fueled vessels, a new challenge for the maritime industry, and also an important step toward the further promotion of the integrated project being facilitated by ITOCHU Corporation. "K" LINE and partners will proceed with the development of the vessel based on the basic design for which the AIP has been obtained, and aims to take delivery of the vessel and begin its social implementation in 2026.

Image of Ammonia Fueled Bulk Carrier



Seawing Automated Kite System to be Installed on Total of Five Vessels, Including CORONA CITRUS, a Coal Carrier for Electric Power Development Co., Ltd.

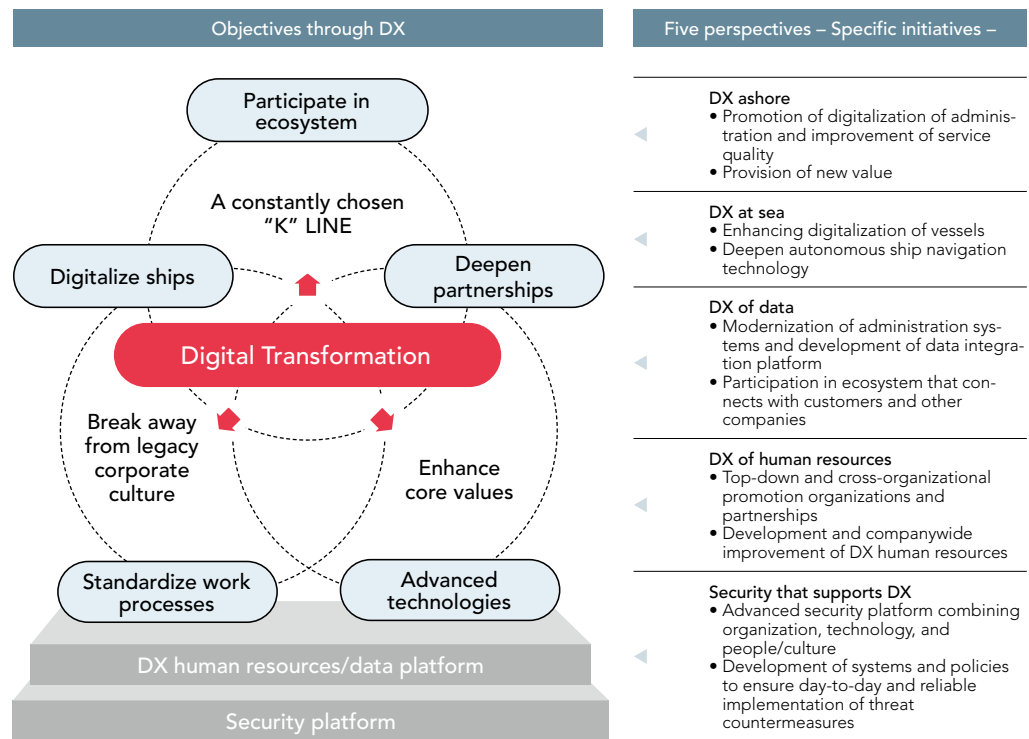
Seawing Automated Kite System is to be installed on a total of five vessels, including CORONA CITRUS, a coal carrier for Electric Power Development Co., Ltd. The newly installed Seawing is expected to reduce CO<sub>2</sub> emissions from the ship by at least 20%. Thus, it is one of "K" LINE's main initiatives to achieve its GHG reduction target.

Image of Seawing on CORONA CITRUS



Strengthening Our Approach to DX

In its medium-term management plan unveiled in May 2022, the "K" LINE Group embarked on a path of transformation and evolution to increase the added value it offers in matching the unique needs of its customers, while refining the exclusive technologies and expertise of the Group. We are advancing DX initiatives as a part of our functional strategy to achieve these goals. Under our DX Strategy 2023 unveiled in December 2022, we are executing strategies from five perspectives that we deem vital, and by dividing each strategy into three stages, we are committed to steadily advancing DX initiatives and honing our competitiveness.



	STAGE 1	STAGE 2	STAGE 3
DX ashore	Digitalization of administrative processes	Improvement and homogenization of service quality	Creation of new value
DX at sea	Digitalization of vessels	Establishment of DX at sea	Enhancing the system
DX of data	IT modernization / Development of data integration platform	External data collaboration / Data-driven decision-making	Participation in cross-organizational ecosystem

Please see the link for DX strategy [https://www.kline.co.jp/en/sustainability/dx\\_strategy.html](https://www.kline.co.jp/en/sustainability/dx_strategy.html)

For Environment-Related Investment, please see page 12.



## Safety in Navigation and Cargo Operations Based on the "Power of People"

The "K" LINE Group augments its people-driven structure for ensuring safety in navigation and cargo operations by maintaining and upgrading its systems and infrastructure with cutting-edge and digital technologies.



### Maritime Technical Personnel Support System to Facilitate Customer-Centric Services

While reinforcing Groupwide functions, the "K" LINE Group has built a global customer-centric sales support system and is strengthening its maritime technical personnel support system at business locations.



### Securing and Developing Maritime Technical Personnel with Eye to Future Needs

With an eye on the future, the "K" LINE Group secures and develops diverse human resources who are able to use new environmental technologies and operate new fuel vessels.



### Ship Management Reinforced by Offshore-Onshore Collaboration

In ship management, the "K" LINE Group is promoting management that is based on the type of ship and strengthening ship-shore collaboration, while improving the quality of global ship management.



### Three-Region Global Monitoring Structure That Covers All Oceans

The "K" LINE Group has a three-region global monitoring structure that comprehensively covers all seas and oceans, allowing it to provide a 24-hour safety support for its own vessels sailing anywhere in the world as well as to respond to emergencies.

## Cutting-Edge Digital Technologies That Complement the Power of People

### Kawasaki Integrated Maritime Solutions

Kawasaki Integrated Maritime Solutions gathers navigation data from each vessel, and it uses this data to visualize ship operation data with the application of the latest AI performance analysis technology to support the advanced management of fleets. Kawasaki Integrated Maritime Solutions provides the information needed to improve fuel economy and reduce greenhouse gas emissions. Kawasaki Integrated Maritime Solutions also features functions that assist with ship navigation optimization by calculating route recommendations based on data about weather and maritime conditions and performance analysis models for each vessel. In this way, Kawasaki Integrated Maritime Solutions supports the safe and economical operation of ships.

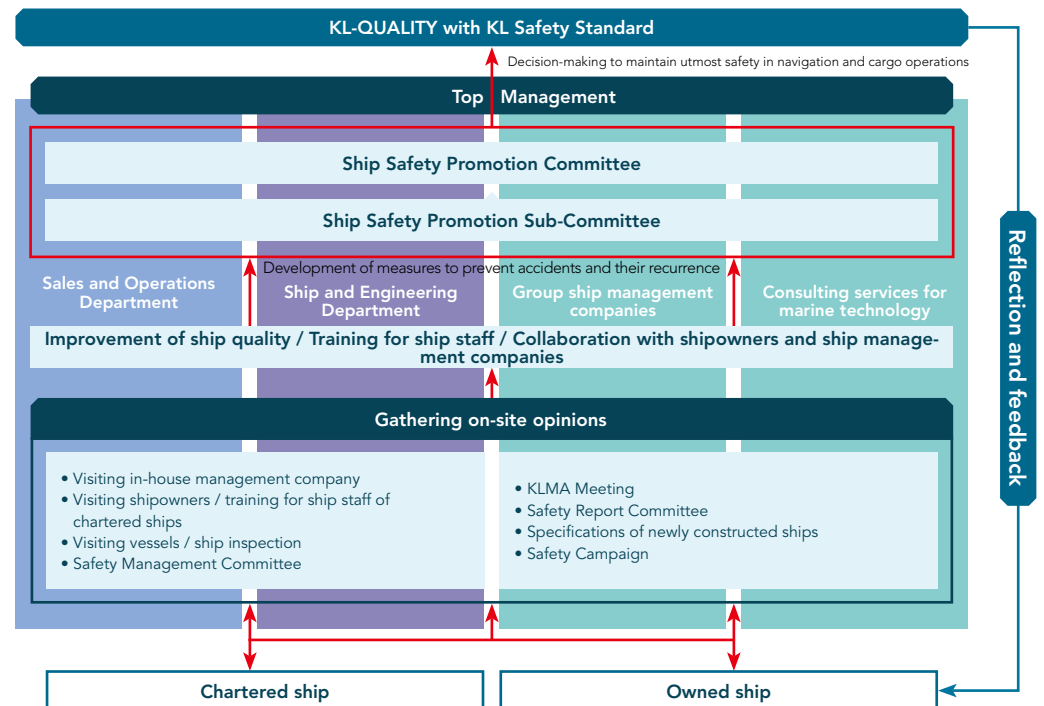
### "K"-Assist Project

The "K"-Assist Project is a moniker for all of our technology development projects related to the autonomous navigation of vessels. In the four fields of support for sentry duty and ship navigation, support for safe berthing and unberthing, optimal route control in actual sea surroundings, and support for engine plant operations, the "K" LINE Group is advancing developments that will lead to their practical realization in the future by incorporating knowledge and technologies from not only the marine transportation and shipbuilding industries, but also from other industries. In order to realize advanced safety and quality that the "power of people" alone cannot achieve, we are actively utilizing AI and other cutting-edge technologies while advancing DX on ships.

### Cybersecurity Certifications for Ships

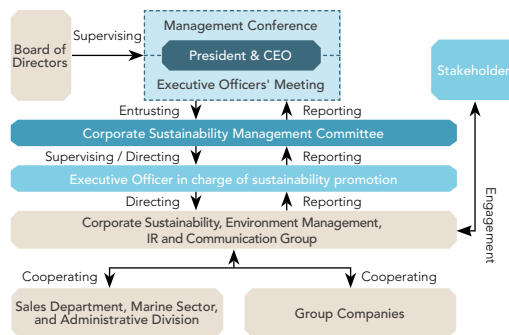
In recent years, data has been increasingly used to improve safety and quality, and internet connections are used to share vessel navigation data from ship to shore. It has also become necessary to upgrade ICT equipment and networks on ships as a result of improvements in satellite data transmission capacity. With a view to increased potential cyber risks as ship-to-shore internet connectivity evolves, ship management companies that belong to the "K" LINE Group have obtained Cybersecurity Management System (CSMS) certifications from Nippon Kaiji Kyokai (Class NK) since 2020. We continue efforts to enhance our ability to respond to cyber risks on ships.

## Enhancing the Safety Management System



### Human Rights Due Diligence System

Based on the "K" LINE Group Basic Policy on Human Rights formulated in 2022, under the supervision of the Corporate Sustainability Management Committee and direction of the executive officer responsible for promoting sustainability, the Corporate Sustainability, Environment Management, IR and Communication Group has become responsible for implementing human rights due diligence, including the drawing up of measures as well as analysis and assessment of human rights risks related to business activities of the "K" LINE Group.



### Our Actions for Enabling Work-Life Balance

- We have been very successful in establishing an excellent relationship with our labor union, and we are jointly seeking opportunities to realize a better work environment and implement measures to enable work-life balance.
  - ▶ Teleworking system
  - ▶ Maternity leave and childcare leave
  - ▶ Flexible working hours
  - ▶ Leave for advanced infertility treatment
  - ▶ Reduced working hours program
- In addition to the above, we have introduced childcare leave for fathers, enabling them to take leave of up to 10 consecutive working days to care for their children.

### Action Plan to Promote the Active Participation of Women and Support the Development of the Next Generation

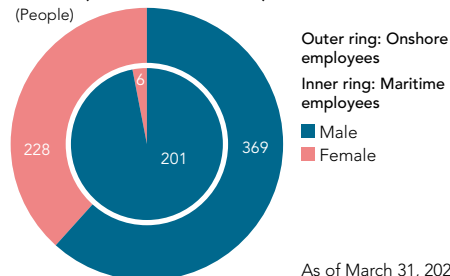
- In order to create an environment in which everyone can fully demonstrate their individual abilities while balancing work and family life, we formulated the following action plan with the aim of becoming a company where all employees can work with a sense of motivation and self-confidence.

**Goal 1**  
Goal to provide opportunities related to work life  
Increase the percentage of female employees in managerial positions to 15% by the end of the plan period

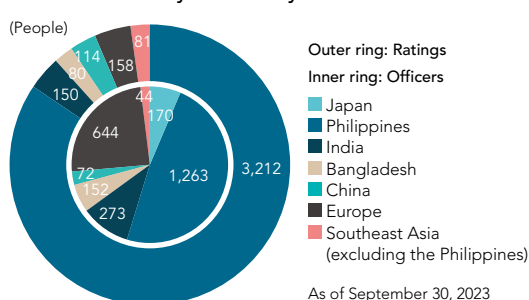
**Goal 2**  
Goal to balance work and family life  
Limit the average monthly overtime working hours per employee to 40 hours or less

**Goal 3**  
Goal set under the Act on Advancement of Measures to Support Raising Next-Generation Children  
Increase the percentage of male employees taking leave for childcare to 20% or more

#### Onshore and Maritime Employees (Non-consolidated)



#### Crew Members by Nationality



Item	Unit	Fiscal year						
		FY2020		FY2021		FY2022		
		Onshore	Seafarer	Onshore	Seafarer	Onshore	Seafarer	
Number of employees	Male	Persons	370	200	372	204	369	201
	Female	Persons	195	4	213	5	228	6
	Subtotal	Persons	565	204	585	209	597	207
	Total	Persons		769		794		804
	Female employment ratio	%	34.51	1.96	36.41	2.39	38.19	2.90
Employees in management positions	Male	Persons		120		128		126
	Female	Persons		5		8		10
	Female employment ratio	%		4.00		5.88		7.35
General managers or higher	Male	Persons		33		31		27
	Female	Persons		0		0		0
	Female employment ratio	%		0.00		0.00		0.00
Executives (including directors and officers)	Male	Persons		27		25		26
	Female	Persons		2		2		2
	Female employment ratio	%		6.90		7.41		7.14
Percentage of employees with disabilities*1	%		1.82		2.09		1.71	
Number of occupational accidents*2	Cases		0	0	0	0	0	1
Number of fatal occupational accidents	Cases		0	0	0	0	0	0
Number of accidents requiring leave*3	Cases		0	0	0	0	0	0
Labor union participation rate	%		78.60	75.80	76.20	75.80	75.90	74.90

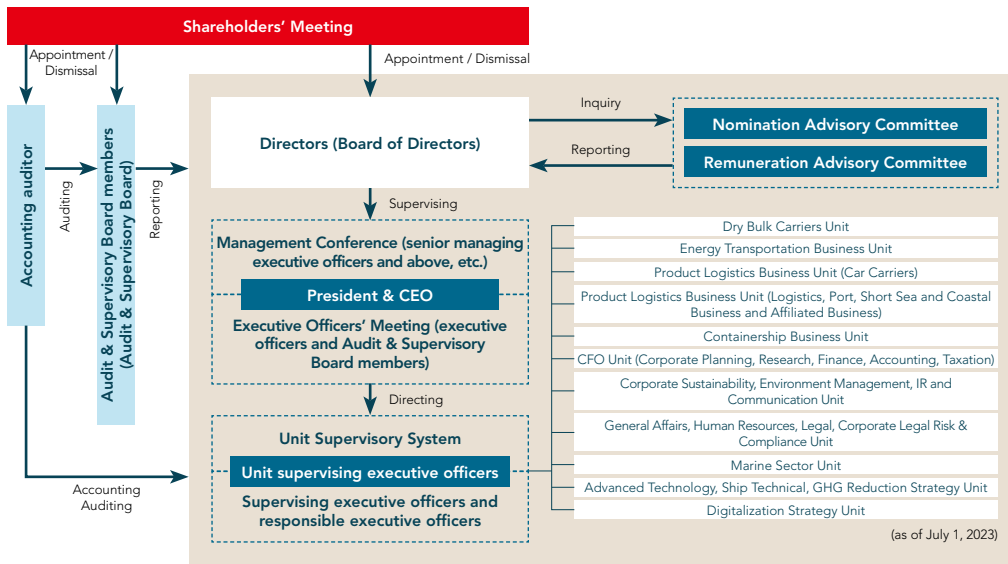
Notes: 1. These figures conform to the Act for Promotion of Employment of Persons with Disabilities. According to the act, a 90% exclusion rate applies to seafarers (excluding those on duty onshore).  
2. Excludes accidents while commuting.  
3. Number of injuries / illnesses, caused by occupational accidents, requiring one or more days of leave.

### Systems for Comfortable and Fulfilling Working Experiences: Our Actions for Enabling Work-Life Balance

We have been very successful in establishing an excellent relationship with our labor union, and we are jointly seeking an opportunity to realize a better working environment and implement measures that enable work-life balance.

Primary systems	Outline of our systems	Legal standard	Number of users in FY2022		
			Male	Female	Total
Health care during pregnancy	Reduced hours granted during pregnancy	Same as at left	—	0	0
	Hospital visits granted during work hours	Same as at left	—	1	1
Maternity leave	Granted from eight weeks prior to the expected date of birth	Granted from six weeks prior to the expected date of birth	—	16	16
	Maternity allowance granted during the period of eight to six weeks prior to birth	No established standards	—	15	15
Childcare leave	Granted until the child turns three years old	Granted until the child turns one year and six months	13	11	24
Childcare leave for fathers	Granted from five working days up to 10 working days	No established standards	11	—	11
Leave for advanced infertility treatment	Granted for up to 18 months	No established standards	0	1	1
Nursing care leave	Granted for up to two years	Granted for up to 93 days	0	0	0
Support programs during childcare or nursing care	Loan program	Available for an employee who has a preschool child or a person requiring nursing care in his / her family (up to ¥2,000,000)	0	0	0
	Reduced working hours program	Granted until the child completes the third grade of elementary school	0	28	28
Flexible working hours	Introduced by various divisions with a core time of 11 a.m. to 3 p.m.	Depends on the labor management agreement	—	—	—
Refreshment leave	Available in the 11th year at the Company (7 consecutive days)	No established standards	9	9	18
	Available in the 21st year at the Company (10 consecutive days)	No established standards	10	5	15
Administrative leave for accompanying spouse's overseas / domestic assignment	Granted for two years for overseas assignment or one year for domestic assignment	No established standards	0	4	4

Corporate Governance Structure



Officer Remuneration System

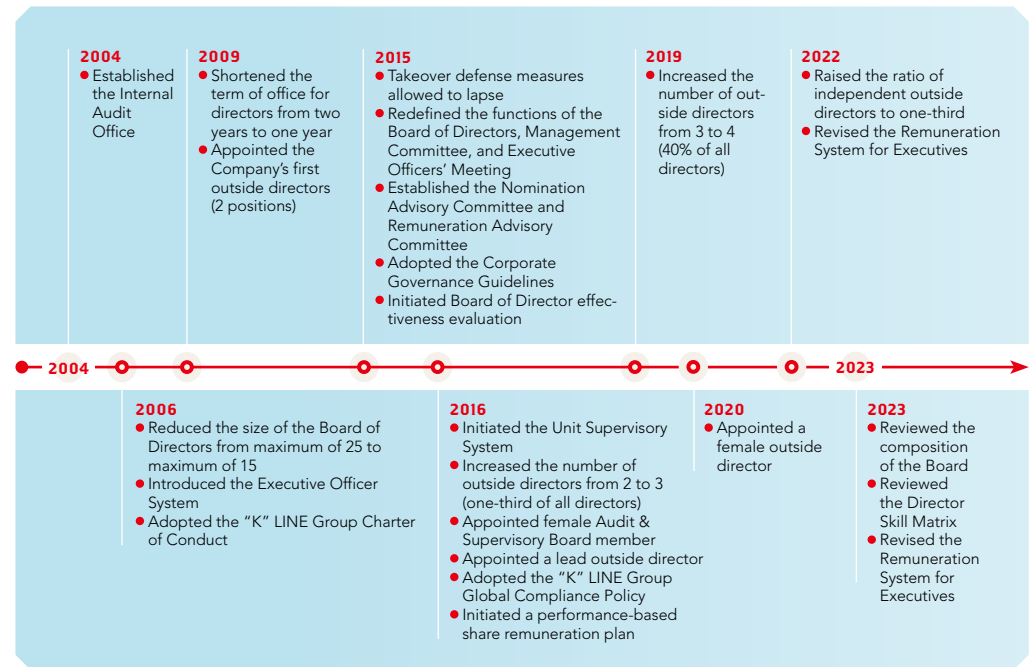
Classification	Type of remuneration	Nature of remuneration	Method of determination	Maximum limit of remuneration
Director	1. Monthly remuneration (monetary)	Fixed remuneration	Remuneration is determined in accordance with position.	Within ¥800 million / year (of which ¥111 million is for outside directors)
	2. Short-term performance-based remuneration (monetary)*1	Variable remuneration	Linked to achievement of consolidated performance targets and individual performance evaluation in a single year. Apply negative indicator when serious maritime accident occurs.	
	3. Medium- to long-term performance-based remuneration (stock)*1		Linked to our medium- and long-term TSR*2, return on equity (ROE), and ESG (improvements in CO <sub>2</sub> emissions efficiency) indicators*3 *2 TSR = Percentage increase in our share price over a certain period + Percentage of dividends over a certain period (Total dividends / Initial share price) *3 The composition ratio for TSR indicators: ROE indicators: ESG indicators is set at 90:5:5.	
Audit & Supervisory Board member	Monthly remuneration only	Fixed remuneration	Determined following deliberation among Audit & Supervisory Board members	Within ¥12 million / month

\*1 Limited to executive directors

Training for Officers

Attending officers	Timing of implementation	Content
Newly appointed officers	Within three months of taking office	Providing opportunities to attend seminars on legal responsibilities pertaining to the Companies Act and the Financial Instruments and Exchange Act, etc.
All officers	Yearly	Training related to compliance in such areas as competition law, insider trading regulations, and anti-bribery
Outside directors / Outside Audit & Supervisory Board members	Upon appointment	Explanations about the Group's business, financial, and organizational status as well as the management status, operating environment, and business issues from heads of relevant divisions or executive officers in charge

Corporate Governance Reform



Skill Matrix

The Company's Board of Directors shall consist of a variety of individuals, including those with experience in managing corporations and other large organizations and those with expertise in the operational, technical, financial, and other aspects of the shipping industry.

	Expertise and experience							
	Corporate management and strategy	Legal and risk management	Finance and accounting	Human resource - Labor	Safety - Ship quality management	Advancement of environmental technologies	Global	Sales - Marketing
Yukikazu Myochin	●	●		●	●	●	●	●
Atsuo Asano	●			●	●	●	●	●
Yukio Toriyama	●	●	●	●	●		●	
Kazuhiko Harigai	●				●	●	●	●
Keiji Yamada		●		●	●	●	●	
Ryuhei Uchida	●		●				●	
Kozue Shiga		●		●			●	
Koji Kotaka		●	●				●	
Hiroyuki Maki	●		●	●		●	●	●

### Unit Supervisory System

- Clarified the system for business execution responsibility
- Delegated authority to unit supervising executive officers
- Strengthened the supervisory function of the Board of Directors

Improved business execution efficiency

### Nomination Advisory Committee, Remuneration Advisory Committee

As a company structured with an Audit & Supervisory Board, "K" LINE voluntarily established a Nomination Advisory Committee and a Remuneration Advisory Committee to enhance the function of the Board of Directors. The committees are composed of independent outside directors, the chairperson, and the president & CEO. The independent outside directors on each committee nominate and select an independent outside director to serve as their committee chairperson.

### Cross-Shareholding Policies

- The Board of Directors will evaluate cross-shareholdings of listed securities from an objective and independent standpoint at least once a year. These evaluations will examine the purpose, necessity from the viewpoint of business activities, and economic rationality of individual holdings to determine whether holdings should be continued.
- The sale of cross-shareholdings will be considered when evaluations of economic rationality determine that the returns gained through the holdings in a given fiscal year have fallen below the cost of capital.
- Each year, the Board of Directors will discuss the potential sale of cross-shareholdings that become applicable under the aforementioned standard in order to determine which holdings are to be sold.
- As of March 31, 2023, the number of cross-shareholdings of listed shares was three.

### "K" LINE's ESG and Sustainability Disclosure

Please refer to the documents below for detailed information on our ESG and sustainability initiatives.

**"K" LINE REPORT**  
<https://www.kline.co.jp/en/ir/library/report.html>

**ESG DATA BOOK**  
[https://www.kline.co.jp/en/sustainability/esg\\_data.html#db](https://www.kline.co.jp/en/sustainability/esg_data.html#db)

**"K" LINE Environmental Vision 2050**  
<https://www.kline.co.jp/en/sustainability/environment/management.html>

**"K" LINE SUSTAINABILITY BOOKLET**  
[https://www.kline.co.jp/en/sustainability/esg\\_data/main/013/teaserItems4/00/link/K\\_LINE\\_SUSTAINABILITY\\_BOOKLET\\_\(for\\_Browsing\).pdf](https://www.kline.co.jp/en/sustainability/esg_data/main/013/teaserItems4/00/link/K_LINE_SUSTAINABILITY_BOOKLET_(for_Browsing).pdf)






### Governance Data

Item	Breakdown	Unit	Fiscal year		
			FY2020	FY2021	FY2022
Board of Directors	Number of directors	Persons	10	10	9
	Male	Persons	9	9	8
	Female	Persons	1	1	1
	Ratio of females	%	10	10	11
	Number of outside directors (number of independent outside directors)	Persons	4 (3)	4 (3)	4 (3)
	Ratio of outside directors	%	40	40	44
	Number of meetings held	Times	18	18	19
Average attendance ratio	%	99.6	100.0	99.0	
Audit & Supervisory Board	Number of members	Persons	4	4	4
	Male	Persons	3	3	3
	Female	Persons	1	1	1
	Ratio of females	%	25	25	25
	Number of outside members	Persons	2	2	2
	Ratio of outside members	%	50	50	50
	Number of meetings held	Times	16	16	15
Nomination Advisory Committee	Number of members	Persons	4	4	4
	Number of outside members	Persons	3	3	3
	Ratio of outside members	%	75	75	75
	Number of meetings held	Times	7	8	14
Remuneration Advisory Committee	Number of members	Persons	4	4	4
	Number of outside members	Persons	3	3	3
	Ratio of outside members	%	75	75	75
	Number of meetings held	Times	4	6	9
Remuneration	Total remuneration paid to directors (number of payees*)	¥ millions	319 (12)	340 (10)	906 (10)
	Total remuneration paid to Audit & Supervisory Board members (number of payees*)	¥ millions	84 (5)	81 (5)	80 (4)

\* Includes those who retired during the year (Ordinary General Meeting of Shareholders)


External Recognition

Inclusion in ESG Investment Indices

Overview	
<p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>	<ul style="list-style-type: none"> <li>• <b>Dow Jones Sustainability Asia/Pacific Index</b> Provided by U.S.-based S&amp;P Dow Jones Indices LLC, this ESG index evaluates the sustainability of the world's leading companies based on economic, environmental, and social criteria. As of 22nd September 2023, our company ranked in the 89th percentile in the Transportation industry in the S&amp;P Global Corporate Sustainability Assessment. <a href="https://www.spglobal.com/esg/performance/indices/djsi-index-family">https://www.spglobal.com/esg/performance/indices/djsi-index-family</a></li> </ul>
 FTSE4Good	<ul style="list-style-type: none"> <li>• <b>FTSE4Good Index</b> This investment index was developed by FTSE Russell, which is wholly owned by the London Stock Exchange Group, and its constituents are selected from companies around the world that have demonstrated outstanding performance in their environmental, social, and governance (ESG) efforts. It is also widely used to create and evaluate sustainable investment funds and other financial instruments. <a href="https://www.ftserussell.com/products/indices/ftse4good">https://www.ftserussell.com/products/indices/ftse4good</a></li> </ul>
 FTSE Blossom Japan Index	<ul style="list-style-type: none"> <li>• <b>FTSE Blossom Japan Index</b> Using FTSE Russell's ESG rating methodology, this index is designed to measure the performance of Japanese companies that demonstrate outstanding responses from an ESG perspective and is widely used to create and evaluate sustainable investment funds and other financial instruments. <a href="https://www.ftserussell.com/products/indices/blossom-japan">https://www.ftserussell.com/products/indices/blossom-japan</a></li> </ul>
 FTSE Blossom Japan Sector Relative Index	<ul style="list-style-type: none"> <li>• <b>FTSE Blossom Japan Sector Relative Index</b> Created by FTSE Russell, this index is designed to be sector neutral as, in addition to ESG assessments, it screens eligible companies using an assessment of the size of a company's environmental footprint and its management of corporate climate change risks. <a href="https://www.ftserussell.com/products/indices/blossom-japan">https://www.ftserussell.com/products/indices/blossom-japan</a></li> </ul>
<p>2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</p>	<ul style="list-style-type: none"> <li>• <b>MSCI Japan Empowering Women Index (WIN)</b> Developed by U.S.-based Morgan Stanley Capital International Inc. (MSCI), this is a stock price index that was created to classify companies with outstanding gender diversity based on MSCI's unique Gender Diversity Score. <a href="https://www.msci.com/our-solutions/indices/japan-empowering-women-index">https://www.msci.com/our-solutions/indices/japan-empowering-women-index</a></li> </ul> <p>Note: THE INCLUSION OF KAWASAKI KISEN KAISHA, LTD., IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF KAWASAKI KISEN KAISHA, LTD., BY MSCI OR ANY OF ITS AFFILIATES.</p>
 S&P/JPX Carbon Efficient Index	<ul style="list-style-type: none"> <li>• <b>S&amp;P/JPX Carbon Efficient Index</b> One of the ESG indices adopted by the Government Pension Investment Fund (GPIF), this index focuses on environmental issues and measures the performance of companies by evaluating their levels of information disclosure on carbon emissions, as well as their carbon emissions per unit of revenue. <a href="https://www.jpjx.co.jp/english/markets/indices/carbon-efficient/index.html">https://www.jpjx.co.jp/english/markets/indices/carbon-efficient/index.html</a></li> </ul>
<p>2023</p>  Sompo Sustainability Index	<ul style="list-style-type: none"> <li>• <b>Sompo Sustainability Index</b> This ESG-focused management product, which Sompo Asset Management Co., Ltd., began operating in August 2012, consists of approximately 300 stocks that have outstanding ESG performance and is used to build a sustainable management portfolio. <a href="https://www.sompo-am.co.jp/institutional/product/06/">https://www.sompo-am.co.jp/institutional/product/06/</a> (Japanese text only)</li> </ul>

External Recognition

Major Awards and Recognition

	Contents
	<p>"K" LINE has been selected for the eighth consecutive year to be on the Climate Change A List, achieving an A, the highest score in the CDP's Climate category. CDP is an international non-profit organization (NGO) headquartered in London, which conducts a survey on climate change risks and opportunities and the responses of companies and other entities. The results of the survey are used as a universal indicator to measure corporate value.</p> <p><a href="https://www.cdp.net/en">https://www.cdp.net/en</a></p>
	<p>"K" LINE has been recognized for the fifth consecutive year as a Supplier Engagement Leader, the top rating on the Supplier Engagement Rating from CDP. Supplier Engagement Rating evaluates the companies' initiatives for climate change and greenhouse gas emissions throughout the supply chain and ranks the companies in line with their efforts.</p> <p><a href="https://www.cdp.net/en">https://www.cdp.net/en</a></p>
	<p>Morgan Stanley Capital International (MSCI) is a U.S. finance company headquartered in New York City. It is an investment research firm that provides stock indexes and portfolio analytics. In 2023, "K" LINE received a rating of BBB in the MSCI ESG Ratings assessment.</p> <p><a href="https://www.msci.com/our-solutions/esg-investing/esg-ratings">https://www.msci.com/our-solutions/esg-investing/esg-ratings</a></p> <p>* THE USE BY KAWASAKI KISEN KAISHA, LTD., OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF KAWASAKI KISEN KAISHA, LTD., BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.</p>
	<p>Sustainalytics is a part of the Morningstar group, which provides high-quality, analytical ESG research, ratings, and data to institutional investors and companies.</p> <p>In September 2023, "K" LINE received an ESG Risk Rating of 20.3 and was assessed by Morningstar Sustainalytics to be at Medium risk of experiencing material financial impacts from ESG factors.</p> <p><a href="https://www.sustainalytics.com/esg-ratings">https://www.sustainalytics.com/esg-ratings</a></p> <p>* Copyright 2023 Morningstar Sustainalytics. All rights reserved. This article contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third-Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor investment advice and are not warranted to be complete, timely, accurate, or suitable for a particular purpose. Their use is subject to conditions available at <a href="https://www.sustainalytics.com/legal-disclaimers">https://www.sustainalytics.com/legal-disclaimers</a>.</p>

	Contents
	<p>Nikkei Research Inc. evaluated "K" LINE with a 4.0-star rating.</p> <p><a href="https://www.nikkei-r.co.jp/service/survey/sdgs_survey/">https://www.nikkei-r.co.jp/service/survey/sdgs_survey/</a> (Japanese text only)</p>
	<p>"K" LINE was granted Kurumin certification for the third time as a company that provides superior support for childcare.</p> <p><a href="https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kodomo/shokuba_kosodate/kurumin/index.html">https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kodomo/shokuba_kosodate/kurumin/index.html</a> (Japanese text only)</p>
	<p>"K" LINE has been recognized for the fifth time in four consecutive years under the 2023 Health &amp; Productivity Management Organization Recognition Program (large enterprise category), which is jointly hosted by the Ministry of Economy, Trade and Industry and the Japan Health Council. The program recognizes companies for their outstanding health and productivity management efforts.</p> <p><a href="https://www.meti.go.jp/policy/mono_info_service/healthcare/kenkoukeiei_yuryouhouzin.html">https://www.meti.go.jp/policy/mono_info_service/healthcare/kenkoukeiei_yuryouhouzin.html</a> (Japanese text only)</p>
	<p>"K" LINE was selected as a "DX Certified Business Operator" under the Digital Transformation (DX) Certification established by the Ministry of Economy, Trade and Industry in April 2022.</p> <p><a href="https://www.meti.go.jp/policy/it_policy/investment/dx-nintei/dx-nintei.html">https://www.meti.go.jp/policy/it_policy/investment/dx-nintei/dx-nintei.html</a> (Japanese text only)</p> <p><a href="https://www.kline.co.jp/ja/news/other/other-20220404.html">https://www.kline.co.jp/ja/news/other/other-20220404.html</a> (Japanese text only)</p>
	<p>Each year, Daiwa Investor Relations Co. Ltd. evaluates and grades the online disclosure of information by listed companies through their investor relations (IR) websites, granting awards to the top-performing companies.</p> <p>In 2023, "K" LINE was granted the Commendation Award for the sixth consecutive year and an Excellence Award in Sustainability Disclosure for the first time.</p> <p><a href="https://www.daiwair.co.jp/news/internet_IR2023.html">https://www.daiwair.co.jp/news/internet_IR2023.html</a> (Japanese text only)</p>
	<p>"K" LINE was awarded a Bronze rating for overall sustainability initiatives in 2023 by EcoVadis, an internationally recognized provider of business sustainability ratings based in France.</p> <p><a href="https://ecovadis.com/">https://ecovadis.com/</a></p>





### Japan

Tokyo (Head office)  
 Kobe (Registered head office)  
 Nagoya  
 Kansai

### Europe

U.K.      London  
             Southampton  
 Germany    Bremen  
               Bremerhaven  
               Hamburg  
 Belgium    Antwerp

### Africa

South Africa      Durban

### Middle East

United Arab Emirates      Dubai

### Asia

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 Indonesia              Jakarta  
 Korea                     Seoul  
 Taiwan                  Kaohsiung  
                               Taipei  
 Singapore              Singapore

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 Laem Chabang

### China

Shanghai  
 Tianjin

### Philippines

Manila

### Vietnam

Haiphong  
 Hanoi  
 Ho Chi Minh City

### Malaysia

Shah Alam

### Oceania

Australia      Melbourne

### North America

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                           Houston  
                           Los Angeles  
                           Lothian  
                           New York  
                           Portland  
                           Richmond  
                           San Francisco

### Central and South America

Chile              Santiago  
 Brazil             Sao Paulo  
 Peru                Lima  
 Mexico            Mexico City



### Outline of the Company (as of September 30, 2023)

<b>Name</b>	Kawasaki Kisen Kaisha, Ltd. ("K" LINE)
<b>Established</b>	April 5, 1919
<b>Paid-in capital</b>	¥75,457.64 million
<b>President</b>	Yukikazu Myochin (effective from April 1, 2019)
<b>Employees</b>	On-land duty 638 At-sea duty 205 Unconsolidated total 843 Consolidated total 5,458
<b>Business lines</b>	Marine transportation, Land transportation, Air transportation, Through transportation involving marine, land, and air transportation, Harbor transportation, etc.

### Offices

<b>Head office</b>	Iino Building, 1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-8540, Japan Phone: (+81) 3-3595-5000 Fax: (+81) 3-3595-5001
<b>Registered head office</b>	Shinko Building, 8 Kaigandori, Chuo-ku, Kobe 650-0024, Japan Phone: (+81) 78-332-8020 Fax: (+81) 78-393-2676

### Branches

<b>Nagoya</b>	Nagoya International Center Building, 47-1, Nagono 1-chome, Nakamura-ku, Nagoya 450-0001, Japan Phone: (+81) 52-589-4510 Fax: (+81) 52-589-4585
<b>Kansai</b>	Shinko Building, 8 Kaigandori, Chuo-ku, Kobe 650-0024, Japan Phone: (+81) 78-325-8727 Fax: (+81) 78-393-2676
<b>Overseas representative offices</b>	Taipei, Manila, Dubai
<b>Overseas agents</b>	Korea, China, Taiwan, Thailand, Singapore, Malaysia, Indonesia, Vietnam, India, Australia, U.K., Germany, Belgium, U.S.A., Mexico, Peru, Chile, Brazil, South Africa

### Affiliated companies (to be consolidated)

27 (domestic), 257 (overseas)

### Stock Information (as of September 30, 2023)

<b>Authorized</b>	600,000,000 shares of common stock
<b>Issued</b>	250,712,389 shares of common stock
<b>Number of shareholders</b>	59,367
<b>Shareholder registry administrator</b>	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
<b>Listing of shares</b>	Tokyo Stock Exchange (Prime Market)

### Rating Information (as of February 20, 2024)

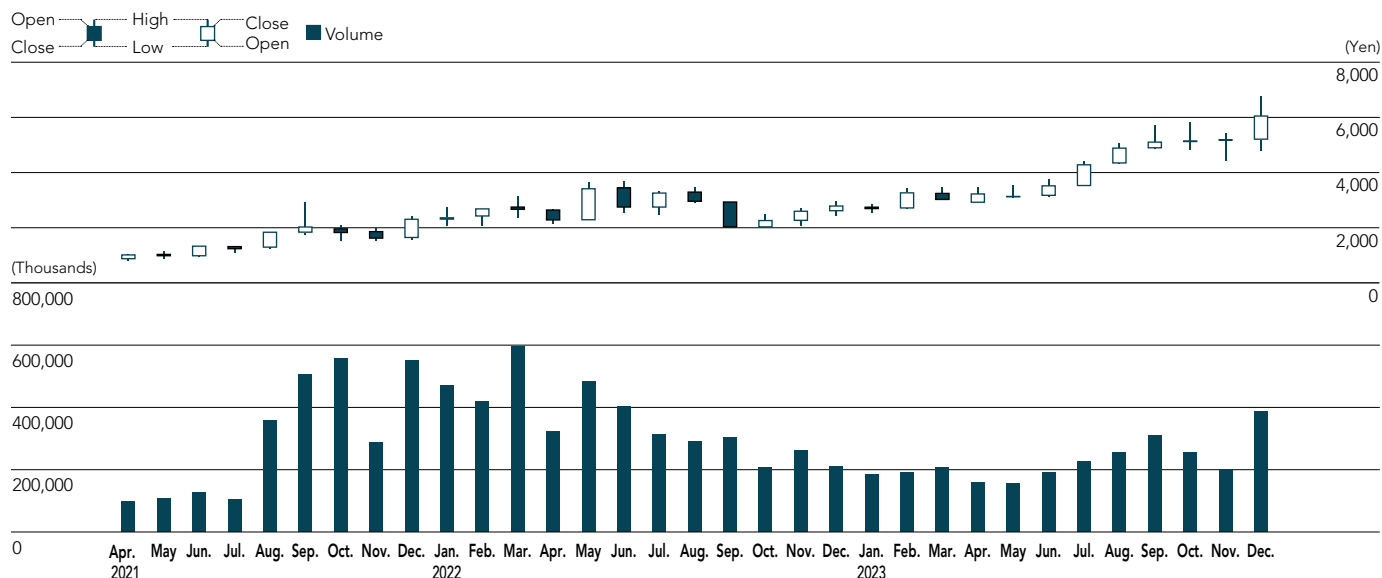
<b>JCR</b>	A- (Stable)
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### Major Shareholders (as of September 30, 2023)

Shareholders	Number of shares held (thousands)	Percentage of shares held (%)
ECM MF	32,149	13.48
The Master Trust Bank of Japan, Ltd. (trust account)	23,884	10.01
MLI FOR SEGREGATED PB CLIENT	16,954	7.10
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	15,313	6.42
GOLDMAN SACHS INTERNATIONAL	13,415	5.62
CGML PB CLIENT ACCOUNT/COLLATERAL	9,518	3.99
Custody Bank of Japan, Ltd. (trust account)	7,651	3.20
IMABARI SHIPBUILDING CO., LTD.	5,652	2.36
Mizuho Bank, Ltd.	4,755	1.99
CGML-LONDON EQUITY	4,582	1.92

Note: Figures for share ownership breakdown do not include treasury stock (12,223,996 shares).

### Stock Price Range and Trading Volume (Tokyo Stock Exchange)



Note: On October 1, 2022, "K" LINE conducted a 3-for-1 common stock split. Stock prices and trading volumes prior to this date have been adjusted to post-split values.

Iino Building, 1-1, Uchisaiwaicho 2-chome,  
Chiyoda-ku, Tokyo 100-8540, Japan

## **KAWASAKI KISEN KAISHA, LTD.**

IR and ESG Promotion Team,  
Corporate Sustainability, Environment Management, IR and Communication Group  
Phone: (+81) 3-3595-5000  
URL: <http://www.kline.co.jp/en/>

### **Disclaimer**

Information contained in the FACTBOOK 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 FACTBOOK contains forward-looking statements concerning future plans and forecasts, and these statements are based on information currently available. Furthermore, "K" LINE therefore cautions readers that actual results may differ materially due to changes in economic conditions, supply and demand in the shipping industry, the bunker price, and foreign currency exchange rates.

