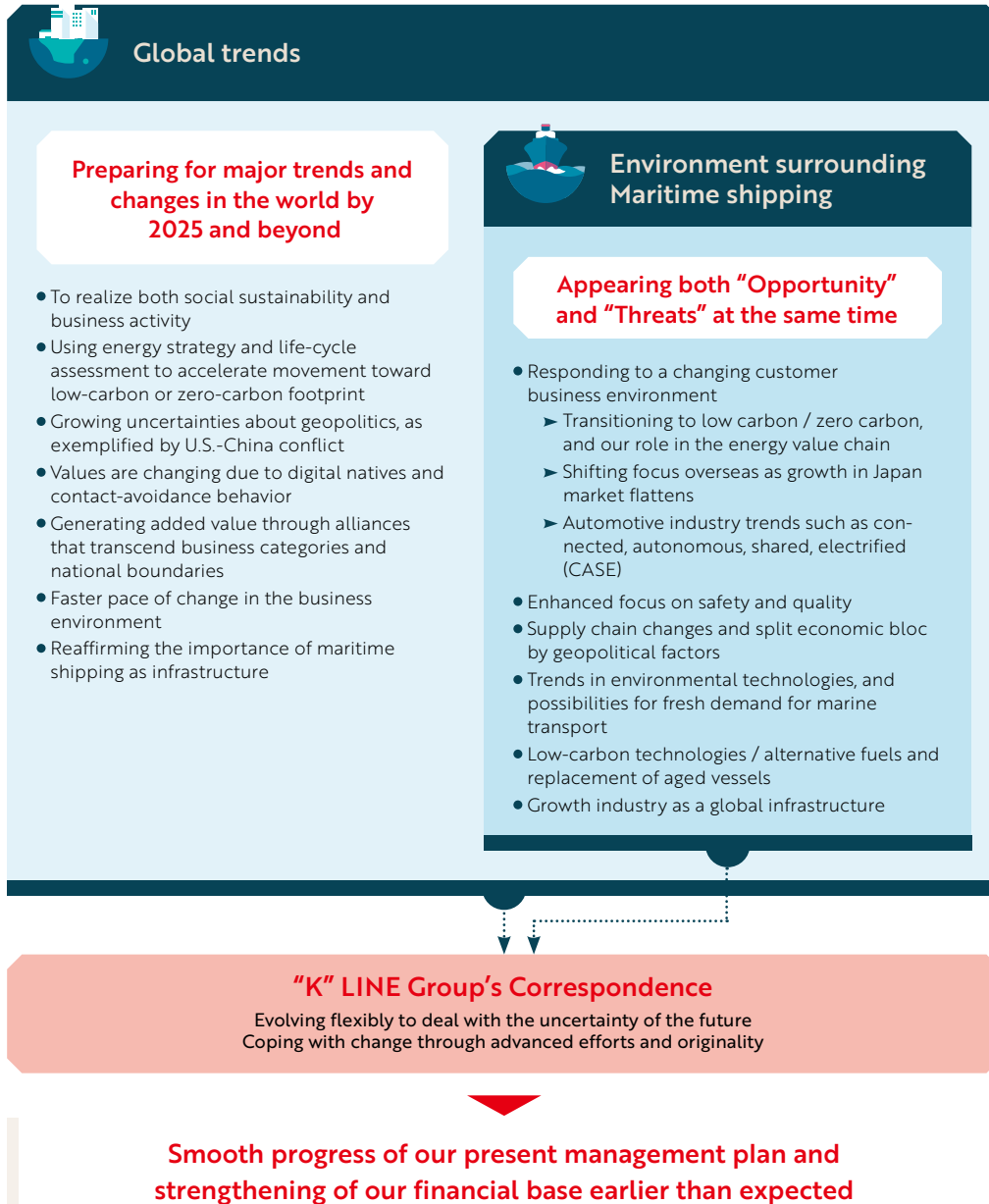
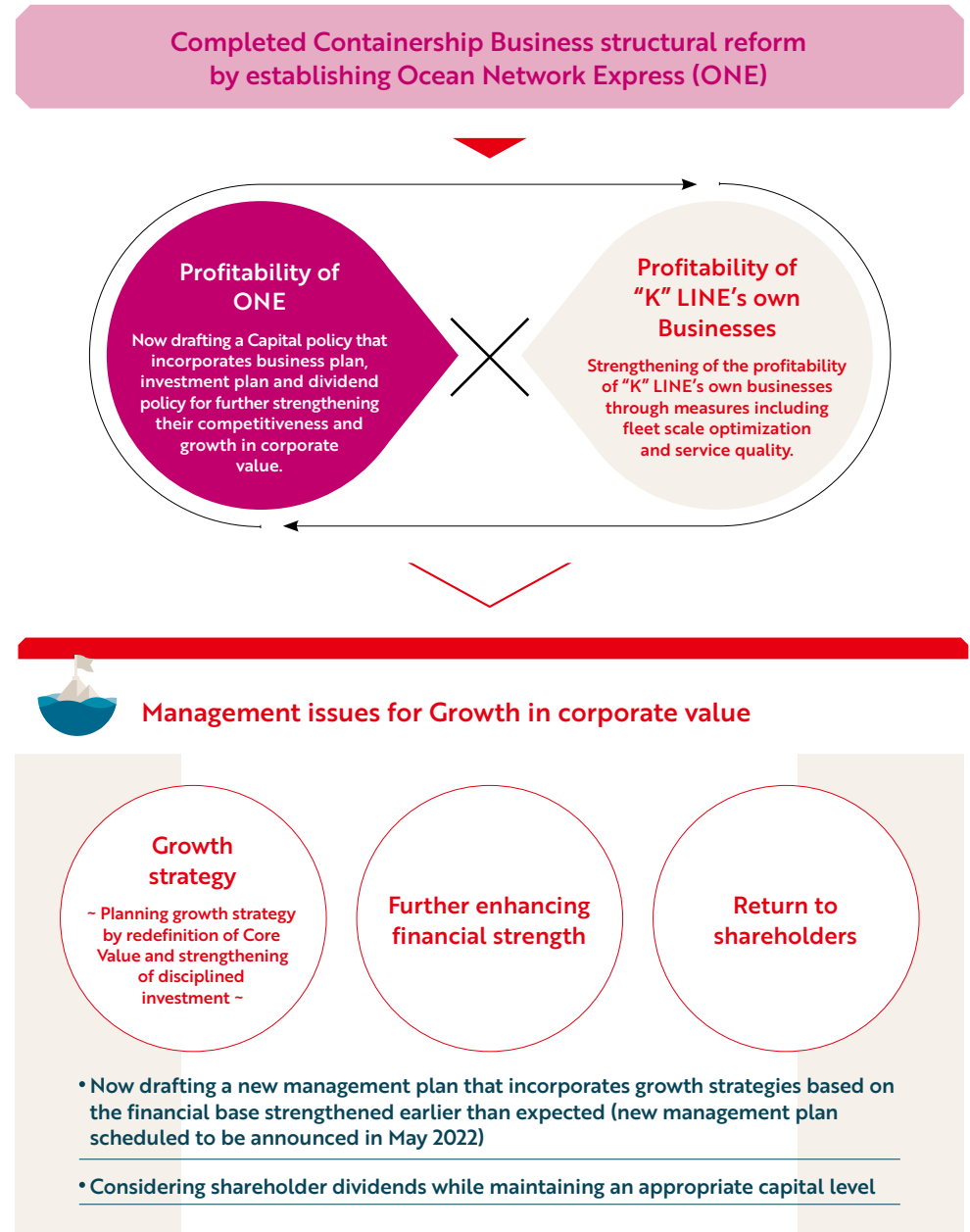


Megatrends



Initiatives for Growth in Corporate Value



Outline of Management Plan

		Growing Area	
Refining our Four-pillar Business <ul style="list-style-type: none"> Fortifying our ability to provide clients with new ideas Continuing our fleet optimization in line with plans Expanding our base of stable-income businesses Refocus investments Better use of data Rigorous pursuit of efficiency in vessel allocation 	Dry Bulk	Accelerating business development abroad <ul style="list-style-type: none"> Expand overseas site Deploying our global network and Collaboration with local partner 	Studying incorporation of growth areas <ul style="list-style-type: none"> Utilizing Environmental Technologies Utilizing AI and DX Technologies
	Energy Resource Transport	<ul style="list-style-type: none"> Further strengthening transport in both emerging markets and between third countries 	<ul style="list-style-type: none"> Installation of Seawing on dry bulk carrier (fiscal 2022 onwards)
	Car Carrier	<ul style="list-style-type: none"> Responding to diversifying energy demand 	<ul style="list-style-type: none"> Offshore Support Vessel for offshore wind power generation Offshore wind power generation in Japan Transport utilizing new energy Transportation by Small-Scale LNG Carrier LNG-related business such as LNG Bunkering Vessel CCS demonstration trials in thermal coal carrier
	Logistics / Short Sea and Coastal	<ul style="list-style-type: none"> Responding to EV growth, particularly in China 	<ul style="list-style-type: none"> Expand introduction of LNG-fueled car carriers Increasing H&H cargo volume
		<ul style="list-style-type: none"> Business development rooted in the area 	

Containership

"K" LINE, as a shareholder, continues to support ONE as Containership Business is one of our important businesses.

Core theme

- Continuing to expand a stronger financial base
- R&D of environmental technologies
- Deploying in-house talent and outside knowledge
- Providing safe, reliable, high-quality services
- Strengthening Governance
- Promoting DX
- Sharing knowledge throughout the whole group
- Improving operation efficiency

Profit Level / Financial Indicators

	FY2020	Until the Mid-2020s	Until FY2030
Ordinary Income	¥89.5 billion	¥30 billion	¥50 billion
Equity Capital	¥218.2 billion	¥300 billion or more	¥400 billion or more
Equity Ratio	22.4%	30% or more	40% or more
Return on Equity (ROE)	68.1%	10% or more	

Investment Plan

Refocusing investments in the short term

- Overall investment in the five years beginning in fiscal 2021 will be about ¥250 billion, within the scope of operating cash flow.
- Looking ahead to after improving our financial base, we will consider investing in new growth areas.

Strategic investment (R&D / DX)

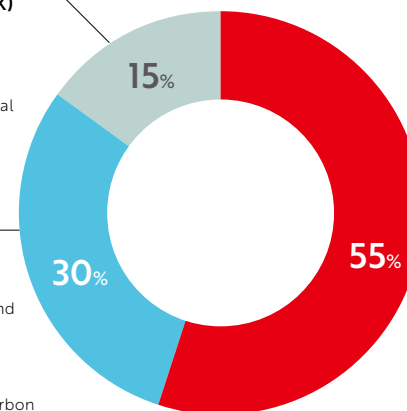
R&D for New Environmental Technologies
Investment for promoting DX

- Investment for R&D for environmental technologies
- R&D for zero carbon
- Strengthen AI / Digitalization

Growing Areas Environment

Prioritize investment in Energy resource, Environment-related area and Growing area

- Vessels using alternative fuels
- Environmental response equipment
- New business contributing to low carbon



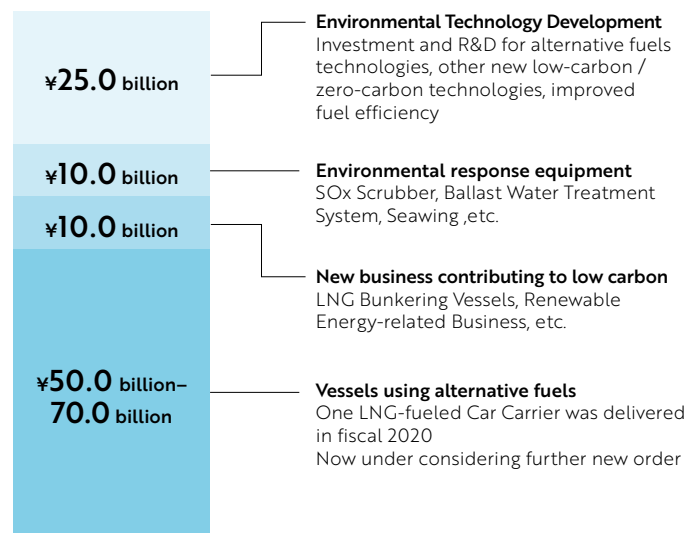
Replacement

Replacement Investment mainly Stable-Income Business

- Investment based on long-term Contracts
- Expansion of Stable-Income Business
- Strengthen Profitability

Environment-Related Investment

Environment investment budget ¥100.0 billion scale (From fiscal 2021 for five years in total)



Other Initiatives

- Promoting investment in low carbon by setting ICP* on investment
 - Looking ahead to after improving our financial base, we will consider investing in new growing areas.
- Promoting investments that incorporate transition finance

* Internal carbon pricing (ICP) means carbon pricing that is set and used inside the Company.

Strategies for Specific Businesses

	FY2021		Mid-2020s	
	Business Performance and Market Condition	Strategy and Challenges	Business Performance and Market Condition	Strategy and Challenges
Dry Bulk	<ul style="list-style-type: none"> As the global economy recovers, increasing demand for transportation amid limited new vessels delivery, we think the balance of supply and demand will improve, and the dry bulk market will rise. 	<ul style="list-style-type: none"> As demand for transportation grows increasingly diverse and complex, we are focused on deploying our fleet efficiently and economically. Our domestic and overseas locations are working together to fortify our customer base and explore new sales opportunities. Our emphasis on safe, environmentally friendly operations and DX approach help set us apart from our competitors and enhance the efficiency of our operations. 	<ul style="list-style-type: none"> Growing demand for transportation, and the limitation of supply pressures from new vessels delivery will combine to accelerate the retirement of uneconomical vessels. Expecting to see ongoing improvement in the balance of supply and demand. 	<ul style="list-style-type: none"> Strengthen our profitability not affected by market volatility by optimization of fleet scale / portfolio and continuing to aim for stable income and a growing customer base. Contribution to lessening burdens on the environment through conversion to new kinds of fuel and reduction of greenhouse gas emissions. Enhancing our competitiveness by training highly qualified personnel and strengthening group synergies.
Energy Resource Transport	<ul style="list-style-type: none"> Depressed demand for energy now recovering from the pandemic. Expansion of initiatives for zero carbon. 	<ul style="list-style-type: none"> As demand for energy transport recovers, being the high quality of our transportation services and environmental initiative (prevention of marine pollution, Seawing etc) driving force for helping us to generate stable earnings from major clients. With our newly established carbon-neutral promotion group, we are stepping up efforts to enter new business areas such as renewable energy sources. 	<ul style="list-style-type: none"> Progress is being made in efforts to switch from zero carbon, but coal and oil still remain the dominant sources of energy, alongside the relatively cleaner LNG. Specification of low carbonization required for both new and existing vessels. 	<ul style="list-style-type: none"> Attract new customers through our reputation as a shipping company with advanced environmental initiatives such as developing new technologies that will contribute to low-carbon shipping specifications and safety of operations. Creating a firm foothold for entry to the future of carbon-neutral technologies, with new businesses aimed at renewable energy, GHG reduction, transport of liquefied hydrogen and liquefied ammonia, CCUS, etc., together with our existing businesses such as FPSO.
Product Logistics Car Carrier	<ul style="list-style-type: none"> The recent shortage of semiconductor chips is generating concerns about the impact on production, but demand for transportation has increased greatly since last year. Securing higher profitability through fleet scale optimization and route rationalization, etc. 	<ul style="list-style-type: none"> Making efforts to find new ways to add value, through increased H&H freight volume, optimization of our global organization, expansion of business revenues, transformation of our fleet for carbon neutrality, and improved quality and efficiency management through DX, etc. 	<ul style="list-style-type: none"> Creating a platform for sustained earnings growth and revenue scale expansion by gradually recovering for demand of completed car transport and expansion of business revenue base. 	<ul style="list-style-type: none"> Establishing a trusted new business model for completed car transport, in line with the changing needs of society and our customers through realization of add value by transforming our fleet to carbon neutrality, reforming our business in other ways, and through DX, etc.
Product Logistics Logistics · Short Sea and Coastal · Terminal	<ul style="list-style-type: none"> We must swiftly and surely capture the markets as they recover from the impact of the pandemic, to support the improvement of our business profitability as a whole. 	<ul style="list-style-type: none"> Assessing the process of selection and concentration with maximizing our business profitability based on our existing sales systems. Considering suitable investments to expand our business, including lateral development of logistics systems, primarily in Asia. In domestic terminal business, finding new third-party customer shipping companies, by shifting our operations from Daikoku to Minami Honmoku in Yokohama port. 	<ul style="list-style-type: none"> To increase revenues, which are the main pillar of the stable earnings of the "K" LINE Group, we must accurately gauge the market and expand the business scale. 	<ul style="list-style-type: none"> Establishing our group business model in logistics. Planning and realizing the logistics services systems of the future by looking forward to the times ahead, through lateral development of our organization, networking through rationalization of our organizations abroad, and fortifying management on a consolidated basis. In domestic terminal business, aiming to expand revenue through a process of selection and concentration by each port and building up systems for receiving larger-size vessels.