



# FACTBOOK 2022

**Business Segment and Market Data**

As of February 2023

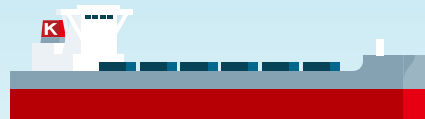
Corporate Principle

~  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

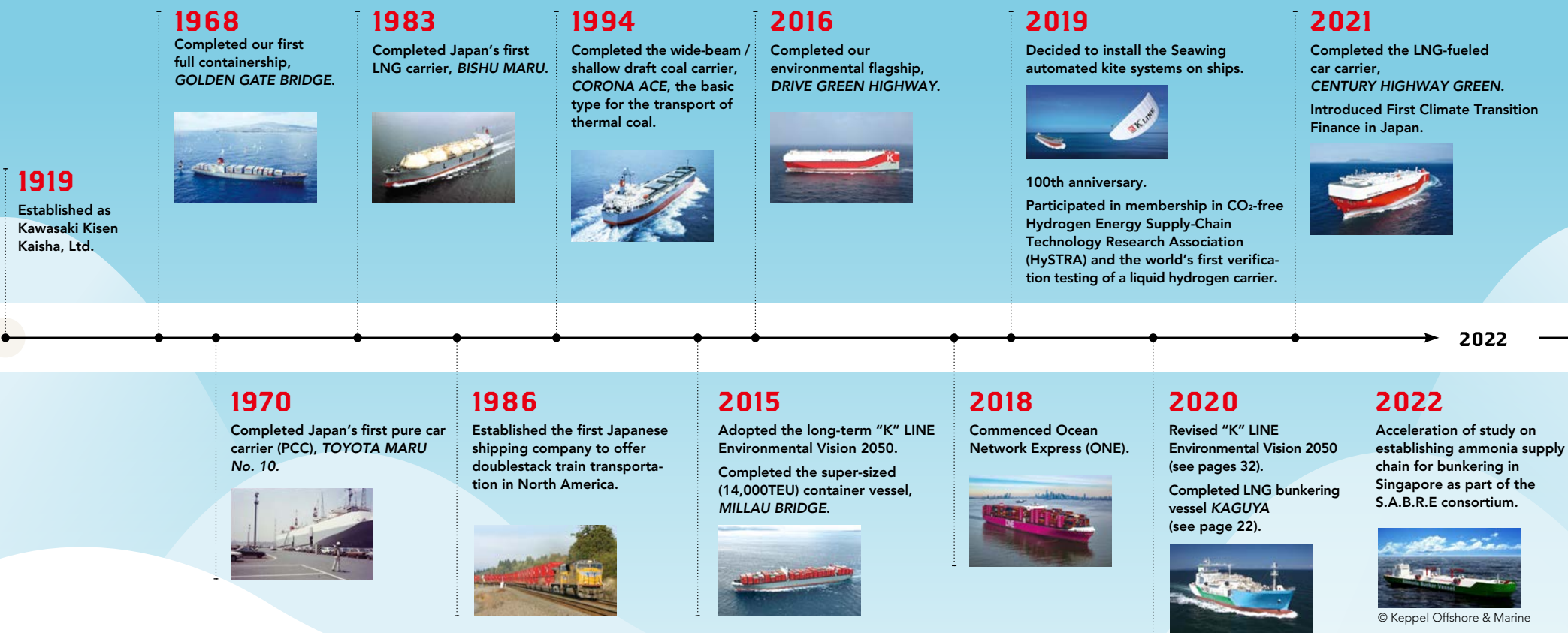
Providing the value only "K" LINE can in pursuit of expertise

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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		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
		(Millions of yen)*1										
Operating results (for the year)	Operating revenues	¥ 972,310	¥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
	Operating income (loss)	(40,563)	14,886	28,854	47,988	9,427	(46,037)	7,219	(24,736)	6,840	(21,286)	17,663
	Ordinary income (loss)	(48,955)	28,589	32,454	48,980	3,338	(52,388)	1,962	(48,933)	7,407	89,498	657,504
	Profit (loss) attributable to owners of the parent	(41,351)	10,669	16,642	26,818	(51,499)	(139,478)	10,384	(111,188)	5,269	108,695	642,424
Financial position (at year-end)	Total assets	1,066,648	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
	Net assets	259,934	361,975	410,688	467,440	379,913	245,482	243,094	181,233	200,234	316,162	984,882
	Equity capital	242,572	340,571	388,837	441,531	355,375	219,484	217,010	103,576	101,095	218,193	884,634
	Interest-bearing liabilities	592,522	629,864	643,794	536,846	525,152	550,512	570,584	550,211	543,451	507,005	423,455
	Capital expenditures	239,196	134,554	93,377	89,501	116,592	68,048	101,105	97,911	81,148	45,332	43,442
	Depreciation and amortization	50,044	59,667	52,243	53,526	48,302	47,421	43,410	40,789	44,253	43,869	42,821
	Cash flows from operating activities	(2,908)	59,756	88,228	101,825	39,635	(43,919)	1,167	(6,808)	(21,797)	33,397	226,460
	Cash flows from investing activities	(83,233)	(27,212)	(5,113)	(11,177)	(29,569)	(24,881)	(22,813)	(35,493)	(20,286)	16,987	(5,848)
	Free cash flows	(86,142)	32,544	83,115	90,648	10,066	(68,801)	(21,646)	(42,303)	(42,083)	50,384	220,611
	Cash flows from financing activities	86,306	26,364	(26,634)	(119,253)	(14,835)	26,436	22,239	19,290	16,731	(34,845)	(116,001)
Per share data*3	Earnings (loss) per share (EPS) (Yen)	(54.14)	12.07	17.75	28.60	(54.95)	(1,488.23)	111.13	(1,192.08)	56.50	1,165.34	6,887.54
	Book-value per share (BPS) (Yen)	317.59	363.18	414.66	471.10	379.18	2,341.93	2,326.65	1,110.48	1,083.88	2,339.28	9,484.35
	Cash dividends applicable to the year (Yen)	—	2.5	4.5	8.5	5.0	—	—	—	—	—	600
	Dividend payout ratio (%)	—	20.7	25.4	29.7	—	—	—	—	—	—	8.7
Management index	Ordinary income (loss) on revenue (%)	(5.0)	2.5	2.7	3.6	0.3	(5.1)	0.2	(5.8)	1.0	14.3	86.9
	Profit (loss) attributable to owners of the parent on revenue (%)	(4.3)	0.9	1.4	2.0	(4.1)	(13.5)	0.9	(13.3)	0.7	17.4	84.9
	Return on equity (ROE) (%)	(15.5)	3.7	4.6	6.5	(12.9)	(48.5)	4.8	(69.4)	5.1	68.1	116.5
	Return on assets (ROA) (%)	(4.7)	2.5	2.7	4.0	0.3	(4.8)	0.2*2	(4.9)	0.8	9.6	51.6
	Debt equity ratio (DER) (Times)	2.44	1.85	1.66	1.22	1.48	2.51	2.63	5.31	5.38	2.32	0.48
	Equity ratio (%)	22.7	28.9	31.0	36.1	31.9	21.0	20.9	10.9	11.3	22.4	56.2
	Assets turnover (%)	0.91	0.96	0.98	1.11	1.12	0.99	1.12	0.88	0.82	0.64	0.48
	EBITDA	10,168	104,797	90,472	111,978	24,678	(77,180)	67,567	(50,293)	65,746	167,779	712,219
	EV / EBITDA (Times)	62.82	6.28	6.97	5.63	21.53	(8.70)	9.57	(10.42)	7.72	3.67	1.33
	Price earnings ratio (PER) (Times)	—	16.49	12.56	11.29	—	—	22.44	—	14.37	2.18	1.16
	Price book-value ratio (PBR) (Times)	0.57	0.55	0.54	0.69	0.58	1.27	1.08	1.08	0.75	1.08	0.85
	Total shareholders return (TSR) (%)	—	—	—	—	—	—	84.26	40.20	27.43	85.64	291.22
TOPIX (%)	—	—	—	—	—	—	115.87	110.03	99.57	141.53	144.34	
Average during the period	Exchange rate (¥ / US\$)	79	82	100	109	121	109	111	111	109	106	112
	Fuel oil price (US\$ / ton)	672	671	626	541	295	265	349	450	467	363	551

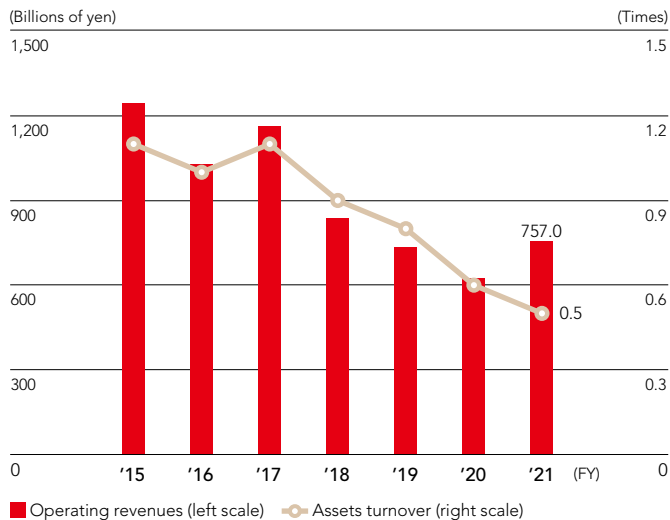
Note: Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued by the Accounting Standards Board of Japan on March 31, 2020) has been applied from the beginning of fiscal 2021. The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject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

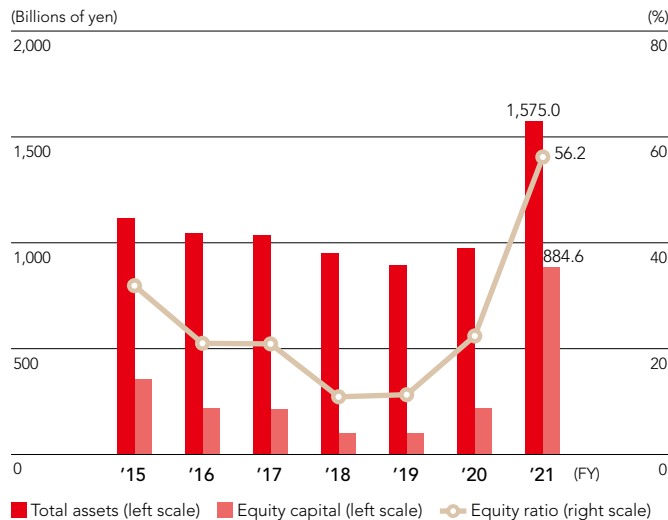
\*2. Partial Amendments to the Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, issued on February 16, 2018) has been applied from the beginning of fiscal 2018, and applied retroactively to the total assets and return on assets for fiscal 2017 for recalculation.

\*3. The Company consolidated its common stock at a ratio of ten shares to one share, effective October 1, 2017. The above figures for profit attributable to owners of the parent per share and net assets per share have been calculated on the assumption that the share consolidation took place at the beginning of the previous fiscal year (April 1, 2016).

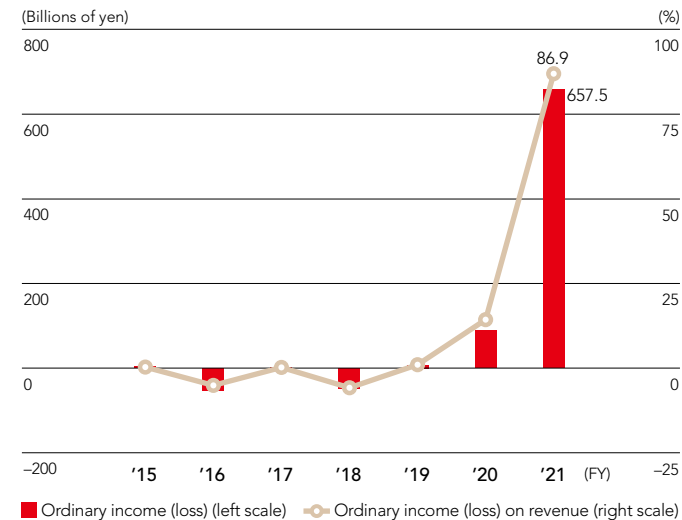
### Operating Revenues, Assets Turnover



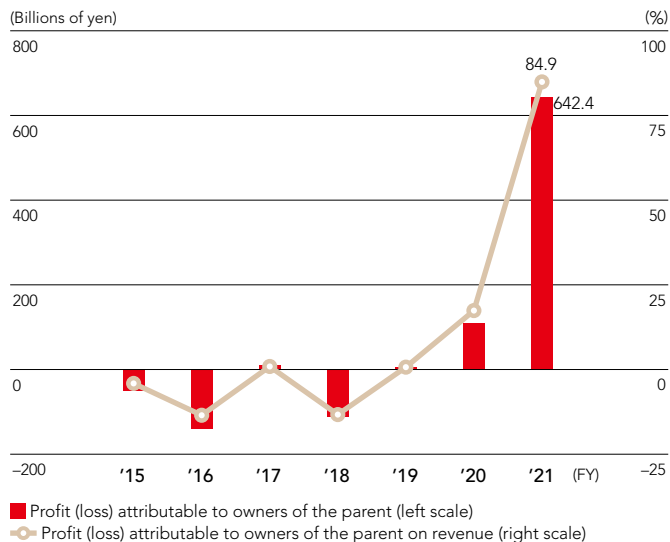
### Total Assets, Equity Capital, Equity Ratio



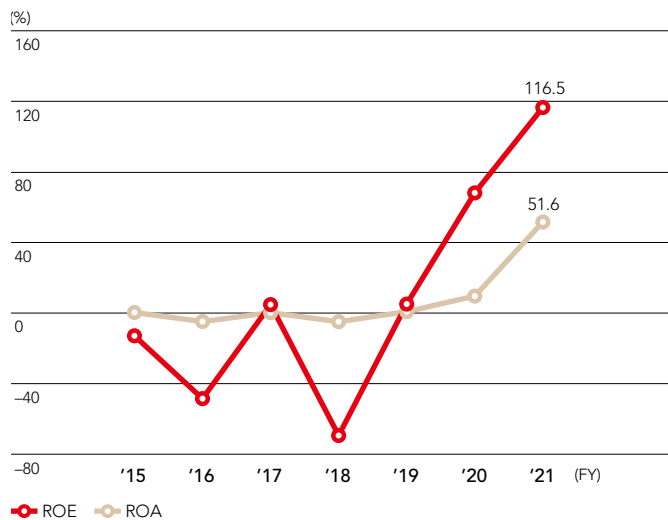
### Ordinary Income (Loss), Ordinary Income (Loss) on Revenue



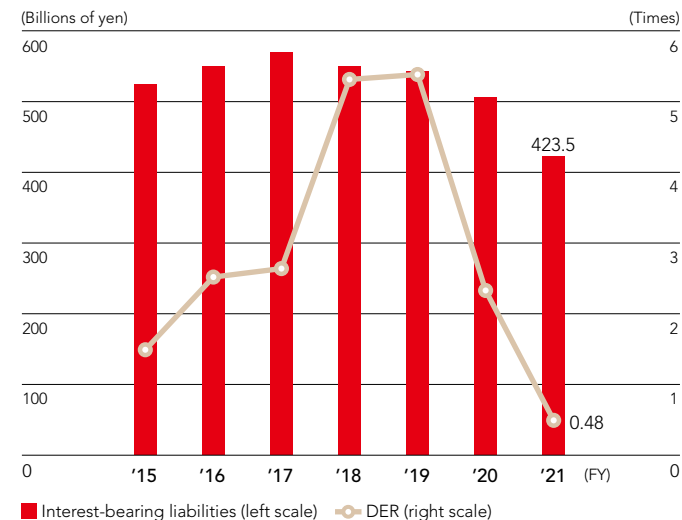
### Profit (Loss) Attributable to Owners of the Parent, Profit (Loss) Attributable to Owners of the Parent on Revenue



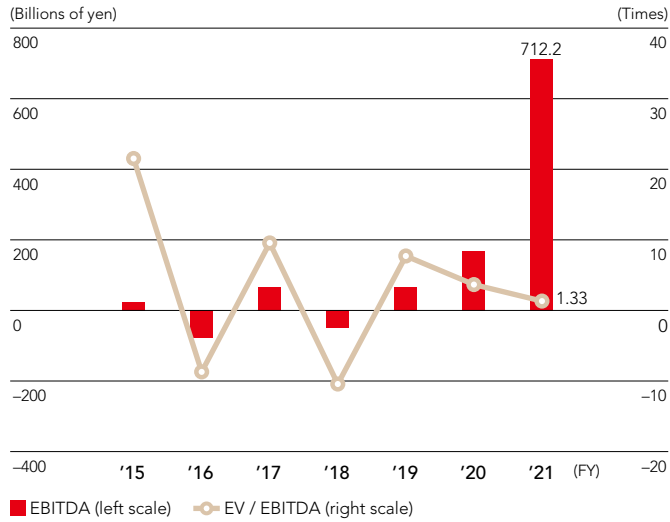
### Return on Equity (ROE), Return on Assets (ROA)



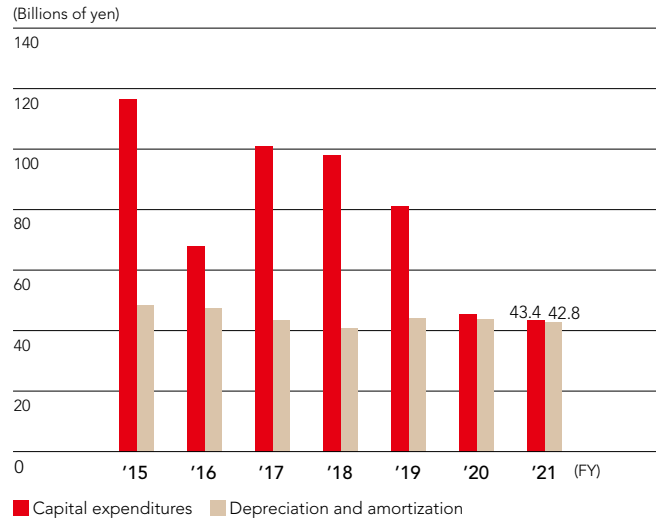
### Interest-Bearing Liabilities, Debt Equity Ratio (DER)



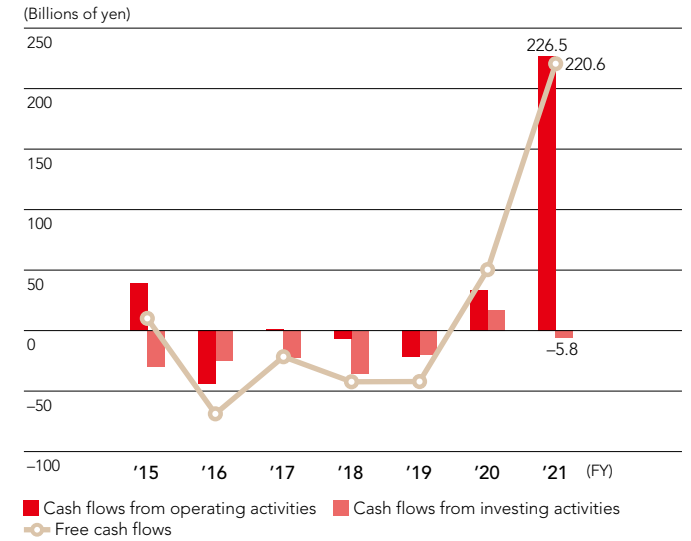
### EBITDA, EV / EBITDA



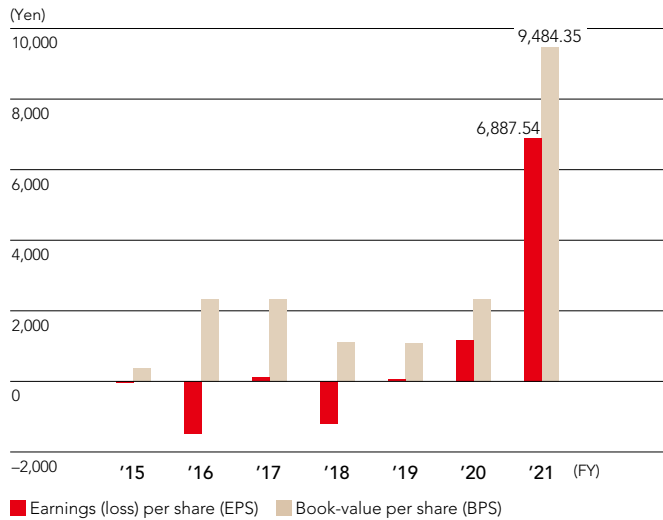
### Capital Expenditures, Depreciation and Amortization



### Cash Flows



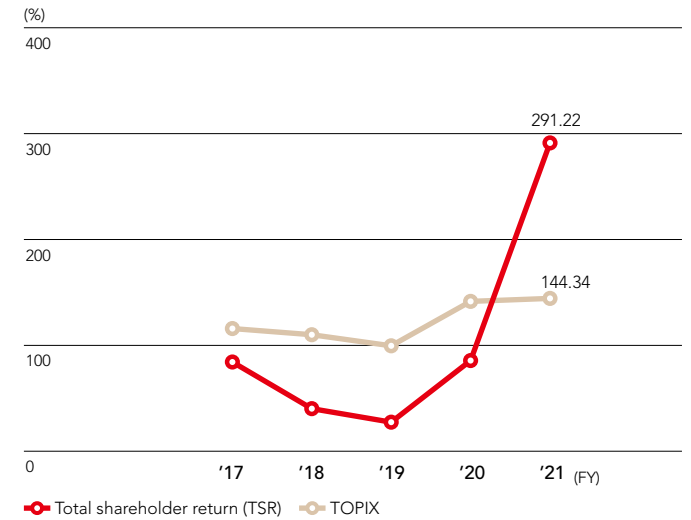
### Earnings (Loss) per Share (EPS), Book-Value per Share (BPS)



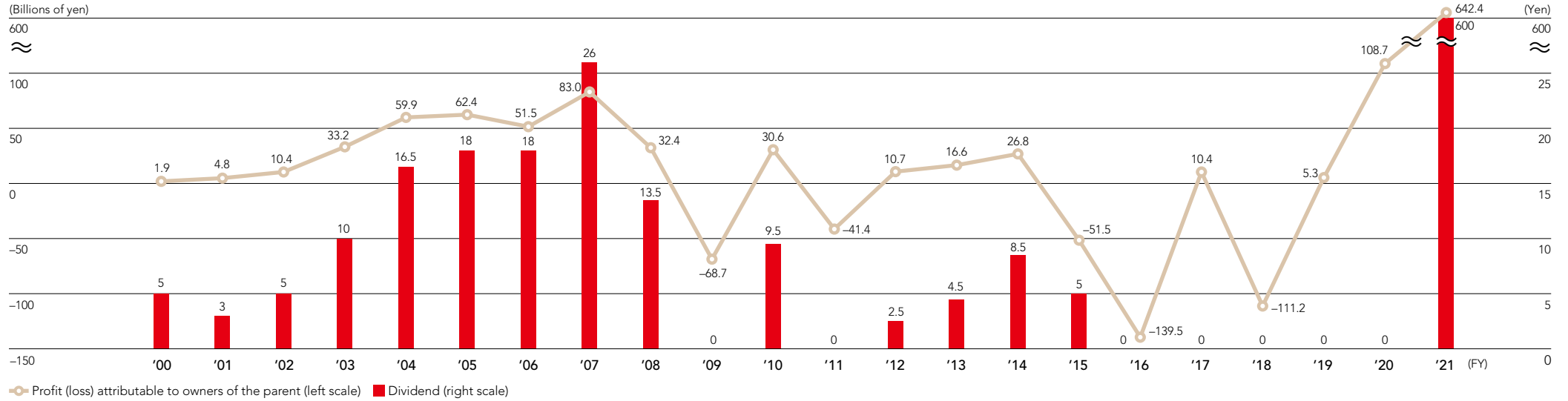
### Price Earnings Ratio (PER), Price to Book-Value Ratio (PBR)



### Total Shareholder Return (TSR), TOPIX

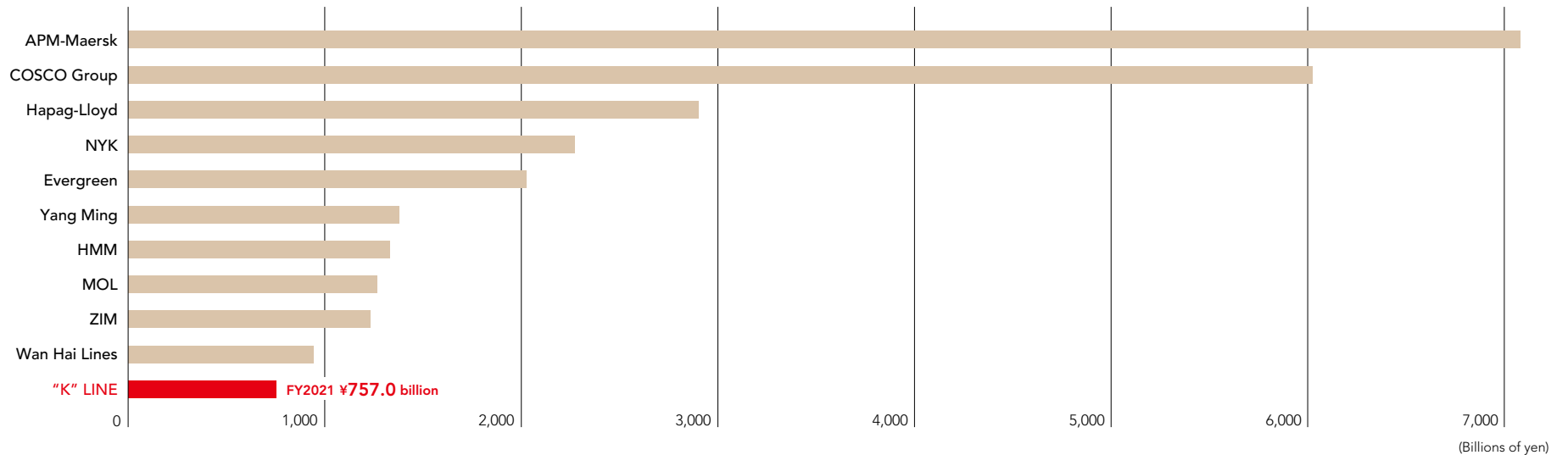


Profit (Loss) Attributable to Owners of the Parent and Dividend



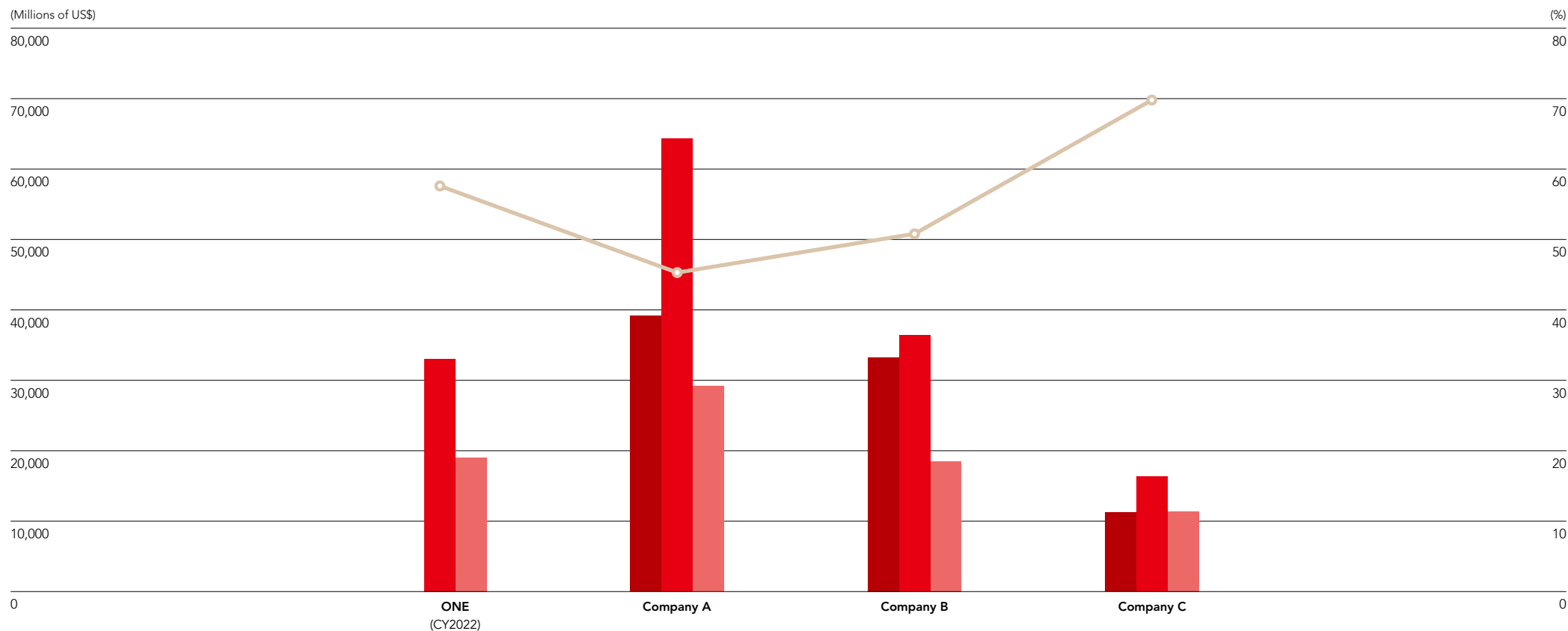
Annual Revenue Ranking of Listed Shipping Companies (FY2021)

(as of June 2022)



Source: Refinitiv

## Major Containership Companies CY2022: Full-Year Results Comparison



■ Market capitalization (millions of US\$)	N/A	\$39,157	\$33,272	\$11,233
■ Revenue (millions of US\$)	\$33,073	\$64,299	\$36,400	\$16,306
■ EBIT (millions of US\$)	\$19,046	\$29,149	\$18,500	\$11,382
◊ EBIT margin (%)	57.6%	45.3%	50.8%	69.8%
Fleet scale (vessels)	206	707	252	211

■ Market capitalization (millions of US\$) ■ Revenue (millions of US\$) ■ EBIT (millions of US\$) ◊ EBIT margin (%)

Notes: 1. Estimated by "K" LINE based on publicly available information  
 2. Results of OCEAN NETWORK EXPRESS (ONE) for 2022 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, 2022).  
 4. Market capitalization: as of December 31, 2022  
 5. Fleet scale: as of December 31, 2022



## Outline of Medium-Term Management Plan FY2022

Under the fiscal 2022 Medium-Term Management Plan, we see the challenge of contribution to the achievement of a low-carbonized / decarbonized society as business opportunities, and we have formulated strategies to drive growth. The key to realizing this is portfolio management, which concentrates the allocation of management resources on the three businesses that are the driving force of growth. At the same time, we have been engaged in creating a firm business base that supports the

promotion of business strategies. Furthermore, the containership business, which is a vital business division of the Group, continues to support the sustainable growth and development of ONE as a shareholder. Moreover, we aim to maximize shareholder value by implementing cash allocation with an awareness of the optimal capital structure and capital efficiency.

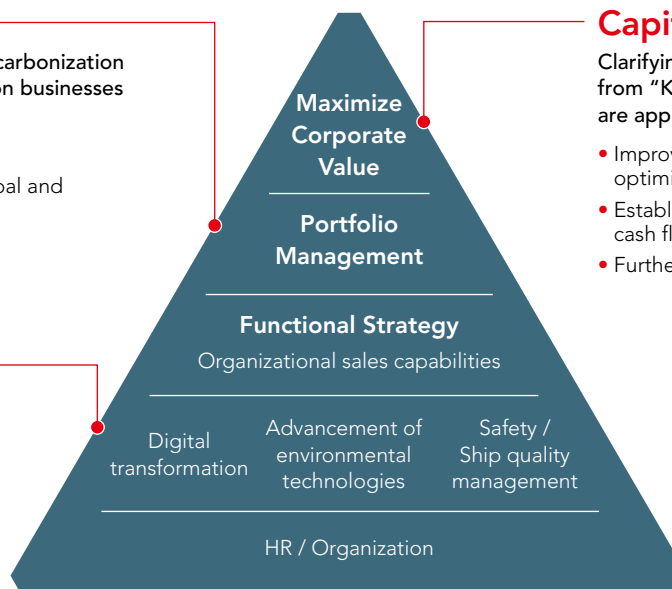
### Business Strategy

Devising a growth strategy based on low-carbon / decarbonization measures and concentrating management resources on businesses that will drive growth

- Portfolio management
- Focusing management resources on businesses as Coal and Iron Ore Carriers, LNG Carriers and Car Carriers

### Business Base

Building a solid business foundation to achieve the business strategies



### Capital Policy

Clarifying the capital policy to ensure that the profits earned from "K" LINE's own businesses and Containership Business are appropriately reflected in the corporate value

- Improving corporate value by growing our business and optimizing the capital structure
- Establishing optimal capital structure with an awareness of cash flow to achieve capital efficiency and financial stability
- Further enhancing business management

## KPIs for Business Management

ROE

ROE sustainably achieve **more than 10%**

Profitability Target

Profitability of "K" LINE's own businesses will be the same as that of the Containership Business in FY2026  
**Ordinary income: ¥140.0 billion**

Optimal Capital Structure

Achieve a good balance between optimization of capital efficiency and financial strength that allows strategic funding






Policy of Shareholder Return

**¥400.0–500.0 billion in the period of this Medium-Term Management Plan**

To promote shareholder return, including share buyback regarding 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 financial basis.

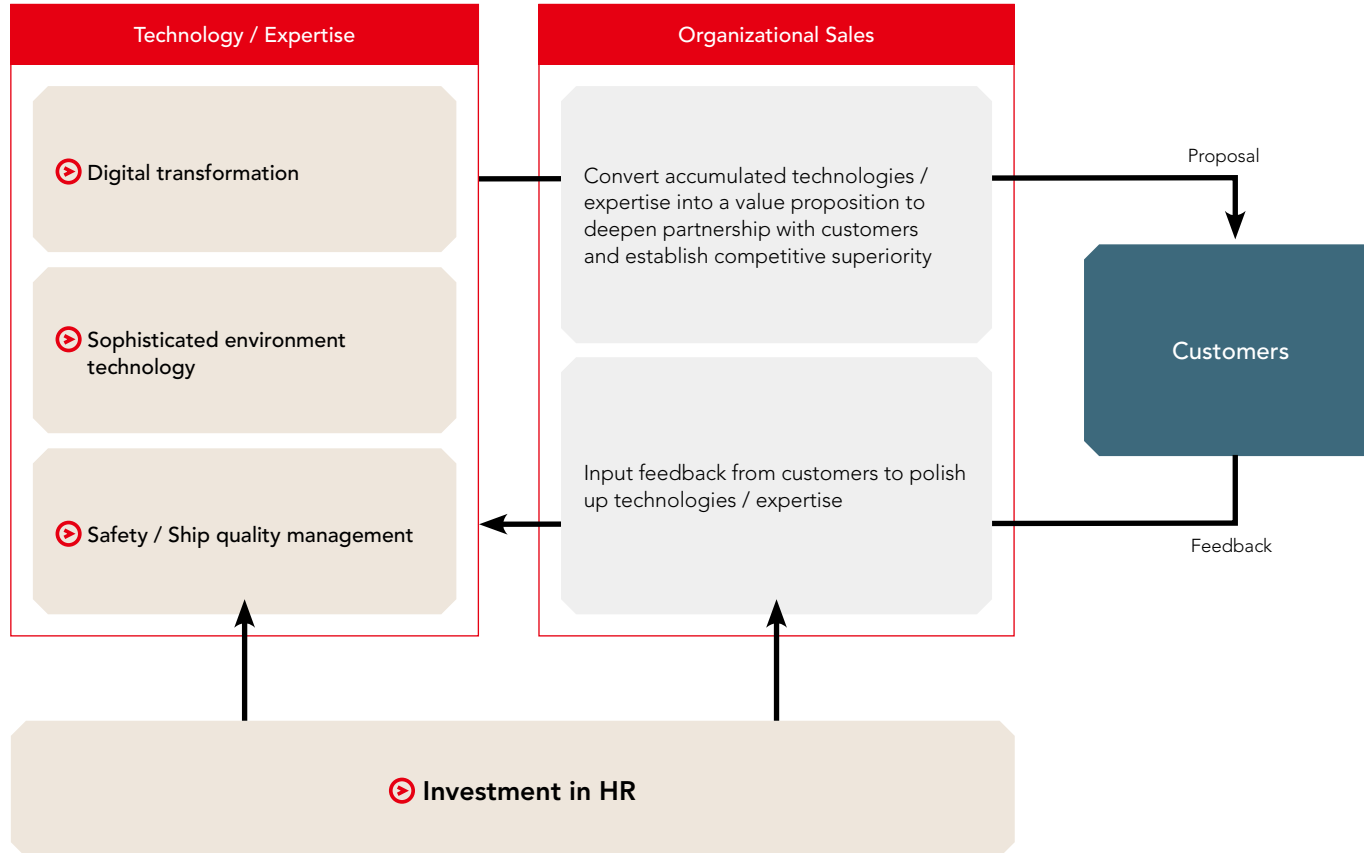
**Business Strategy**

To achieve well-balanced capital allocation in response to the characteristics of each existing business, the "K" LINE Group has redefined the business portfolio and the roles of each of the following five areas: three existing "K" LINE businesses, the Containership Business, and new businesses. Based on these roles, this plan precisely sets out a strategic direction, clarifies the target market and customers, as well as priority issues, and promotes concrete initiatives.

Business	Role	Strategic direction	Main market and customer needs	Top management priority	Input
 <ul style="list-style-type: none"> <li>Coal / Iron Ore</li> <li>Car Carriers</li> <li>LNG Carriers</li> </ul>	<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 and Iron Ore</b> Existing customers with a focus on Japan and Asia, major resources companies with demand for environmentally friendly transport etc.</p> <p><b>Car Carriers</b> Existing finished vehicle OEMs, emerging-economy BEV shippers with the aim of capturing increasing demand for BEV transport, high and heavy cargo transport</p> <p><b>LNG Carriers</b> Future growth markets such as Asia and the United States, existing customers such as those in Qatar, which offers the largest business scale, local customer in China, Malaysia, India, and Indonesia</p>	<p><b>Coal and Iron Ore</b> Growth investment and operational system development to meet customer demand in the environmental context for LNG and ammonia-fueled transportation</p> <p><b>Car Carriers</b> Strengthen profitability by enhancing "K" LINE's presence among shipping routes and shippers, improving the sales system to capture BEV customers in emerging economies and further boosting stable earnings by launching end-to-end automotive logistics services</p> <p><b>LNG Carriers</b> Responding to customer demand by increasing the number of vessels, and enhancing the local sales system to capture demand in Asia</p>	<p><b>Cash</b> Investment in LNG / ammonia-fueled vessel</p> <p>Maintain environmentally friendly fleet by introducing the Seawing system</p> <p>Investing in carriers compatible with high and heavy cargoes</p> <p>Implementing end-to-end service business investment</p> <p><b>HR</b> Increasing sales staff, marine engineers, operators including augmentation of global sites</p>
 <ul style="list-style-type: none"> <li>Thermal Coal</li> <li>VLGC / VLCC</li> </ul>	<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>Shift to alternative fuels by the existing customer base, mainly domestic customers</p>	<p>Maintain / improve high service quality and maintain ship management / operation systems</p> <p>Supporting energy mix conversion through proactive sales proposals and by capturing new energy transport demand</p>	<p><b>Vessels</b> Developing a fleet capable of transporting new energy fuels based on customer needs</p> <p><b>HR</b> Maintaining and enhancing the capabilities of crew members for the transport of new energy</p>
 <ul style="list-style-type: none"> <li>Bulk Carriers</li> <li>Coastal and short sea</li> <li>Port / Logistics</li> </ul>	<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> Enhancing our customer base in the Asian region</p> <p><b>Short Sea and Coastal / Port / Logistics</b> Demand for the modal shift in Japan and to provide multilayered services both on Ocean and Coastal routes</p>	<p><b>Bulk Carriers</b> Enhancing our customer base, improve vessel deployment efficiency and resistance to market fluctuation, promoting asset-light strategy</p> <p><b>Short Sea and Coastal / Port / Logistics</b> Boosting synergies between affiliated companies by utilizing their strengths and pursuing synergies with businesses that can drive growth</p>	<p><b>Bulk Carriers</b> Expanding asset management and business sites in Singapore</p> <p><b>Short Sea and Coastal / Port / Logistics</b> Utilizing current assets</p>
 <ul style="list-style-type: none"> <li>Containerships</li> </ul>	<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>—</p>	<p>Continue providing support and advice to ONE as a shareholder</p> <p><b>Governance</b> Capital efficiency to improve corporate value and management with an awareness of ROE</p> <p><b>IR</b> Communicate to ensure that ONE's corporate value can be appreciated by stakeholders</p>	<p><b>HR support</b> Providing human resources for both senior management and operations to ONE</p>
 <ul style="list-style-type: none"> <li>Offshore support vessel for wind power generation installations, etc.</li> </ul>	<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>Renewable Energy Business</p> <p>Fuel Conversion Business</p>	<p>Further enhancing the Group's comprehensive capabilities and supporting next-generation operations including support vessel service by "K" Line Wind Service, Ltd. (KWS) for wind power generation installations</p>	<p>Providing investment, human resources, and expertise by Kawasaki Kisen, Kawasaki Kinkai Kisen and domestic group companies</p>

**Business Base**

We are enhancing our business base to prepare the technology, expertise, and organizational sales required to promote new business strategies. Investment in human resources is the starting point for this enhancement. We will polish up technologies and expertise that only the "K" LINE Group can provide and fortify our ability to provide customers with new ideas through investment in human resources that consists of recruitment and training of existing employees. We are increasing our presence as a partner to our customers by not only responding to the needs of customers but also meeting the needs of customers based on accumulated technology and expertise as well as business activities that propose new value.



**Investment in HR**

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

**Digital Transformation**

Further advancing the digitalization of information and administrative processes as well as vessels, 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 to further strengthen competitiveness

**Environment / Technology, Safety / Ship Quality Management**

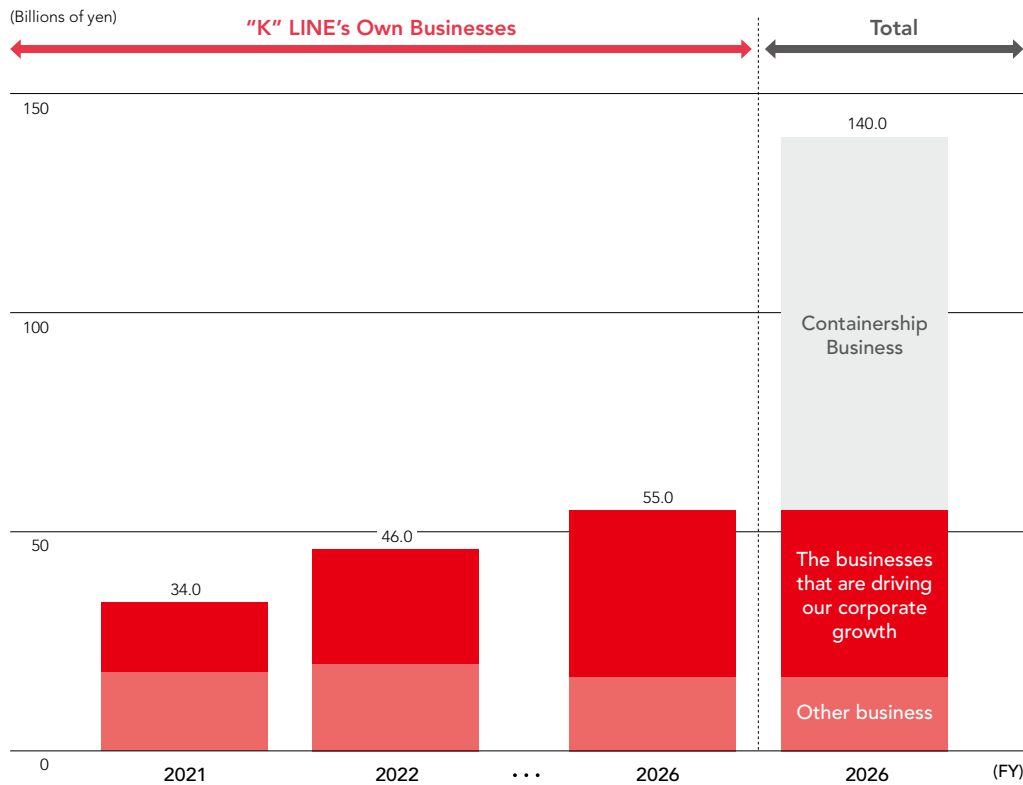
Continuing initiatives to pursue new technologies while also enhancing measures for technology investigation and verification in preparation for implementation. Enhancing organization system that covers safety and quality management for both worldwide marine transport businesses and regional businesses (LNG bunkering business, support business for wind power generation installations)

Capital Policy

Profitability Targets

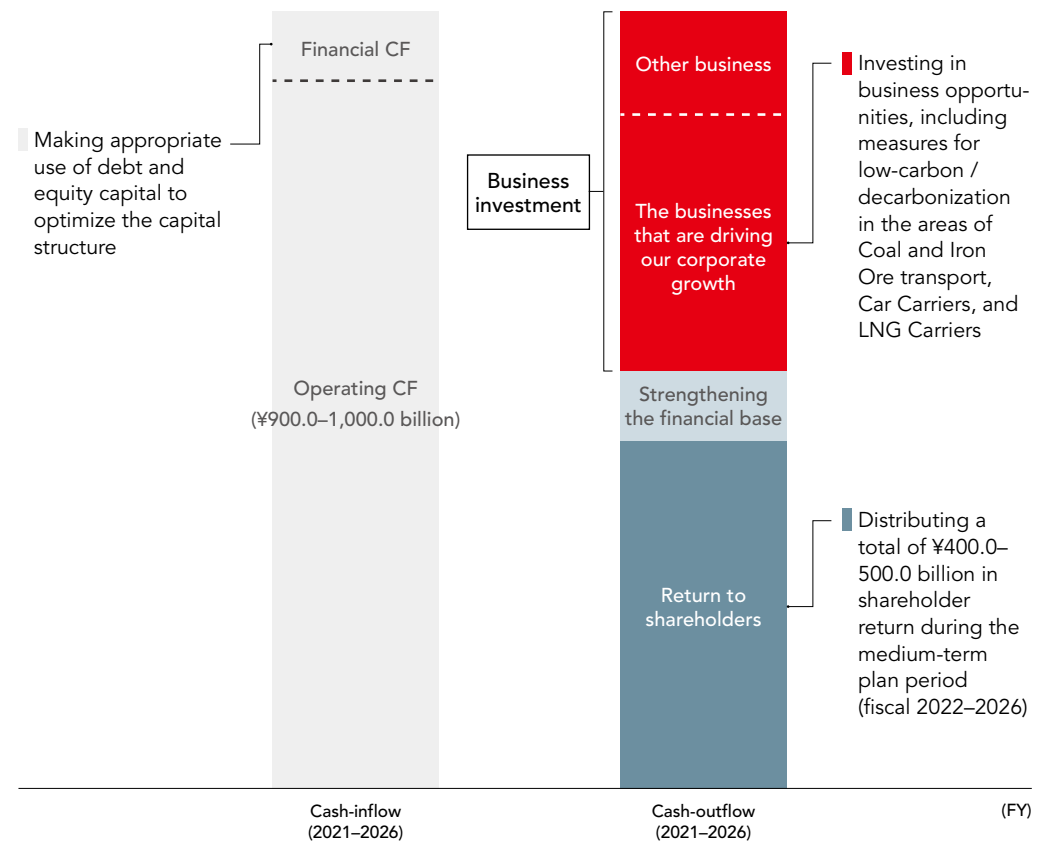
Among "K" LINE's own businesses, we will achieve growth that exceeds the market growth rate in the three businesses responsible for driving growth. We will also expand stable profit in the businesses with the role of supporting a smooth energy source conversion and taking on new business opportunities and the role of contributing by enhancing profitability. Through this, we aim to achieve ¥55.0 billion in ordinary income for "K" LINE's own businesses in fiscal 2026 and a combined ordinary income of ¥140.0 billion for the Containership Business.

Ordinary Income



Cash Allocation

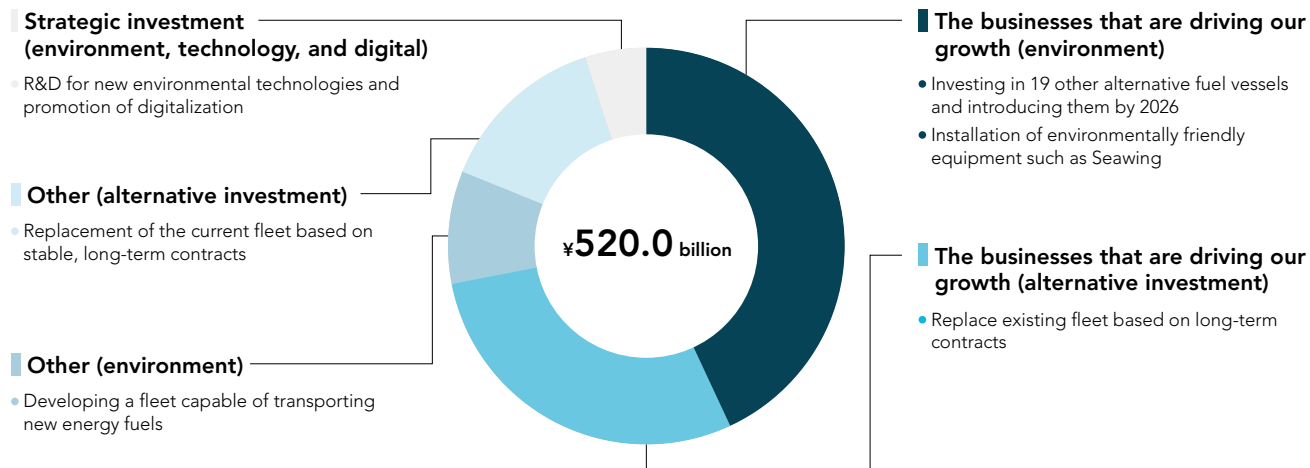
Based on our expectation of between ¥900.0 billion and ¥1 trillion in net cash provided by operating activities between fiscal 2021 and fiscal 2026, we will invest in businesses, mainly focused on growth investment for the three businesses responsible for driving growth, and reinforce fleet capabilities and sales systems that can perceive medium- to long-term changes in the business environment. At the same time, we will conduct return to shareholders whereas maintaining and improving financial base well balanced from the view point of optimal capital structure.



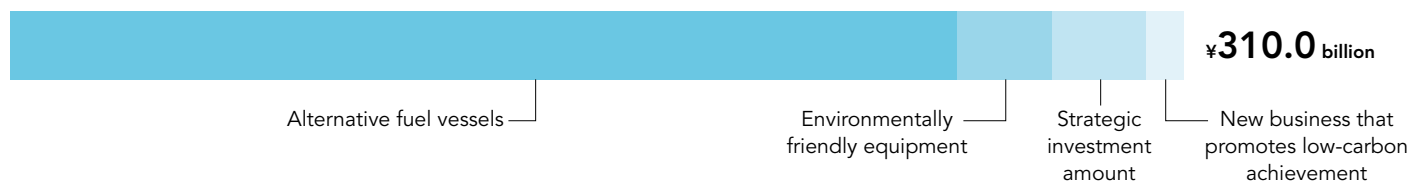
## ▶ Investment Plan

We plan to invest a cumulative ¥520.0 billion over the five years between fiscal 2022 and fiscal 2026. As well as investing approximately 80% of business investments in the three businesses with the role of driving growth, we will focus on investment in strengthening the environment and technology to meet the needs of a decarbonized society and establish a competitive advantage.

- An investment plan that focuses on the environment and the role of driving growth



- As part of the environmental investment, ¥275.0 billion will go toward "K" LINE's low-carbon / decarbonization measures, and ¥35.0 billion will be used to promote low-carbon / decarbonization measures for society.



## ▶ Return to Shareholders

We plan to implement shareholder return of ¥400.0 billion to ¥500.0 billion over the five-year period of the Medium-Term Management Plan. Based on cash inflow and the progress of business investment for each fiscal year, we will flexibly implement basic dividends, additional dividends, and share buybacks for the part of capital that exceeds optimal capital, after ensuring financial soundness. After fiscal 2022, for which the dividend forecast has already been announced, we will disclose the dividend policy in the annual earnings forecasts for each fiscal year.

## ▶ Further Advancement of Business Management

We will introduce the concept of responsible accounting management in each business to promote Groupwide management with an awareness of capital costs, and we will carry out executive management based on the capital costs and cash flows of each business. Additionally, we will enhance accuracy of investment management, from drafting and carrying out pre-investment evaluations to post-investment evaluations, by creating and applying vessel investment guidelines for each business.

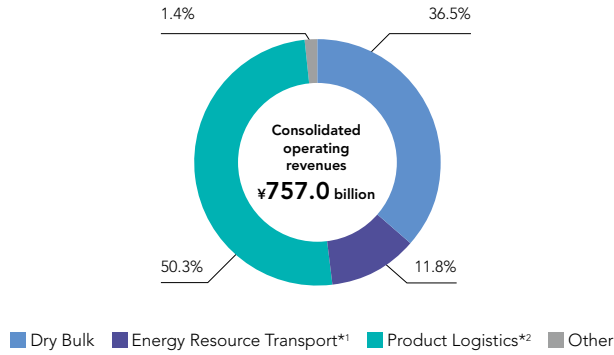
Segment	Business	Business Overview
Dry Bulk	Coal & Iron Ore Carrier Business / Bulk Carrier Business	 We transport a large volume of dry bulk cargoes including iron ore, woodchip, grain and coal. We are expanding our business internationally by actively engaging in transportation of cargoes bound for not only Japan but also 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 carbonization such as wind power, LNG fuel, and biofuel.
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 and the first LPG tanker in 1974. In addition to procuring bunker fuel (heavy oil, marine diesel oil, LNG, biofuel, etc.) for "K" LINE fleets, the Fuel Business conducts demonstration testing 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 an 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 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. 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. A LNG-fueled car carrier was delivered in fiscal 2020 and fleet optimization is also 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 passenger 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 entered the offshore support vessel operations around Japan to further enhance the business.
	Containership Business	 In April 2018, the Containership Businesses of three Japanese shipping companies was integrated to form a new company, ONE. Drawing on its enhanced service route network, it provides stable, reliable, high-quality and competitive services and is capable of swiftly adapting to changes in the environment.
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	Steaming coal, iron ore, grain, salt, nickel ore, steel products and alumina, etc.
Handymax	
Small handy	Woodchip, etc.
Woodchip carriers	

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

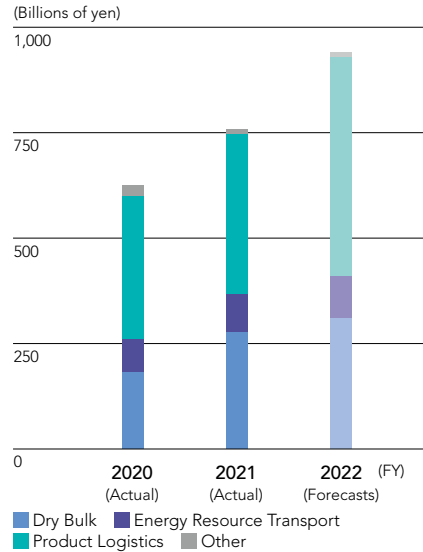
Vessel types	Cargo types
Car carriers	Complete built-up cars, large vehicles (bus / trucks etc), construction machinery, agricultural machinery, static cargo, etc.
Short sea, coastal ships, and roll-on roll-off ship	Coking coal, limestone, steel products, biomass power generation fuel, paper products, 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 (FY2021)

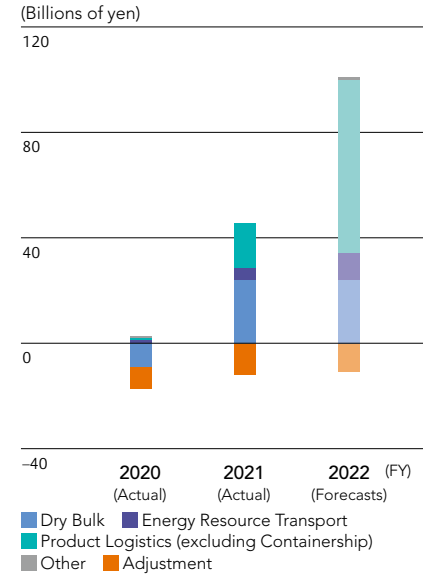


\*1 Energy Resource Transport segment includes LNG Carrier Business, Electricity and Offshore Business, Tanker and Fuel Business, and Carbon-Neutral Promotion Business.  
 \*2 Product Logistics segment includes Car Carrier Business, Logistics Business, Short Sea and Coastal Business, Containership Business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

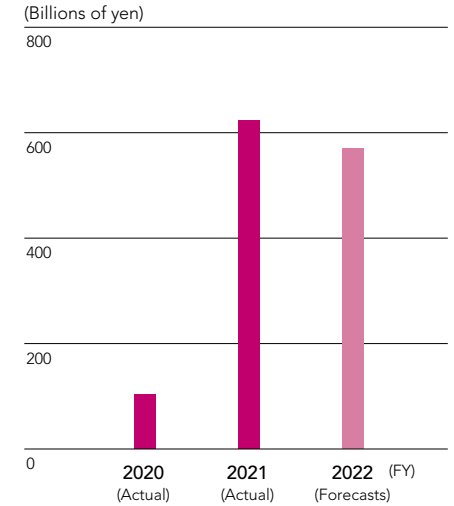
Operating Revenues by Segment



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

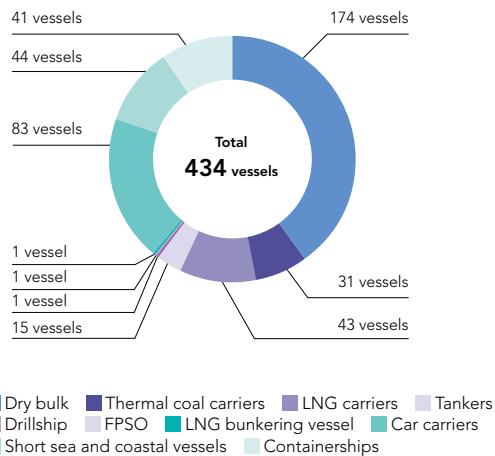


Containership Business Ordinary Income



Note: FY2022'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 2023.

"K" LINE Group Vessels in Operation (as of March 31, 2022)

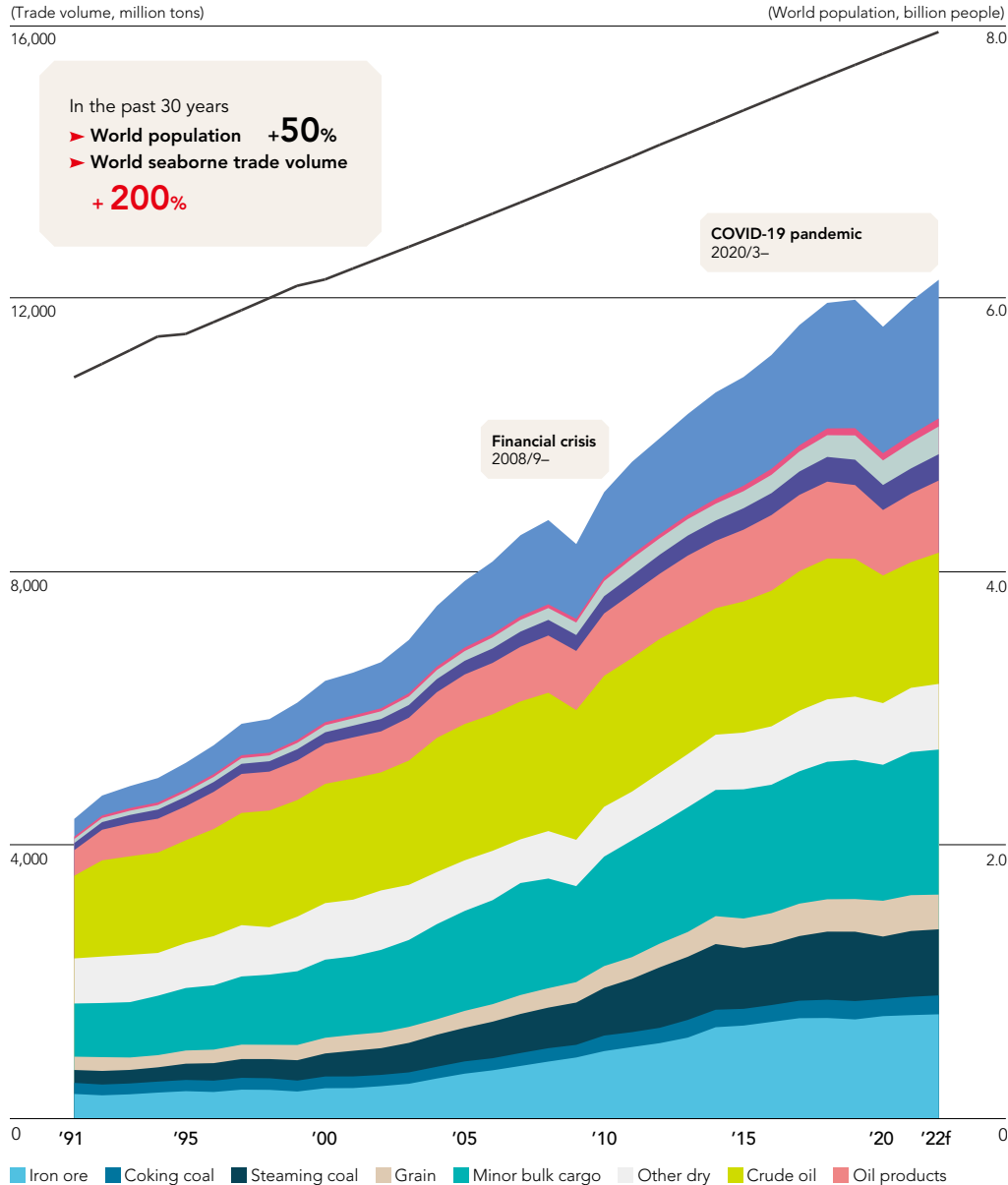


"K" LINE Group Vessels in Operation

Type of vessel	FY2019			FY2020			FY2021		
	Owned	Chartered	Total	Owned	Chartered	Total	Owned	Chartered	Total
Dry bulk	58	125	183	52	129	181	48	126	174
Thermal coal carriers	8	21	29	6	21	27	8	23	31
LNG carriers	45	2	47	42	2	44	41	2	43
Tankers	12	5	17	11	5	16	11	4	15
Offshore support vessels	6	0	6	6	0	6	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	0	0	0	1	0	1	1	0	1
Car carriers	38	51	89	33	46	79	33	50	83
Short sea and coastal vessels	25	24	49	25	18	43	25	19	44
Containerships	7	39	46	7	36	43	11	30	41
<b>Total</b>	<b>201</b>	<b>267</b>	<b>468</b>	<b>185</b>	<b>257</b>	<b>442</b>	<b>180</b>	<b>254</b>	<b>434</b>

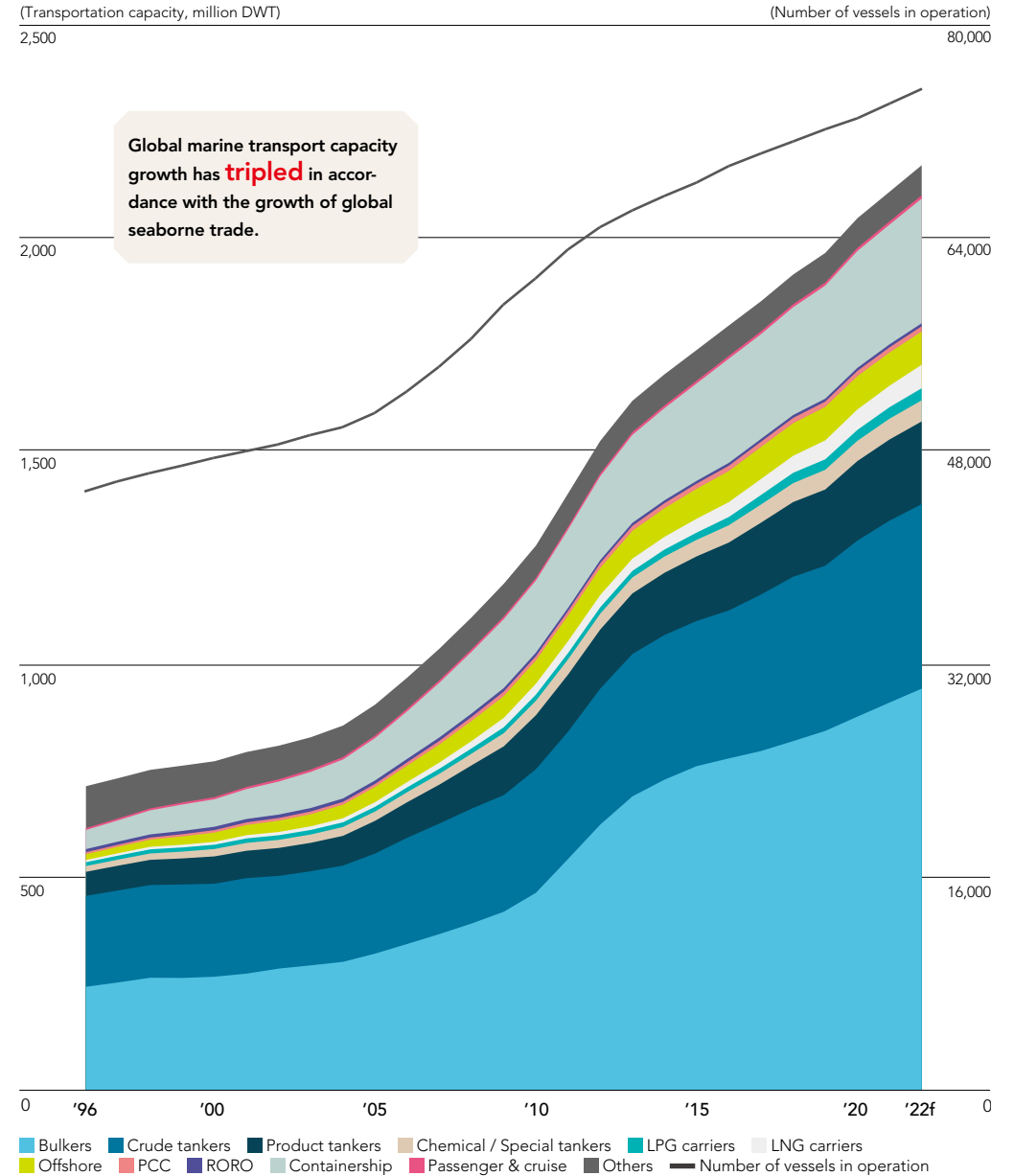
Notes: 1. The number of owned vessels includes co-owned vessels, and deadweight tonnage (DWT) includes share of other companies' ownership in co-owned vessels.  
 2. Includes flagships and spot and short-term activities at the end of term.

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



Source: Based on Clarksons Shipping Review & Outlook March 2022 and database of 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 2022



### Dry Bulk (All Types) Fleet Ranking

(as of January 2023)

Ranking	Operator	100,000 DWT	Vessels
1	China COSCO Shipping	376.0	336
2	Star Bulk Carriers	140.7	128
3	Fredriksen Group	140.6	101
4	NYK	140.6	152
5	China Merchants	128.5	112
6	Berge Bulk	126.3	67
7	"K" LINE	119.4	99
8	Pan Ocean	113.8	80
9	ICBC	113.1	36
10	Mitsui OSK Lines	102.2	84

Note: Owned vessels and a portion of chartered vessels

Source: Clarksons

### Capesize Fleet Ranking

(as of January 2023)

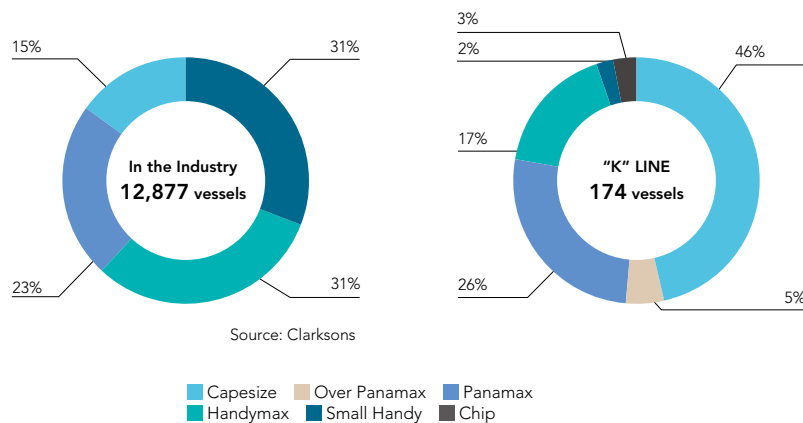
Ranking	Operator	100,000 DWT	Vessels
1	China COSCO Shipping	238.2	97
2	Berge Bulk	121.4	55
3	ICBC	112.7	35
4	Fredriksen Group	107.8	58
5	Pan Ocean	86.0	33
6	H-Line Shipping	84.5	41
7	China Merchants	82.8	29
8	Angelicooussis Group	82.7	46
9	Polaris Shipping	77.3	29
10	Star Bulk Carriers	76.9	41
11	"K" LINE	76.7	39

Note: Owned vessels and a portion of chartered vessels

Source: Clarksons

### Dry Bulk Fleet Composition

(as of March 2022)



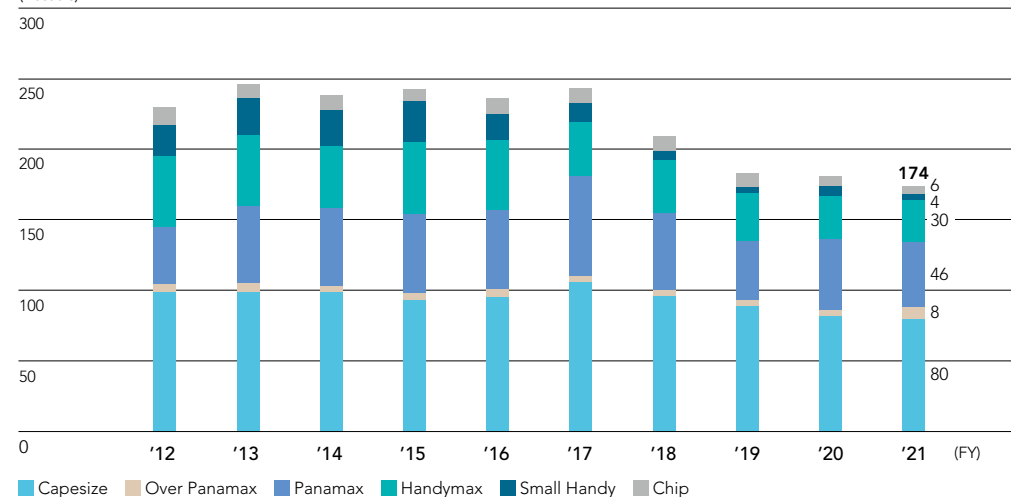
Source: Clarksons

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

Note: Panamax includes Over Panamax.

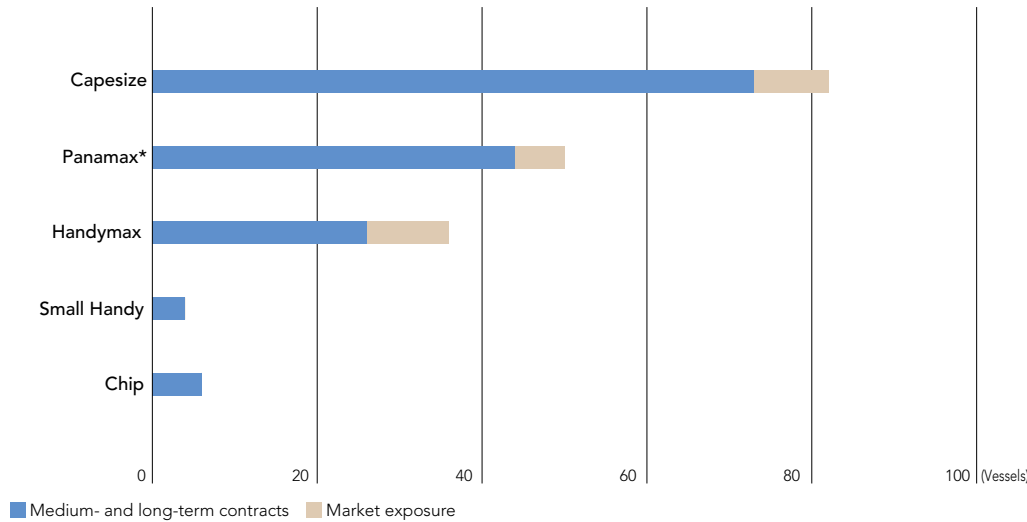
### "K" LINE Dry Bulk Fleet

(Vessels)



"K" LINE's Dry Bulk Fleet Medium- and Long-Term Contracts Covered Ratio FY2022 (Forecast)

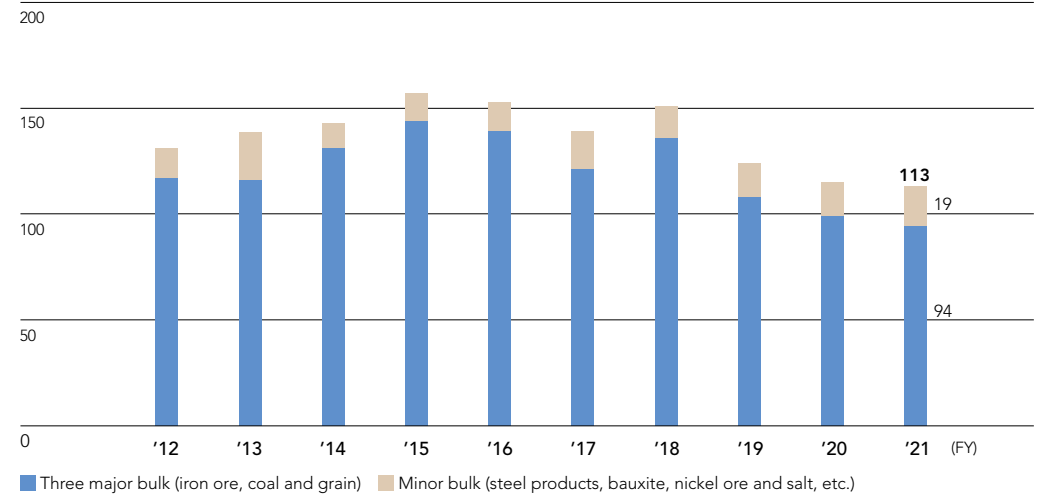
(as of July 2022)



Note: Panamax includes Over Panamax.

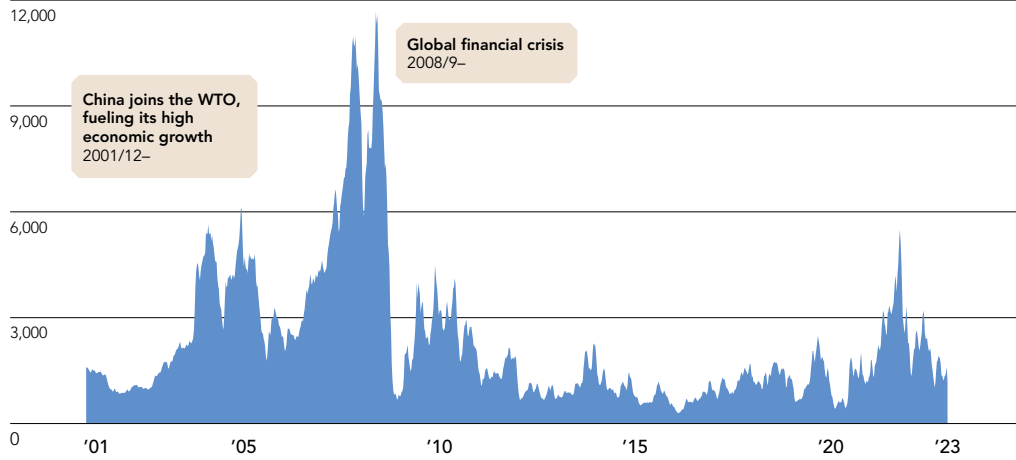
"K" LINE Cargo Tonnage Carried by Dry Bulk Carriers

(Million tons)



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

Baltic Dry Index (BDI)



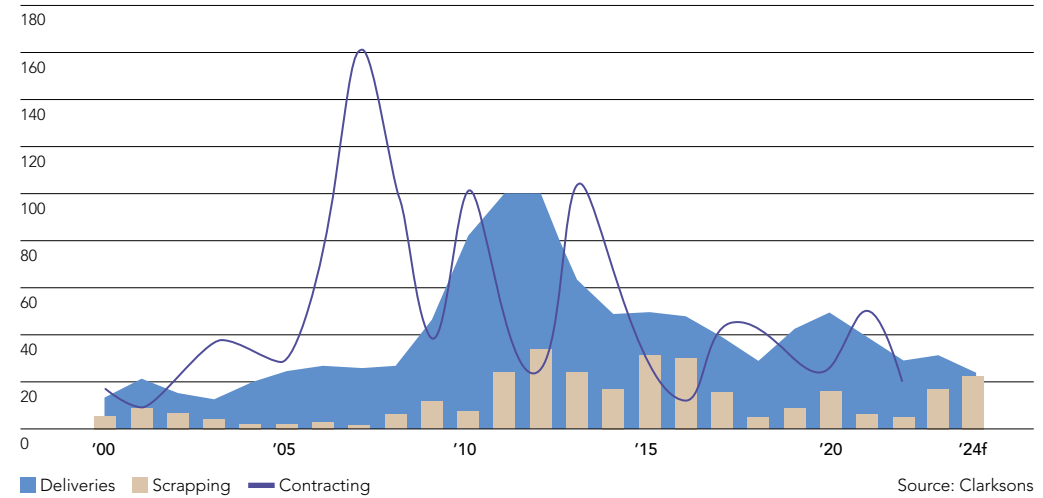
Note: The BDI is January 4, 1985 = 1,000.

Source: Clarksons

Dry Bulk Delivery and Removal Progress

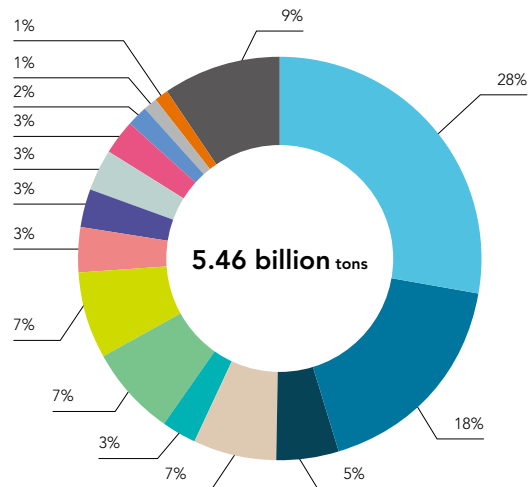
(as of December 2022)

(Million tons)



Source: Clarksons

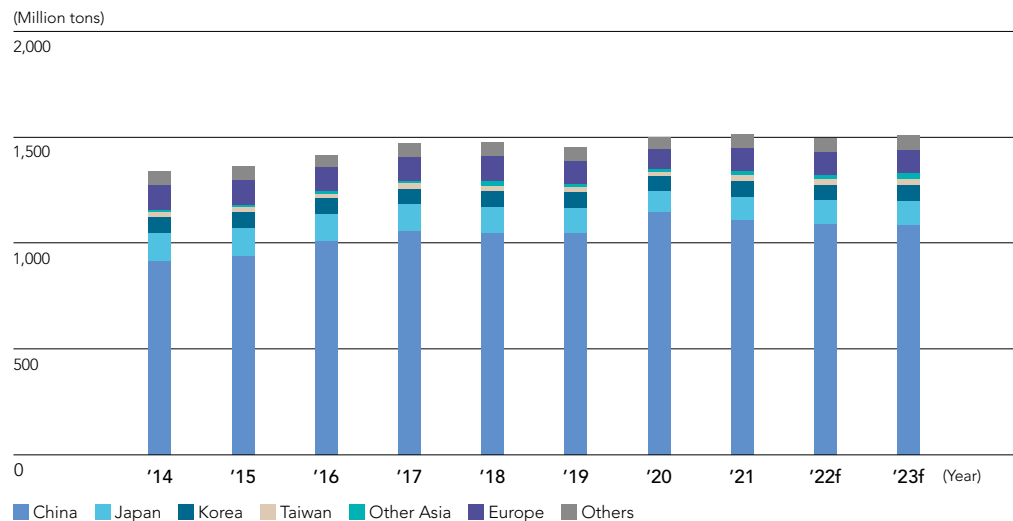
2021 Dry Bulk Cargo: Ocean Transport Commodity Breakdown



Legend: 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

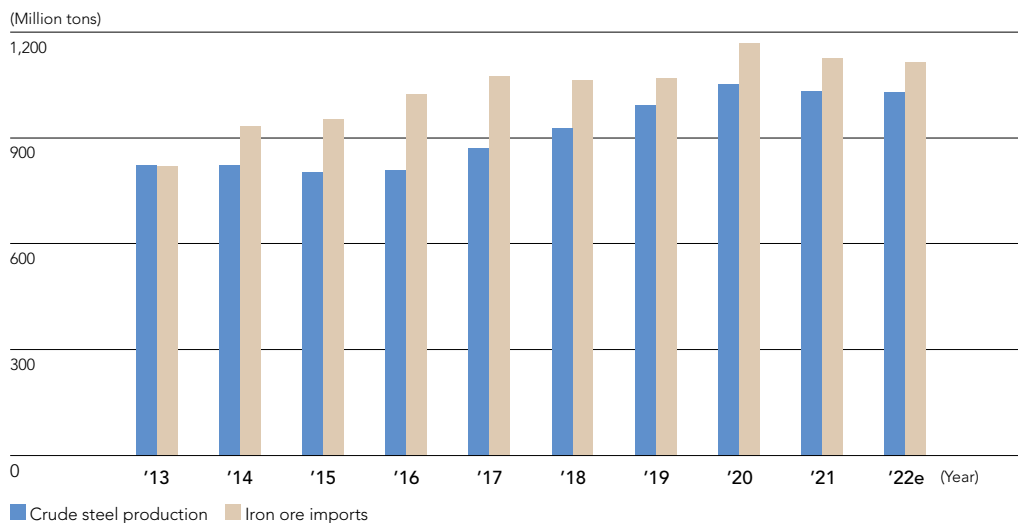
(as of September 2022)



Source: Shipping Review & Outlook September 2022

Crude Steel Production and Iron Ore Imports by China

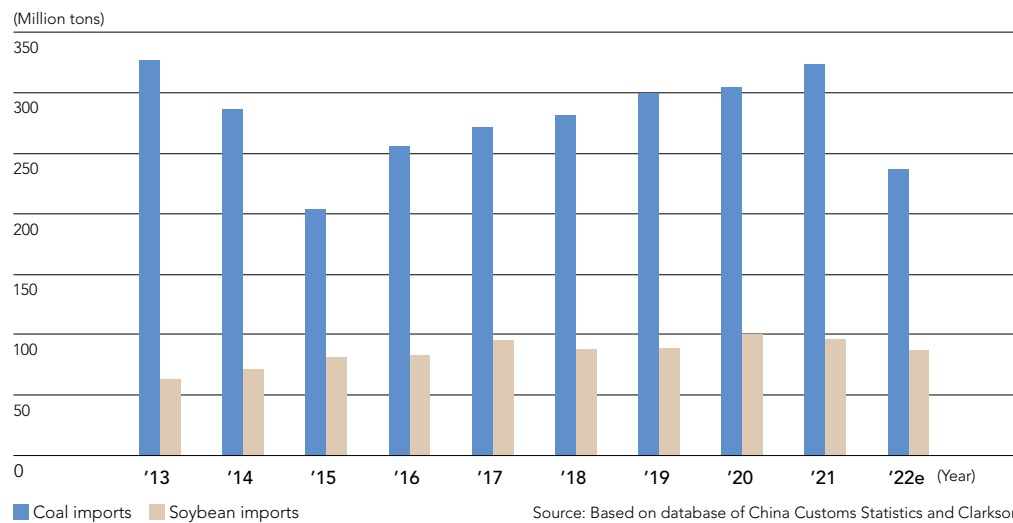
(as of December 2022)



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 2022)



Source: Based on database of China Customs Statistics and Clarksons

### LNG Carrier Fleet Ranking

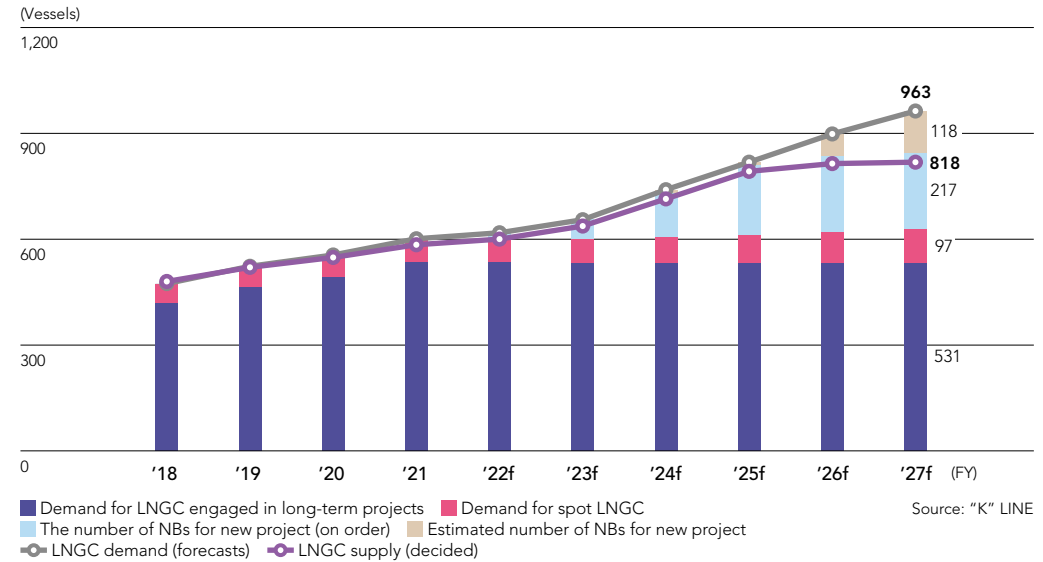
(as of March 2022)

Ranking	Operator	Vessels
1	MOL	92
2	NYK	85
3	Nakilat	69
4	Stone Peak	47
5	Maran Gas	45
6	"K" LINE	44
7	MISC	29
8	Gaslog	27
9	Iino Lines	25
10	Bergesen Worldwide	23
11	Knutsen	15

Source: "K" LINE

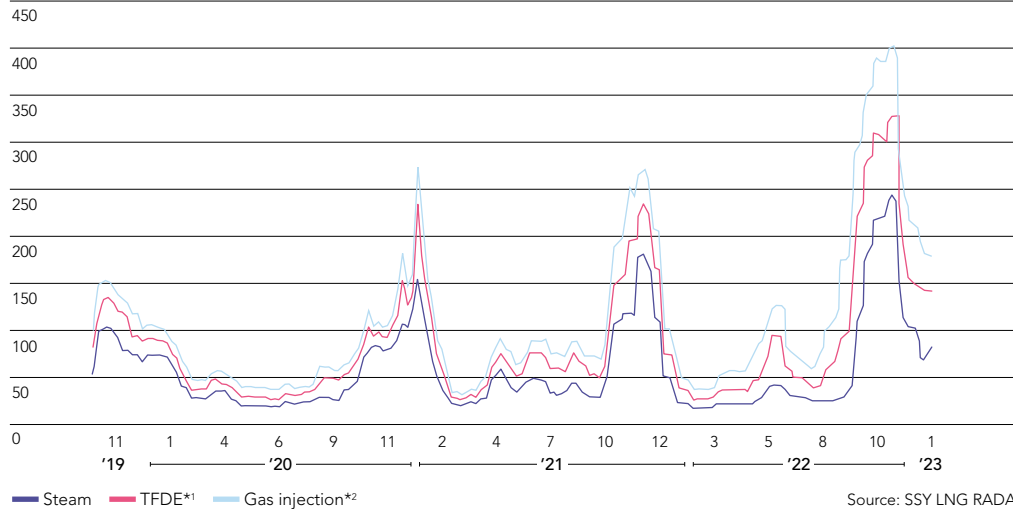
### LNG Carrier Supply and Demand

(as of June 2022)



### LNG Carrier Spot Market

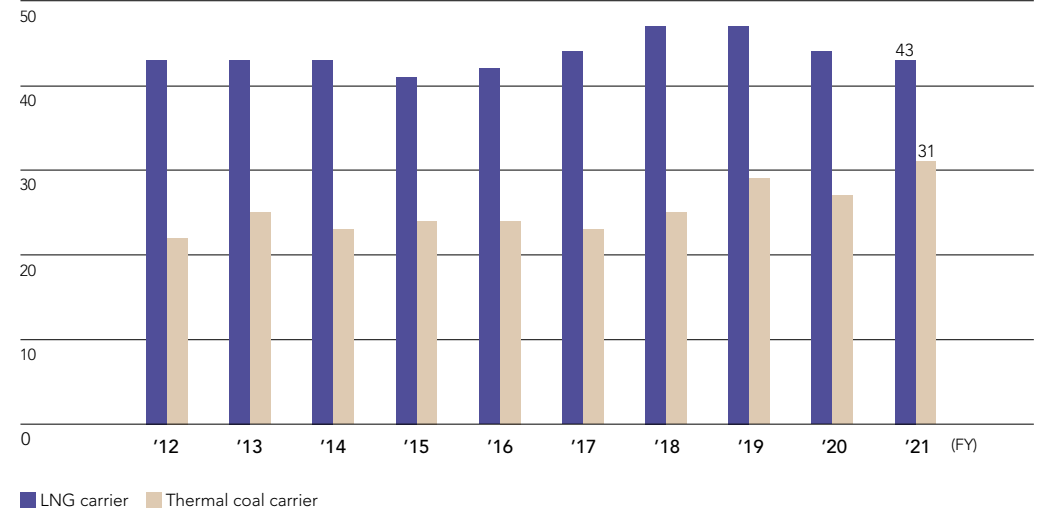
(Thousand US\$ / day)



\*1 TFDE (Tri Fuel Diesel Electric) propulsion plant is 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 plant is 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)



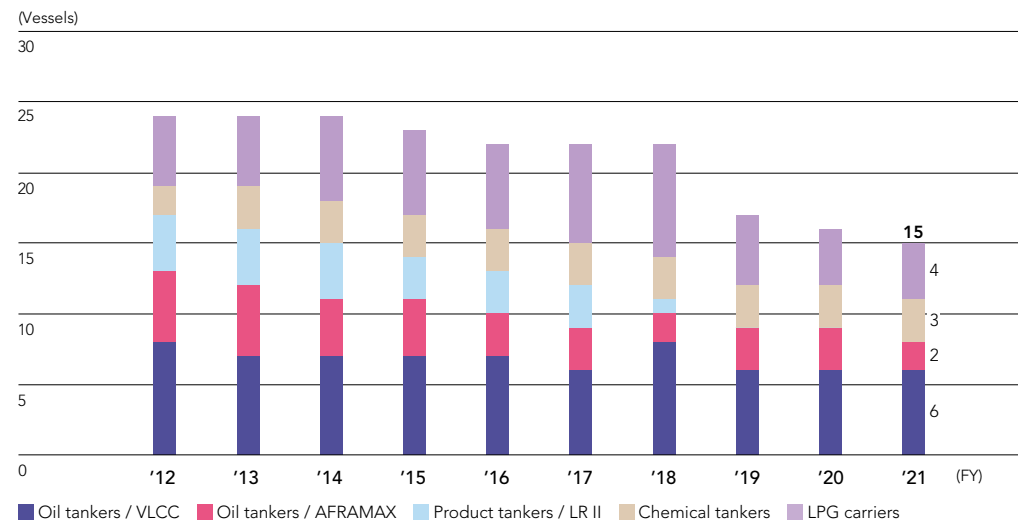
### VLCC Fleet Ranking

(as of January 2023)

Ranking	Operator	100,000 DWT	Vessels
1	China Merchants	160.9	52
2	China COSCO Shipping	150.0	49
3	Euronav NV	122.5	40
4	Bahri	118.6	38
5	Nat Iranian Tanker	117.6	38
6	Angelicoussis Group	114.4	36
7	SK Shipping	75.1	24
8	Mitsui OSK Lines	74.0	24
9	DHT Holdings	71.6	23
10	Fredriksen Group	66.8	22
32	"K" LINE	18.4	6

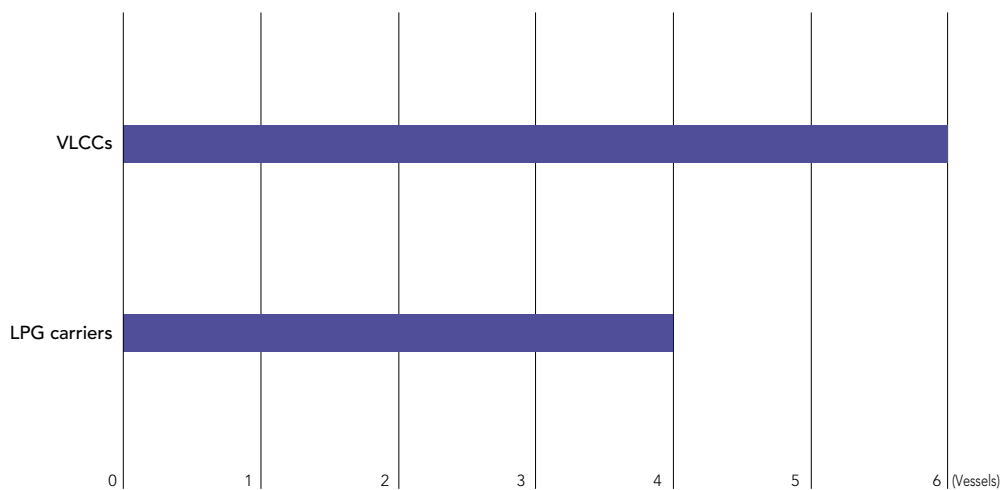
Source: Clarksons

### "K" LINE Tanker Fleet Scale



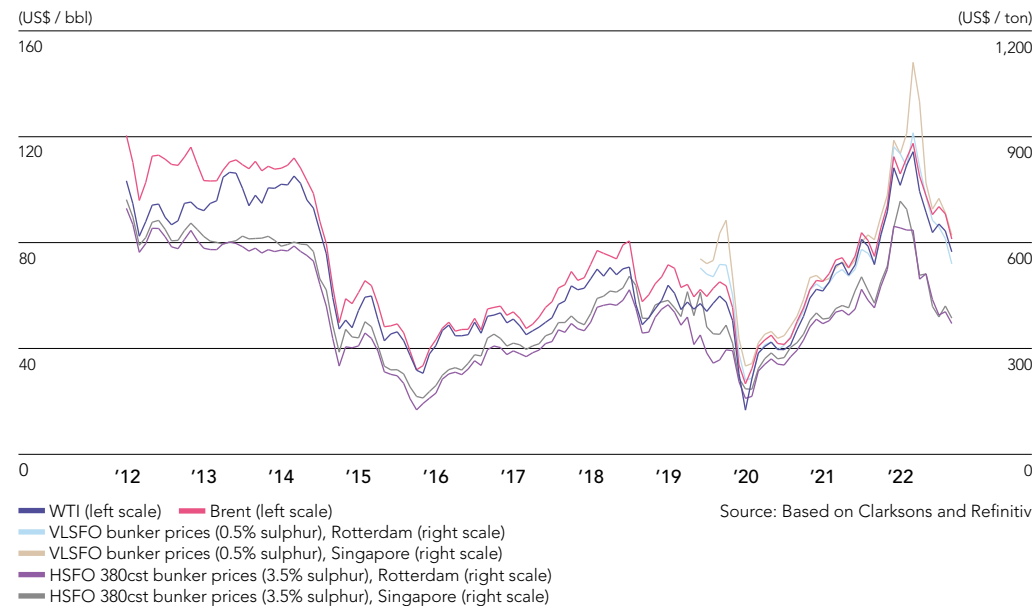
### "K" LINE's Tanker Fleet Medium- and Long-Term Contracts' Covered Ratio in FY2022 (Forecast)

(as of February 2023)



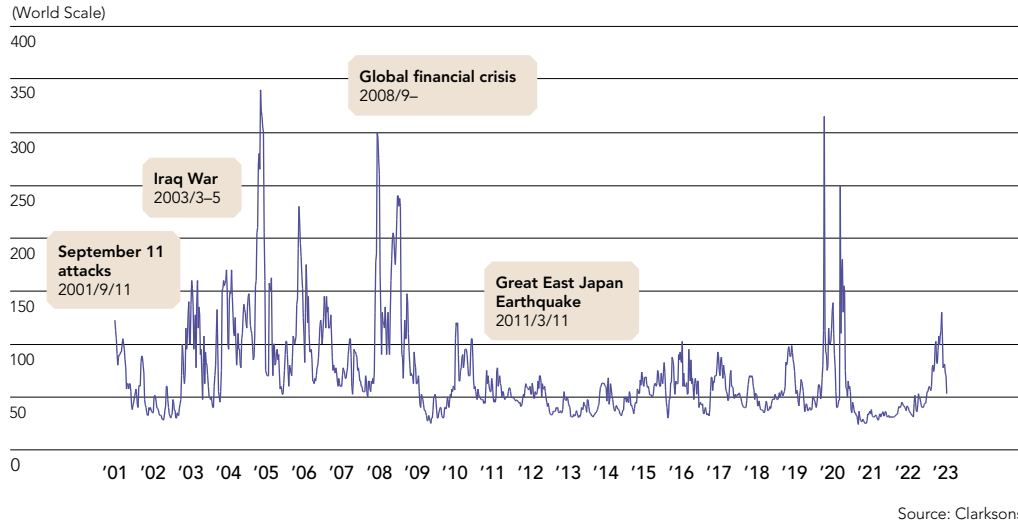
■ Medium- and long-term contracts

### Historical Oil and Bunker Price Trends

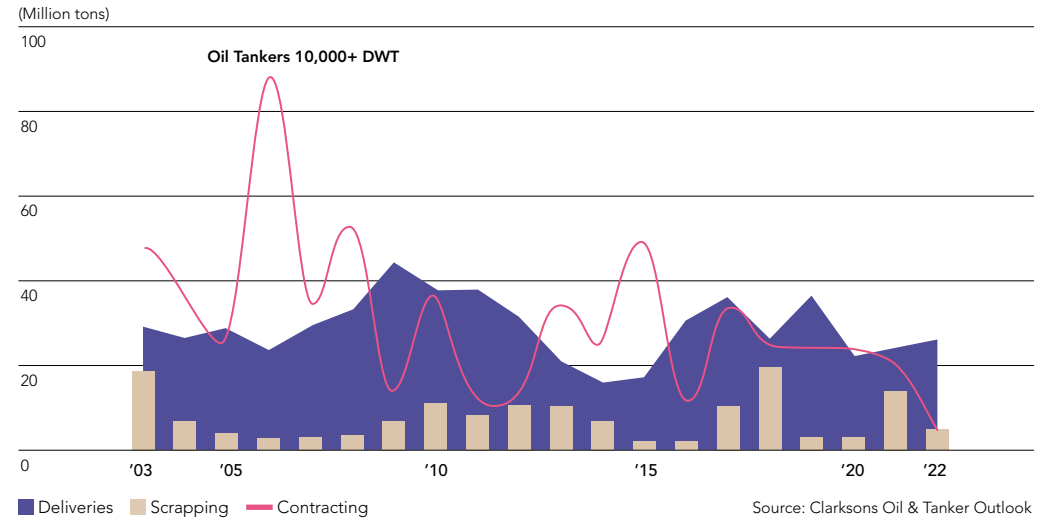


Source: Based on Clarksons and Refinitiv

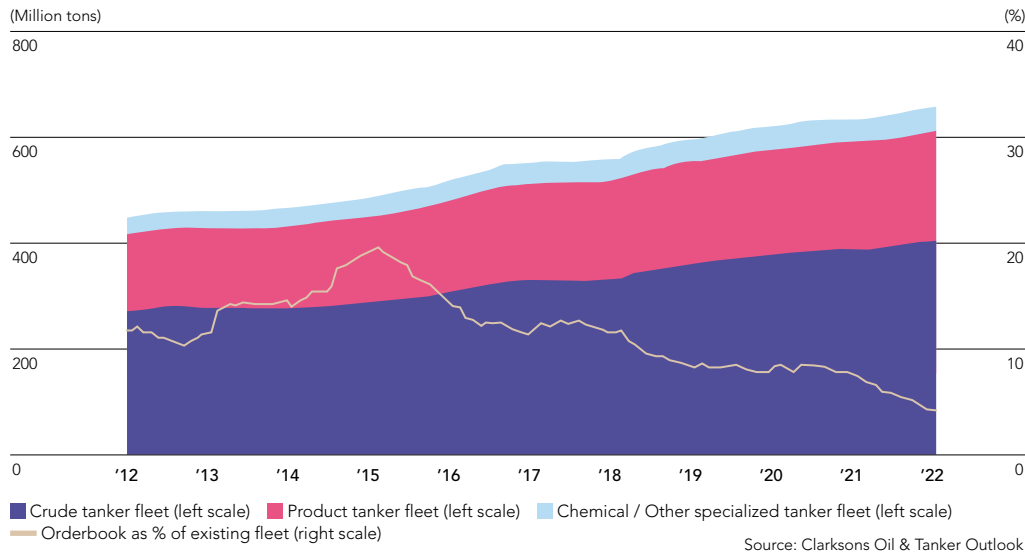
### Tanker Freight Index (World Scale)



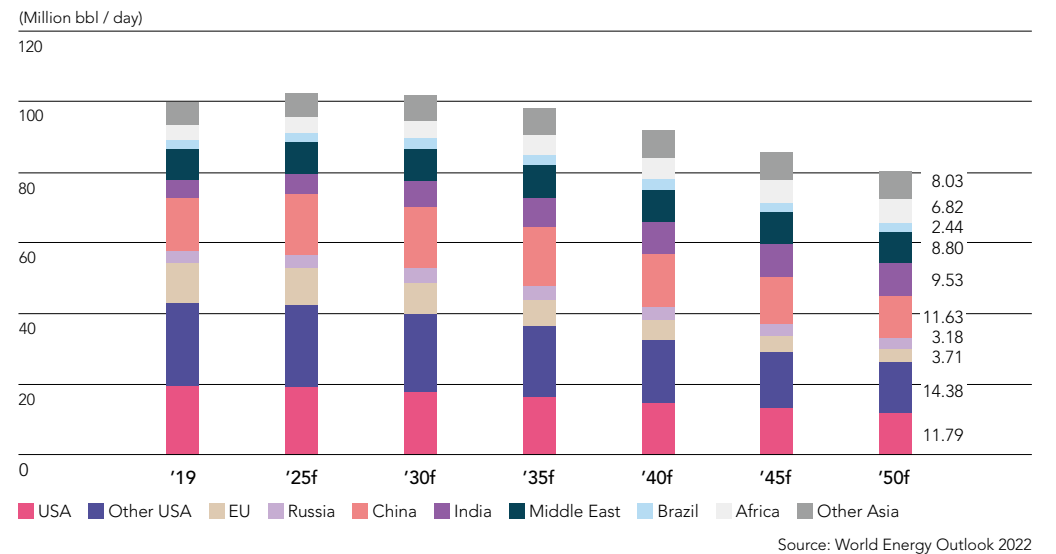
### Tanker Delivery and Removal Progress



### 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).



## Floating Production Storage and Offloading System (FPSO)

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



## 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 LNG bunkering business between Keppel Offshore & Marine Ltd (Keppel O&M) and Shell Eastern Petroleum (Pte) Ltd.



## Carbon Neutrality Initiatives

### Support Vessel Business for Offshore Wind Power Installations, through the Launch of "K" Line Wind Service, Ltd.

Offshore wind development is recognized as one of the most important items for Japan to reach carbon neutrality by 2050, and in order to contribute to its development in Japanese ocean, "K" Line Wind Service has been established as a business platform of the "K" LINE Group for any vessel and transportation business around Offshore Wind projects in Japan.

"K" Line Wind Service is established with the mission of contributing to the development of offshore wind as well as marine industry in Japan through activities such as the program of "Mass Production and Cost Reduction of Floating Offshore Wind Installation" adopted by the Green Innovation Fund run by NEDO.



### Acceleration of a Study on Establishing Ammonia Supply Chain for Bunkering in Singapore

We have executed a memorandum of understanding in respect of feasibility study jointly conducted by and among A.P. Moller-Maersk, Fleet Management Limited, Keppel Offshore & Marine, Maersk Mc-Kinney Moller Center for Zero Carbon Shipping, Sumitomo Corporation, American Bureau of Shipping, and Maritime & Port Authority of Singapore with the aim of establishing a ship-to-ship based ammonia bunkering at the port of Singapore.

Image of ammonia bunkering vessel



© Keppel Offshore & Marine

## NEDO Demonstration Projects: The World's First Demonstration Test for Liquefied CO<sub>2</sub> Transportation

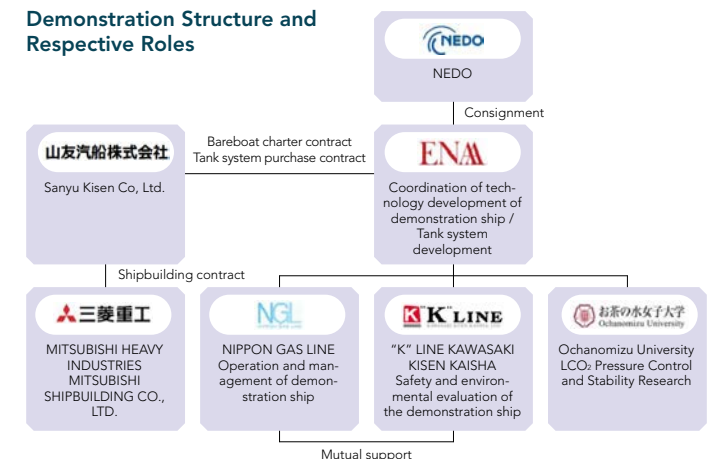
The New Energy and Industrial Technology Development Organization (NEDO) has been conducting "CCUS (carbon capture, utilization and storage) R&D and Demonstration Related Projects / Large-Scale CCUS Demonstration in Tomakomai / Demonstration Project on CO<sub>2</sub> Transportation / R&D and Demonstration Project for CO<sub>2</sub> Marine Transportation" since FY2021.

"K" LINE promotes R&D on the safety and environmental evaluation of the demonstration LCO<sub>2</sub> carrier, backed by extensive experience in operating and managing of its ocean-going liquefied gas vessels.

Image of the demonstration test ship for LCO<sub>2</sub> transportation



### Demonstration Structure and Respective Roles



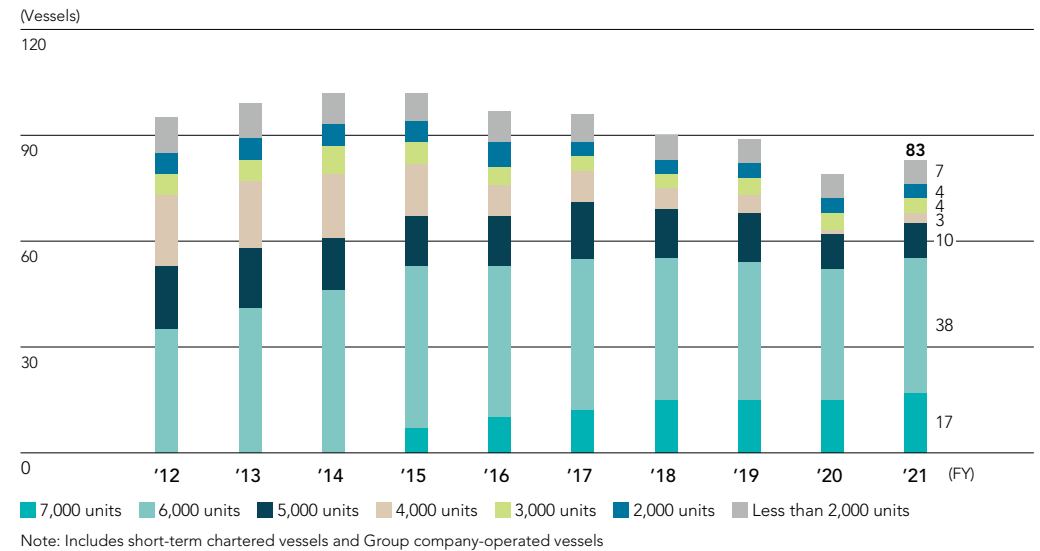
### Car Carrier Fleet Ranking

(as of April 2022)

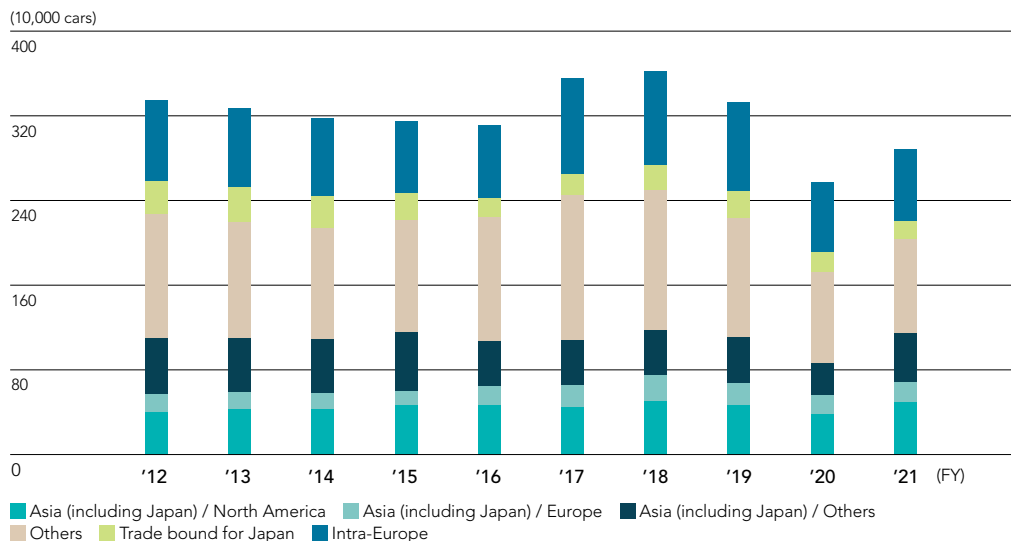
Ranking	Operator	Vessels	Share of vessels	Capacity (units)	Share of capacity
1	WWL ASA	112	16.4%	762,686	18.9%
2	NYK	99	14.5%	606,706	15.0%
3	MOL	89	13.0%	534,909	13.2%
4	GLOVIS	84	12.3%	543,050	13.4%
5	"K" LINE	72	10.5%	439,100	10.9%
6	Grimaldi	59	8.6%	287,737	7.1%
7	HOEGH	40	5.9%	267,825	6.6%
8	TOYOFUJI	17	2.5%	74,900	1.9%
9	UECC (NYK+WWL)	11	1.6%	45,140	1.1%
10	Others	100	14.6%	480,495	11.9%
	Total	683	100.0%	4,042,548	100.0%

Based on Hoesen Shipping "AS Year Report"

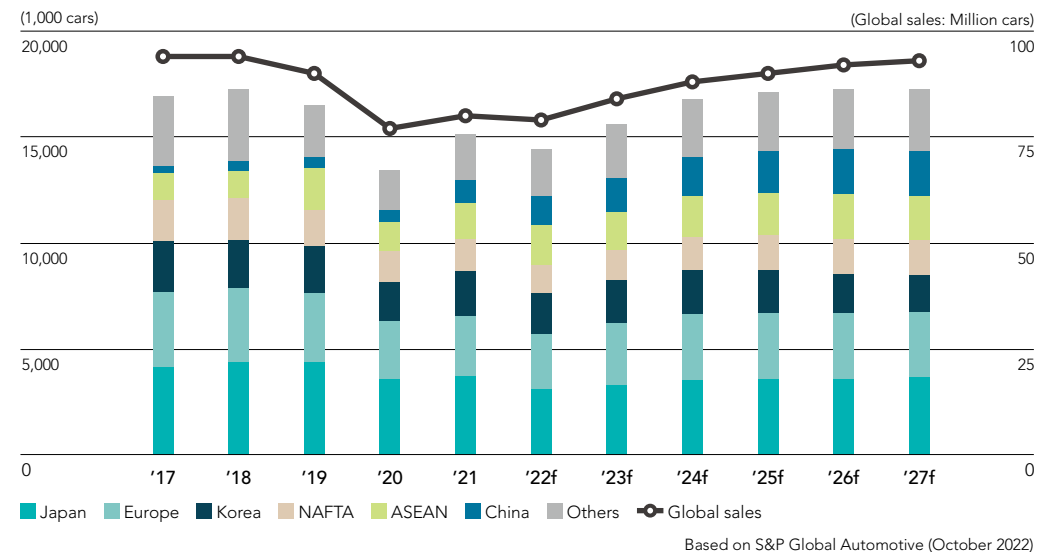
### "K" LINE Car Carrier Fleet



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

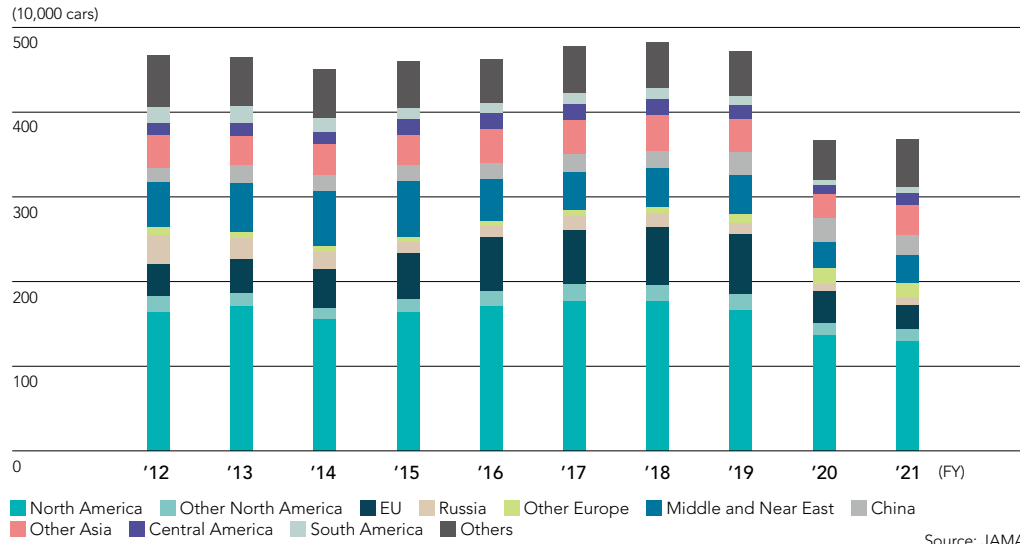


### Worldwide Car Ocean Transportation Volume

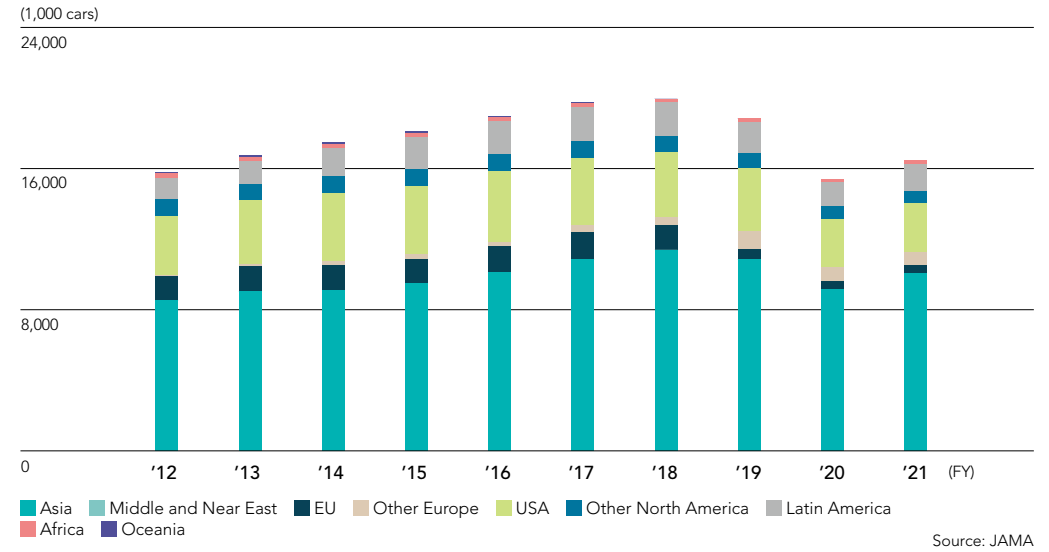




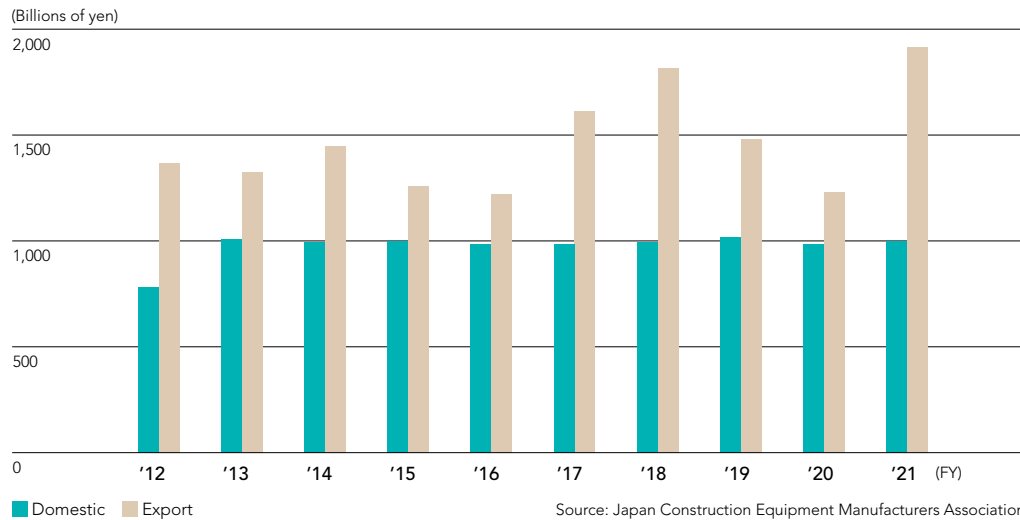
### Total Cars and Trucks Exported from Japan



### Japanese Automakers' Overseas Vehicle Production

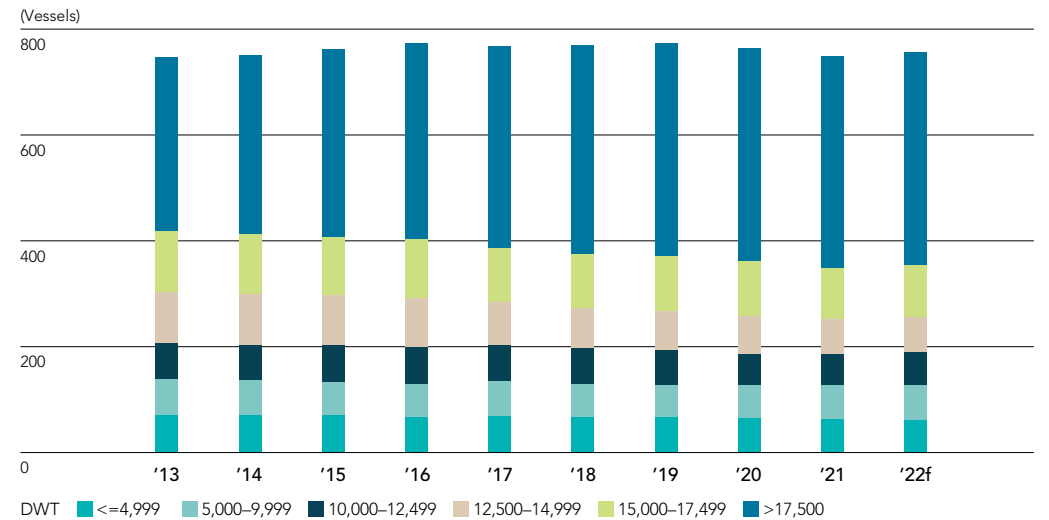


### Japanese Construction Machine Sales Results



### Pure Car Carrier Fleet Development

(as of January 2022)



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



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



**China:**  
Warehousing business / NVOCC business



**Thailand:**  
Complete built-up car transport service / Land transport / Warehousing business / Cold storage business / NVOCC business



**Indonesia:**  
Complete built-up car transport service / Two-wheeler transport service / Land transport / Warehousing business / NVOCC business



**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 2022)

Ranking	Operator	TEU	Vessels	Share
1	MSC	4,572,036	709	17.6%
2	APM-Maersk	4,255,710	711	16.4%
3	CMA CGM Group	3,384,601	599	13.1%
4	COSCO Group	2,867,140	465	11.1%
5	Hapag-Lloyd	1,786,730	250	6.9%
6	Evergreen	1,636,837	208	6.3%
7	<b>ONE</b>	<b>1,527,159</b>	<b>203</b>	<b>5.9%</b>
8	HMM	818,063	76	3.2%
9	Yang Ming	707,354	94	2.7%
10	ZIM	537,522	140	2.1%
11	Wan Hai Lines	430,541	147	1.7%
12	PIL	297,163	91	1.1%
	Others	3,090,599	1,997	11.9%
	Total	25,911,455	5,690	100.0%

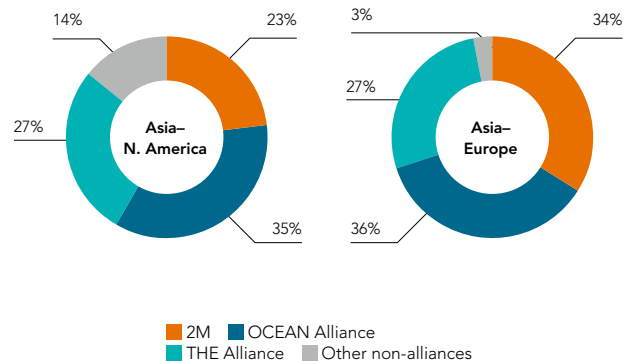
Members of each alliance

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

Source: Based on Alphaliner

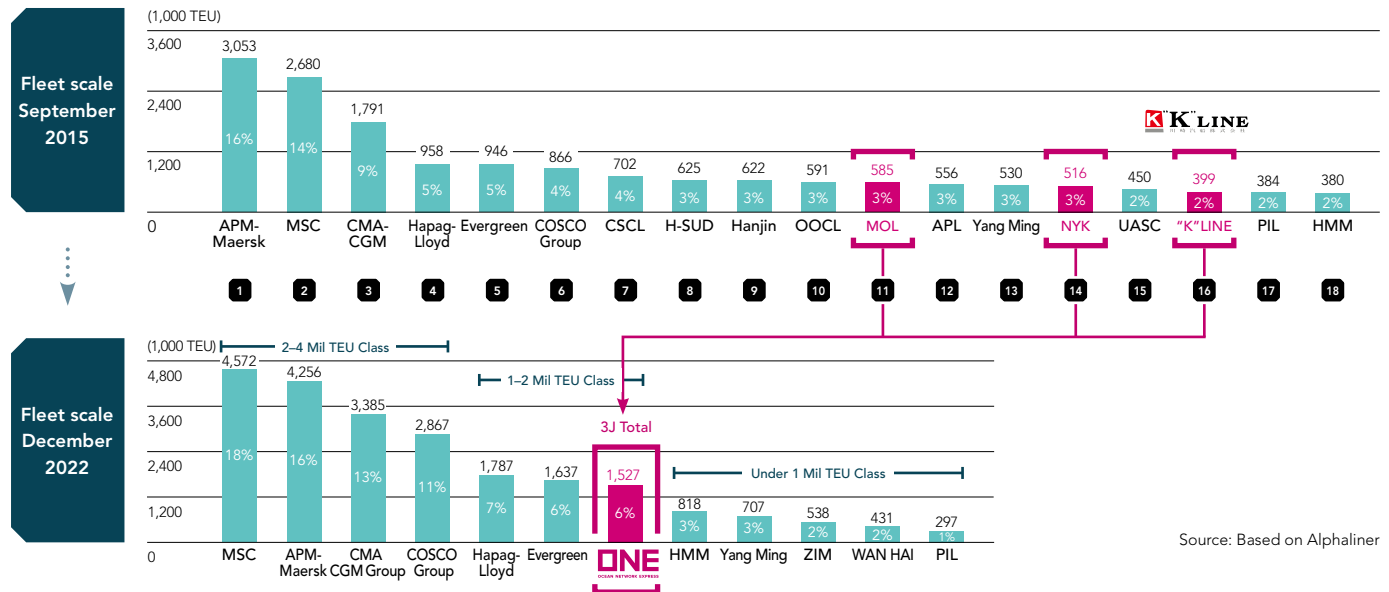
Trade Capacity Share by Alliance

(as of December 2022)



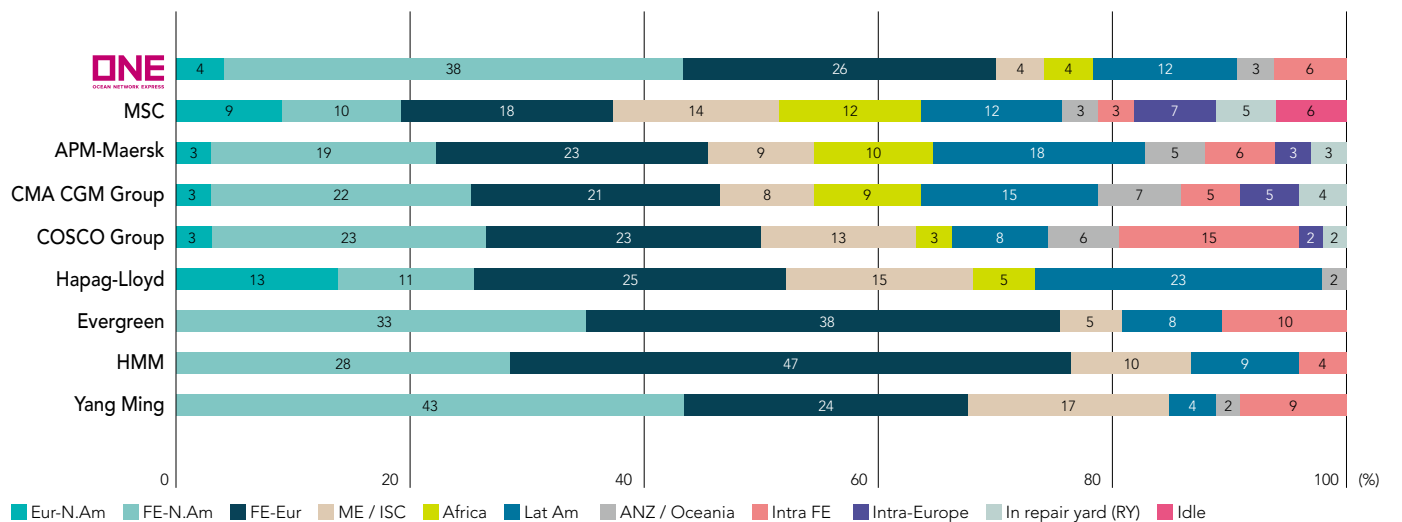
Source: Alphaliner

Change in Number of Containership by Company and Capacity Scale

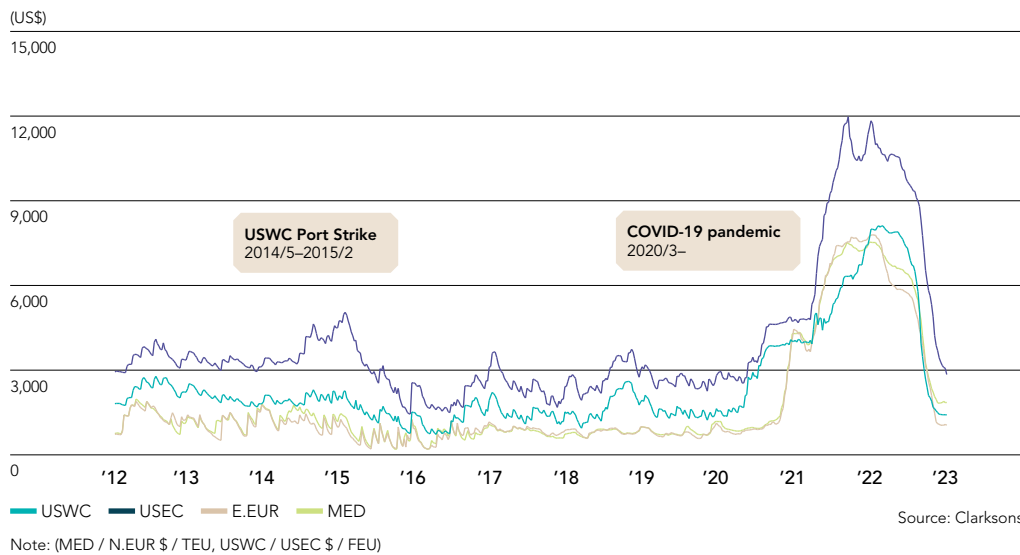


Main Carrier Breakdown of Capacity Operated by Trade

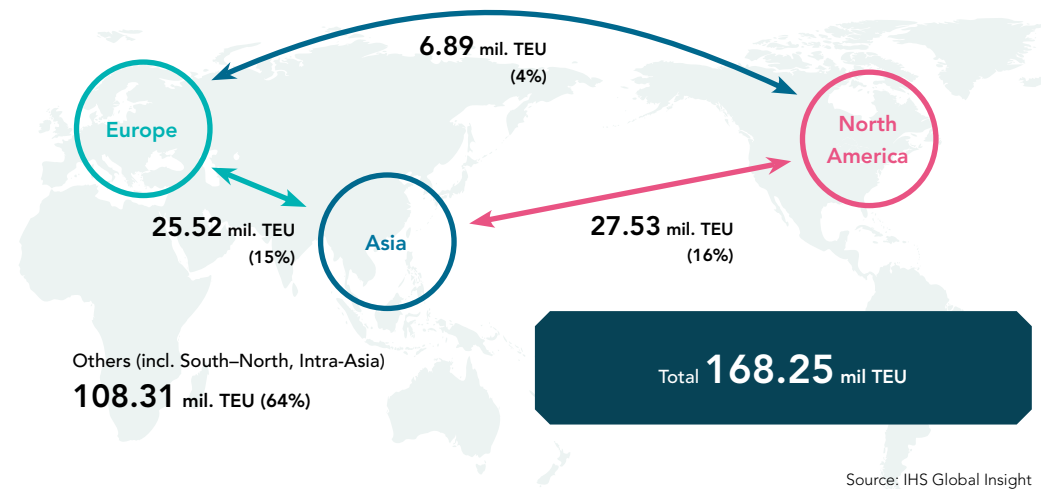
(as of December 2022)



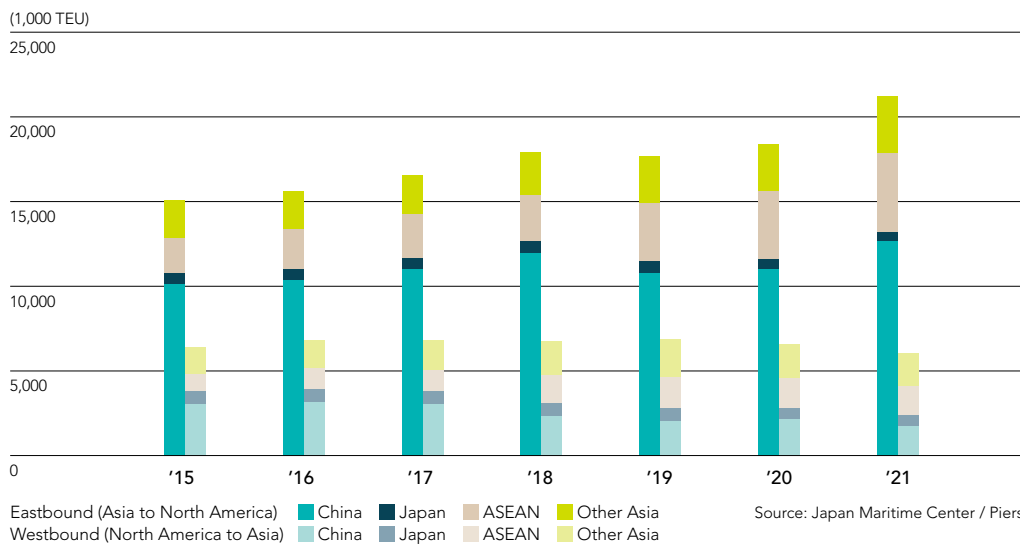
### Transition of Shanghai Containerized Freight Index (SCFI)



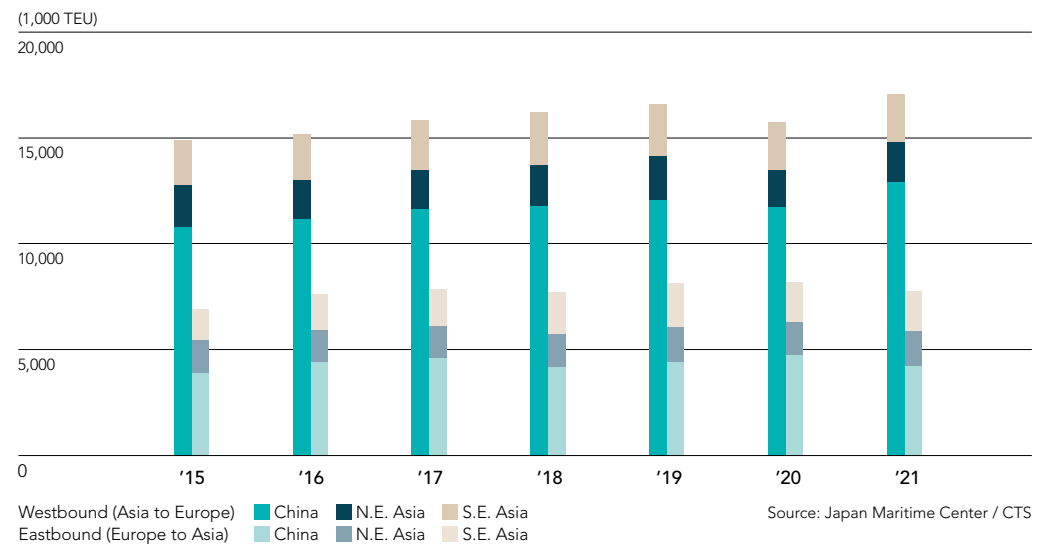
### Container Cargo Movements (2021)



### Asia-North America Cargo Volume

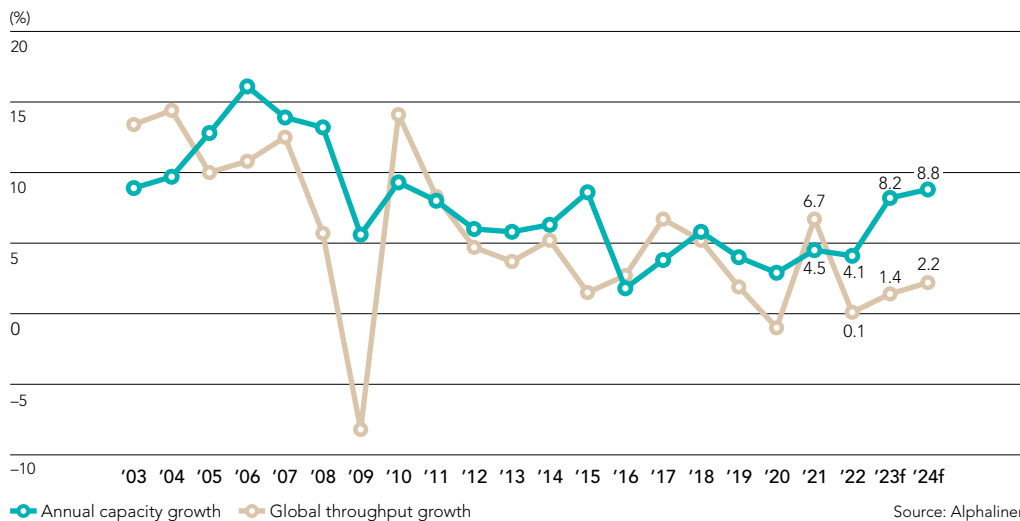


### Asia-Europe Cargo Volume



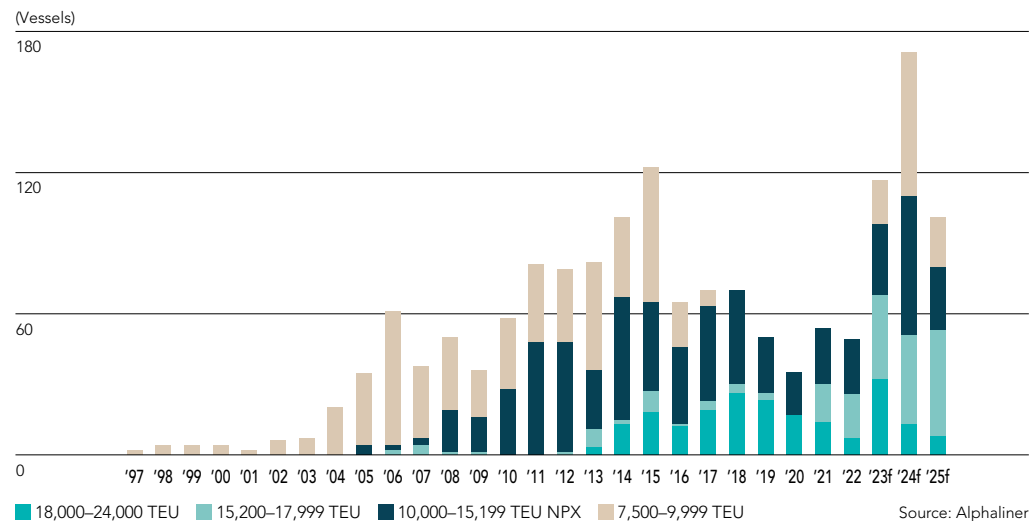
### Container Fleet Capacity, Supply and Demand

(as of January 2023)



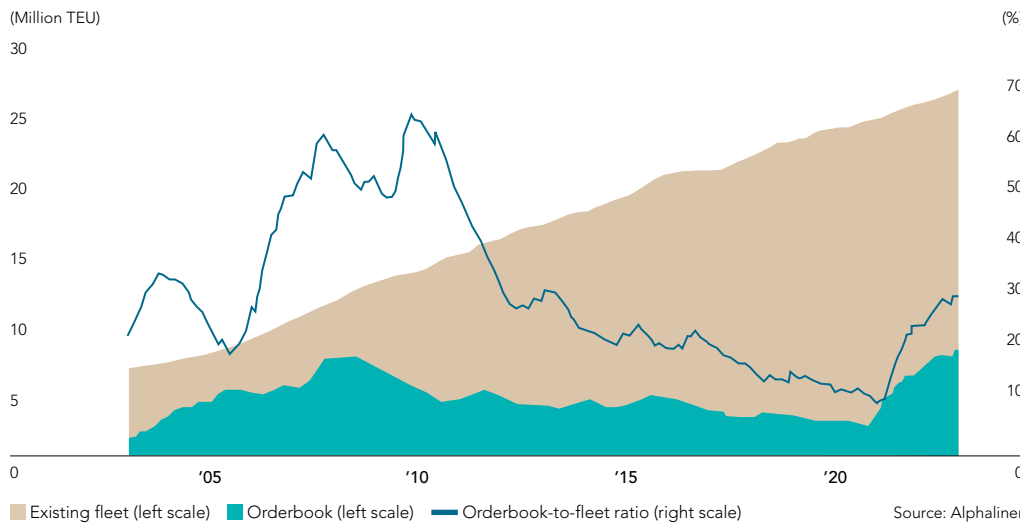
### Delivery of Very Large Container Ships

(as of January 2023)

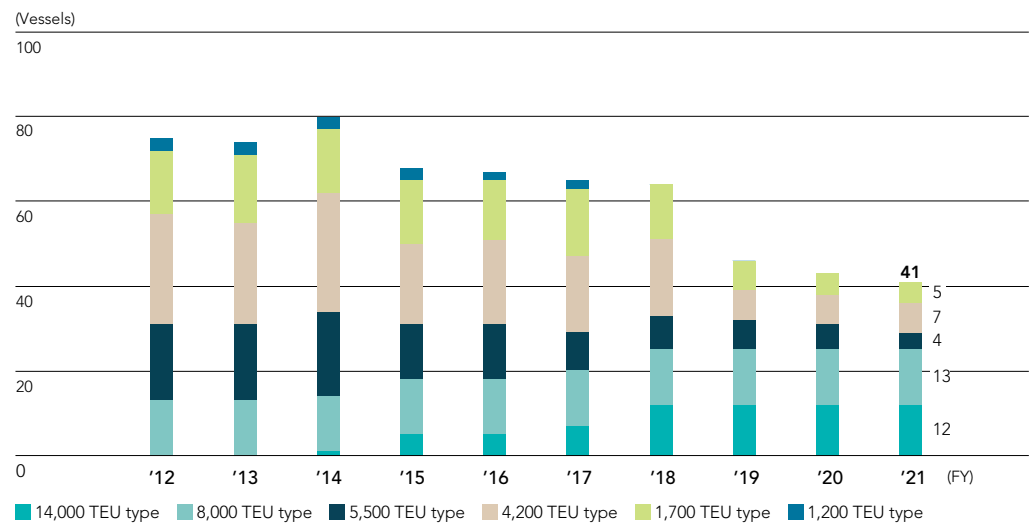


### Orderbook-to-Fleet Ratio

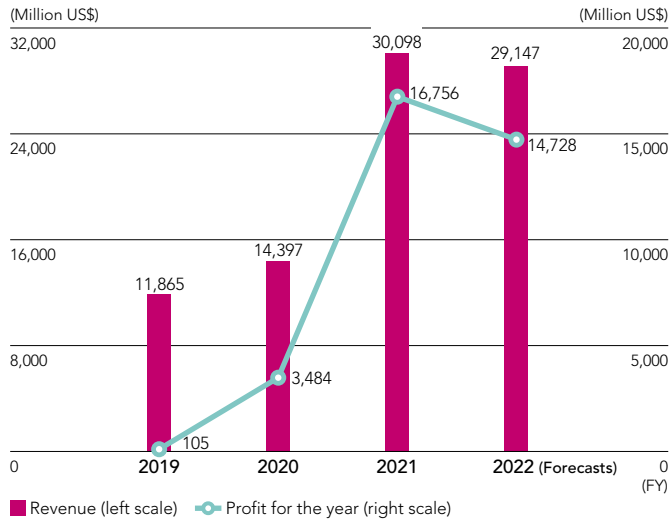
(as of January 2023)



### "K" LINE Containership Fleet



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



\* The forecasts for Revenue and Profit / Loss for FY2022 are as of January 2023.

### Quarterly Financial Results for ONE

#### FY2019

Unit: Million US\$	1Q	2Q	3Q	4Q	Total
Revenue	2,875	3,109	2,914	2,966	11,865
Profit (loss) for the year	5	121	5	-27	105

#### 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

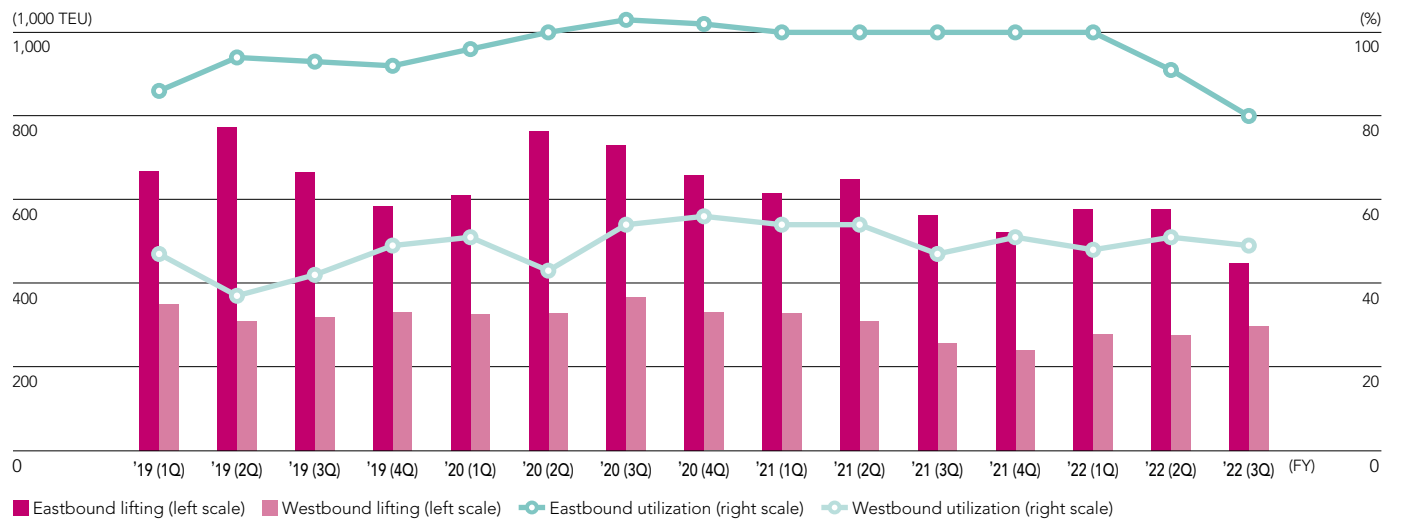
Unit: Million US\$	1Q	2Q	3Q	4Q (Forecasts)	Total (Forecasts)
Revenue	9,019	9,367	6,254	4,507	29,147
Profit for the year	5,499	5,521	2,768	940	14,728

#### Other Full-Year Results

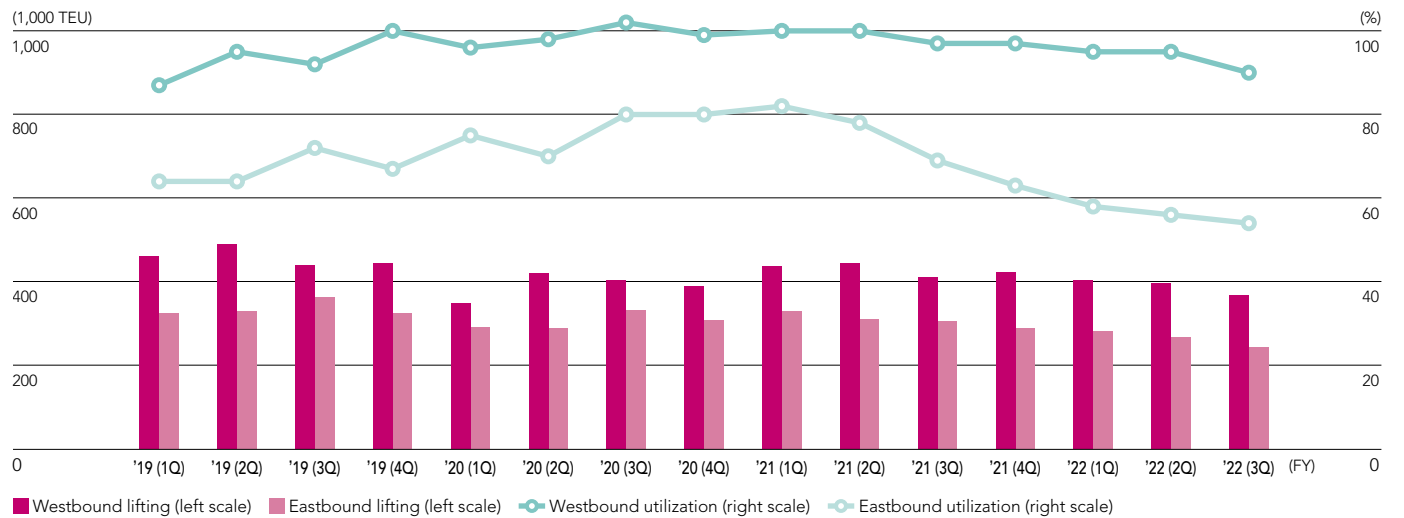
	FY2020	FY2021	FY2022 (Forecasts)	(Units)
EBITDA	4,855	18,279	16,019	Million US\$
EBIT	3,832	17,196	14,748	Million US\$
Annual lifting	11,964	12,061	—	1,000 TEU
Annual bunker consumption	3.6	3.4	—	Million MT

\* The forecasts for FY2022 is as of January 2023.

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



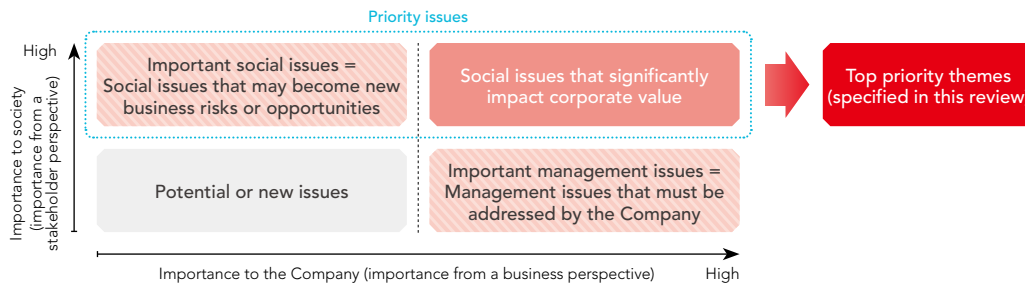
### Transition of ONE Liftings / Utilization (Asia-Europe)



## Process to Identify Materiality

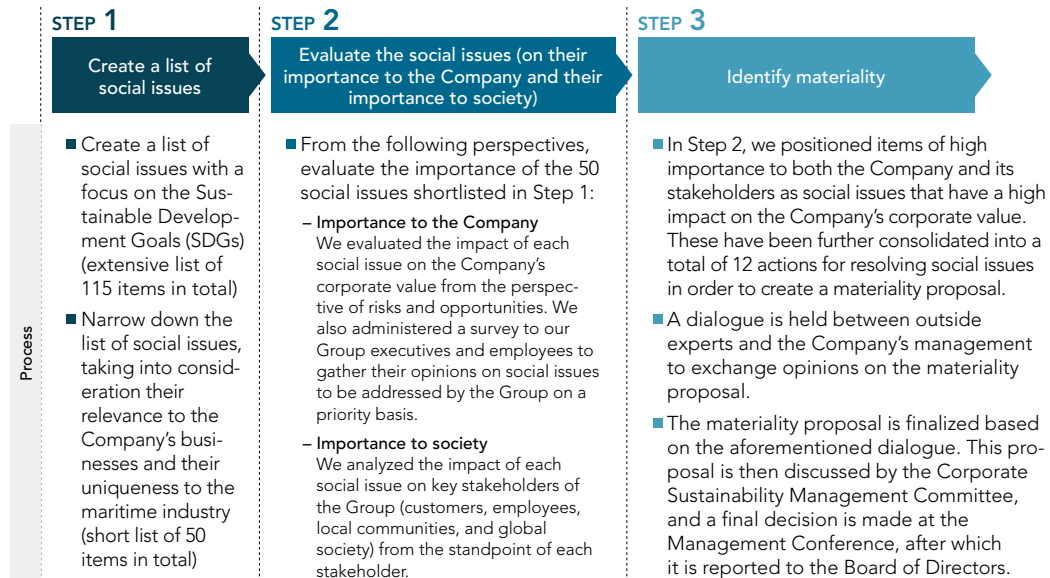
### Background

In fiscal 2022, the Company reviewed its materiality and identified 12 new material issues across five areas. The "K" LINE Group's previous materiality—established in 2014—was identified by referring to various sources of guidance related primarily to corporate social responsibility (CSR), including ISO 26000 and the OECD Guidelines for Multinational Enterprises. This review, however, was conducted in light of changes to the business environment and social conditions that arose over the subsequent eight years. In addition to using the conventional CSR approach, 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), while considering 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:

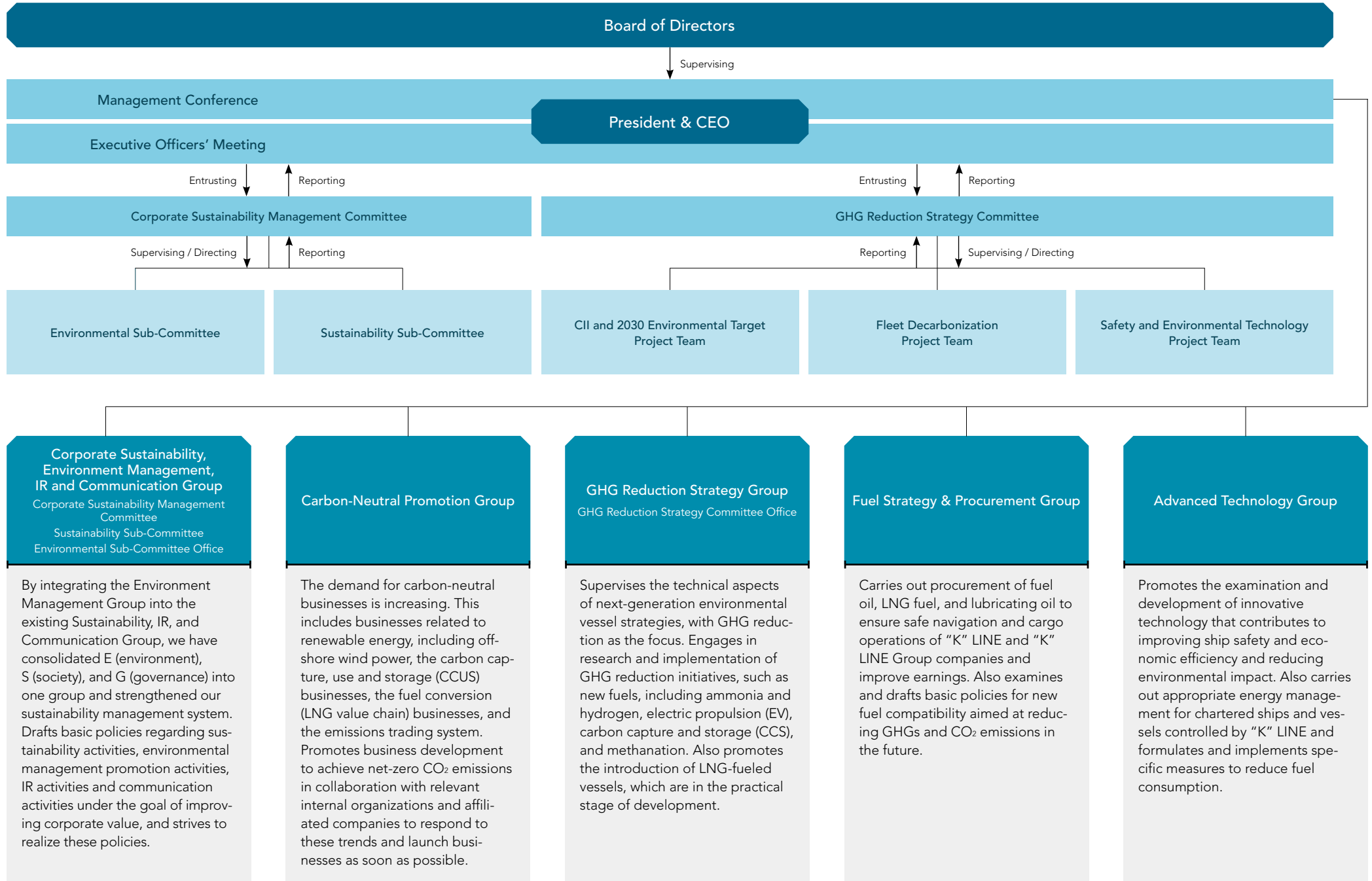


## SDGs Related to Materiality

The 12 material issues identified in fiscal 2022 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 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 important issues to be addressed in order to realize its corporate principle and vision 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
Digital transformation	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
	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

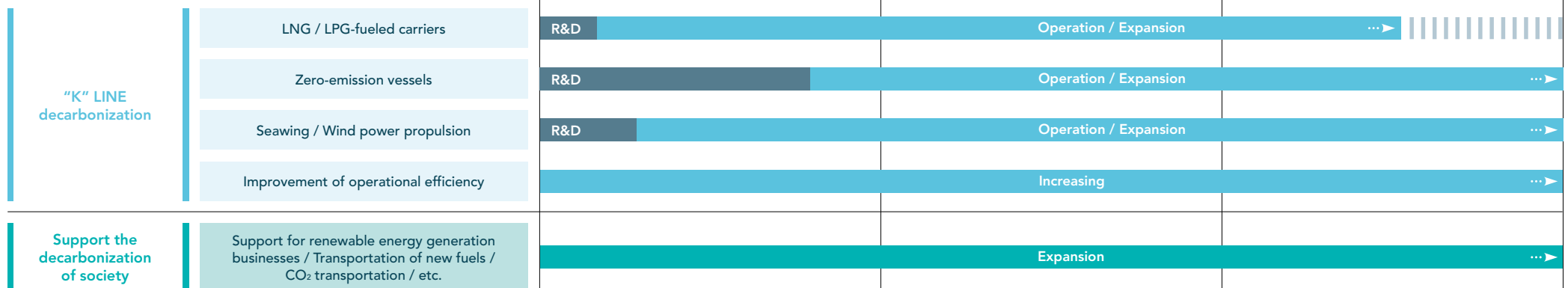




# "K" LINE Environmental Vision 2050 ~Blue Seas for the Future~



## Action Plan Road Map





For Environment-Related Investment, please see page 12

## Environment-Related Investment

### The Introduction of Internal Carbon Pricing (ICP)

To promote low-carbon investment, we have started 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 ¥7,000.

### "K" LINE Group's Yokohama Daikoku C-4 Terminal Starts Operation Utilizing Renewable Energy

Daito Corporation (Daito) and we started operation of the "K" LINE Group's first dedicated finished vehicle terminal in Japan, at Yokohama Daikoku C-4 Terminal from April 2022. The terminal will use electric power generated from renewable energy sources with virtually zero

CO<sub>2</sub> emissions. The terminal will procure 100% wind-generated renewable energy from a blockchain-based electricity traceability service (a service for specifying the power plants from which electricity is procured) of "Minna-Denyoku," operated by UPDATER Corporation.



#### Terminal Overview

Name: Yokohama Daikoku C-4 Terminal  
 Location: Daikoku Futo 22&24, Tsurumi-ku, Yokohama, Japan  
 Business: Finished-vehicle logistics  
 Pier length: 350 m (one berth)  
 Sea depth: 15 m  
 Total yard area: Approx. 153,500 m<sup>2</sup> (including berth area)  
 Parking slots: Approx. 8,000 units

### Introduction Plan of LNG-Fueled Large-Scale Dry Bulk Vessel with Seawing, an Automated Kite System, was certified as first "Introduction Plan of Vessel with Excellent Environmental Performance (Specified Vessel)"

We have applied for the specified vessel introduction plan with Japan Marine United Corporation (JMU), as a shipping company working on the introduction of vessels with excellent environmental performance (specified vessels) based on the Maritime Industry Strengthening

Act, and was certified by the Minister of Land, Infrastructure, Transport and Tourism (MLIT). This certification is one of the first certifications since the start of the system for specified vessel introduction plans.

#### Contents of Our Application

<b>Applicant</b>	Ship operator	Kawasaki Kisen Kaisha, Ltd. ("K"LINE)
	Shipbuilder	Japan Marine United Corporation (JMU) (Business foundation strengthening plan certified: September 14, 2021)
<b>Vessel to Introduce</b>	Gross tonnage	Approx. 110,800 tons
	Deadweight	Approx. 209,490 tons (designed deadweight: Approx.176,790 tons)
	Keel laying	May 2023
	Delivery	March 2024
	Service route	Intended mainly for bulk cargo business between Australia and Japan
<b>Other</b>		Selected as the project to promote the introduction of advanced technologies that simultaneously realize social change and logistics decarbonization (of which: promotion of introduction of LNG fuel systems, etc.) publicly offered for Financial Year 2021
	<b>Features</b>	LNG-fueled large scale bulk carrier. Using LNG as fuel, it is expected that the vessel can reduce CO <sub>2</sub> emissions by approximately 40% compared to conventional heavy oil-fueled vessels. The vessel strives further reduction of CO <sub>2</sub> emissions with Seawing, an automated kite system to utilize natural wind power. Installing integrated ship operation and performance management system "Kawasaki Integrated Maritime Solutions" (K-IMS) to minimize fuel consumption i.e., CO <sub>2</sub> emissions.

## Digital Transformation

Further advancing the digitalization of information and administrative processes as well as vessels, 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 to further strengthen competitiveness

Improvement of the business / operational process and enhancement of safety / environment / quality by digitalization with focuses on a safe operation supporting system, initiatives for digitalization of the vessel, DX of onshore office, work-style reform on board and autonomous navigation.

#### Promoting visualization and information sharing

- Deepening the partnerships with "K"LINE Group customers through sharing and visualizing of cargo information and the situation of CO<sub>2</sub> emissions and sharing it with them

#### Optimization of loading / discharging (car carrier, dry bulk, etc.)

- Promoting to improve of safety and optimization in loading / discharging by analyzing and reviewing of working process during loading / discharging by onboard crew through utilizing IoT equipment and AI technology
- Contributing to the reduction both of lead time and costs in loading / discharging

#### Initiatives for reforms to onboard workstyles and automated ship navigation (each type of vessel)

- To secure remote / automated control technology by strengthening both onboard and ship-to shore telecommunication systems and developing the support system of decision making by onboard crews
- Contributing to improve safety quality, optimize crew management and ship management

## Environment Technology

### Continuing initiatives to pursue new technologies while also enhancing measures for technology investigation and verification in preparation for implementation

- Expanding adoption of energy-saving technologies such as Seawing kite systems to lower "K" LINE emissions and decarbonize the Company while developing new energy-saving technologies
- Rebuilding our integrated vessel operation and performance management systems (K-IMS), including further development of automated operations and adoption of Bearing's AI technology
- Developing fuel supply networks for LNG and ammonia, as well as drop-in biofuels and other fuels.
- We have jointly developed a new concept of LNG-fueled battery energy saving bulk carrier and have received approval in principle (AIP) from Class NK.

## Safety · Ship Quality Management

### Enhancing the organization system that covers safety and quality management both worldwide marine transport businesses and regional businesses (LNG bunkering business, support business for wind power generation installations)

- Development of ship quality management system at three sites as the U.S., Europe and Singapore
- Development of monitoring safety navigation and engine diagnosis center utilizing K-IMS
- Development of local-based customer support system customers by each site as regional head

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 2021-2022"

Targets of the International Maritime Organization's GHG Reduction Strategy

**Long-term targets** Looking to achieve the long-term targets as early in this century as possible.  
 \* World's first global sector-specific agreement

2008

Base year for emissions volume targets

2023

2030

40% improvement in average fuel efficiency\*

\* Emissions per unit of Transportation

2050

50% reduction in total emissions

2100

Zero GHG emissions

Source: Japan Maritime Public Relations Center, "Shipping Now 2021-2022"

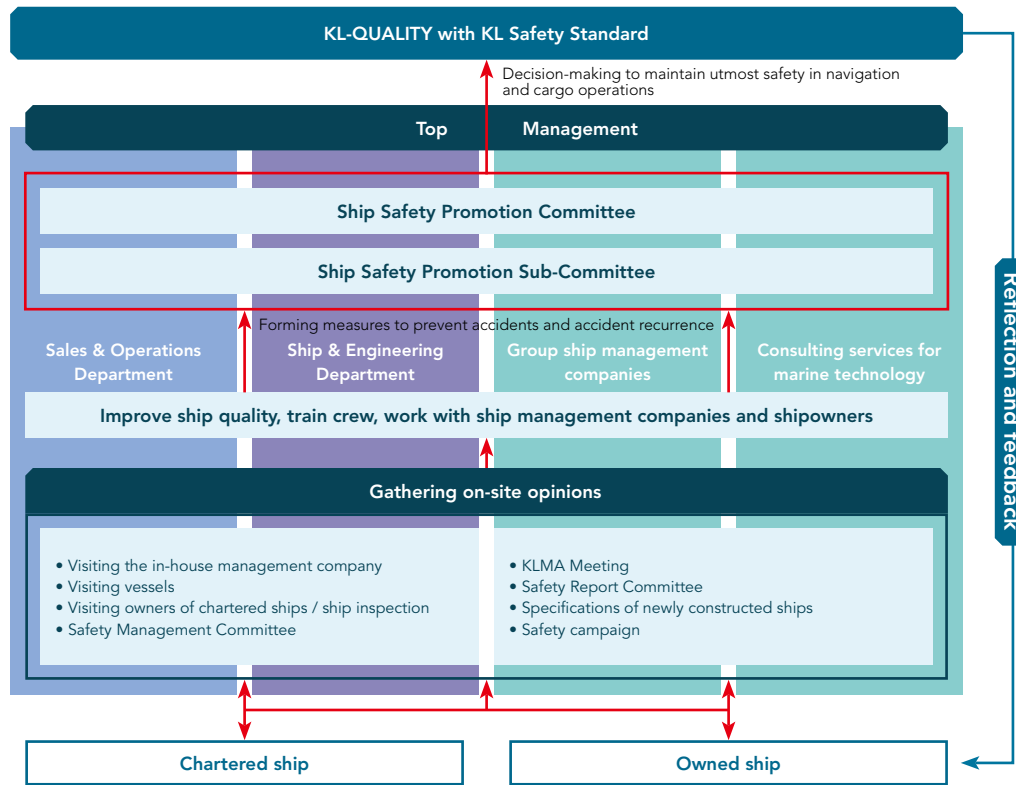
		FY2019	FY2020	FY2021	
CO <sub>2</sub> emissions of the "K" LINE Group*1	Scope 1	10,325,224	9,202,613	6,583,464	
	Scope 2	Location basis	26,397	25,191	13,769
		Market basis	26,220	21,780	13,515
Scope 3		1,304,803	1,219,525	4,566,051	
Environmental data for "K" LINE's vessels*2	Fuel oil consumption (tons)	3,140,039	2,809,074	1,980,630	
	CO <sub>2</sub> emissions (tons)	9,799,932	8,761,756	6,174,863	
	SOx emissions (tons)	129,786	35,983	30,166	
	NOx emissions (tons)	202,678	181,429	117,864	
Environmental data per transportation unit for "K" LINE's vessels*2	Input of energy	Fuel oil (g / ton-mile)	1.51	1.39	1.31
		Lub. oil (g / ton-mile)	0.013	0.012	0.012
	Volume of CO <sub>2</sub> emissions (gram-CO <sub>2</sub> / ton-mile)	All types of vessels	4.82	4.49	4.10
	Volume of SOx emissions (gram-SOx / ton-mile)	All types of vessels	0.067	0.022	0.020
Other environmental data for "K" LINE's vessels	Volume of NOx emissions (gram-NOx / ton-mile)	All types of vessels	0.097	0.089	0.078
	Waste generation, etc. (all types of vessels)	Bilge (m <sup>3</sup> / ship-month)	4.15	4.02	4.04
		Sludge (m <sup>3</sup> / ship-month)	3.9	4.0	2.0
		Garbage on board (m <sup>3</sup> / ship-month)	3.5	3.5	5.4
Gray water from "K" LINE vessels (owned ships) (MT)	All types of vessels (owned ships)	82,485.00	64,421.60	74,929.9	
Environmental data for offices	Annual consumption	Electricity (kWh)	789,971	736,212	708,811
		Office paper (sheets)	3,852,224	2,178,527	2,157,950
		Water (m <sup>3</sup> )	509	318	313
	Annual consumption per person	Electricity (kWh)	860	836	793
Office paper (sheets)		4,196	2,473	2,414	
		Water (m <sup>3</sup> )	0.75	0.50	0.48
Total quantity of recycle	Ship recycle (tons)	All types of vessels	13,774	114,055	0
Waste (tons)	All offices		823	571	420
	All vessels		7,477	6,361	5,192
Environmental data for the "K" LINE Group	Energy water (m <sup>3</sup> )		102,171	96,018	117,999
	Number of companies covered		(20 domestic, 35 overseas)	(19 domestic, 37 overseas)	(18 domestic, 29 overseas)

Note: The data cover "K" LINE's consolidated subsidiaries, and almost 100% of consolidated operating revenues are covered.

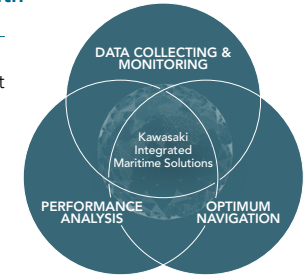
\*1 The scope of aggregation is revised from 2021. Vessels not under our operations are excluded from Scope 1 and container vessels are included in Scope 3.

\*2 The scope of aggregation is revised from 2021. Vessels not under our operations are excluded.

Enhancing the Safety Management System



Kawasaki Integrated Maritime Solutions (a integrated vessel operation and performance management systems, which was developed jointly with the Kawasaki Heavy Industries Ltd. Group)



- The system was installed on approximately 140 of our vessels, including owned vessels, and some chartered vessels by 2020, and we launched a full-scale effort to install the system on our medium- and long-term chartered vessels from the end of 2020.
- We can grasp the operating conditions in real time and from multiple directions, advancing the operational management of the vessel. Additionally, we are introducing AI-based data analysis technology to enable highly accurate evaluation of operational performance, with the aim of further maintaining and improving the performance of the vessel.

Establishment of New Companies

- Establishment of K MARINE SHIP MANAGEMENT PTE. LTD. K MARINE SHIP MANAGEMENT PTE. LTD. will be established in Singapore, and the management of oil tankers, LPG carriers and LNG carriers will be transferred from "K" Line Energy Ship Management Co., Ltd. As one of the global bases that support the activities in Asia of our business divisions from the forefront, we will accelerate efforts to decarbonize and introduce DX technology.
- Establishment of "K" Line Marine Solutions Co., Ltd. Our maritime technical functions scattered in the Safety and Ship Quality Management division and each business division will be consolidated into a new company to aim to be able to respond sensitively and flexibly to the needs of the times, such as maritime support for existing businesses, consulting services for new businesses that are required to strengthen our efforts across the company, and troubleshooting related to new technologies such as LNG / NH3 fuel engines, as well as the training of seafarers.

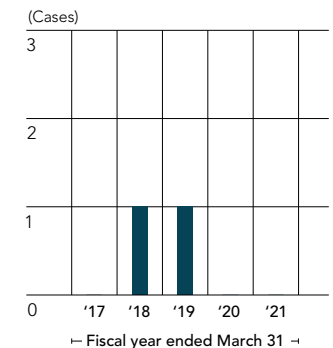
"K" LINE Maritime Academy (KLMA)

- The "K" LINE Maritime Academy (KLMA) is a generic term for our educational philosophies including educational policies for fostering "K" LINE seafarers.
- Our maritime engineers are given onshore training at our six training facilities in Japan, the Philippines, India, Bangladesh, East Europe, and Central Europe, and onboard training programs. They also receive advancement in both onshore and offshore careers. KLMA (Philippines) is positioned as the core of training for Filipino seafarers, who comprise approximately 70% of "K" LINE Group crew members, and it accepts a total of 10,000 seafarers every year.

Initiatives

Pre-embarkation briefing	Sharing our basic safety policy and the latest specific information
KL-QUALITY	Our own quality guidelines and standards for our ship supervisions
Safety report system	Reporting system of near-misses on ships
Accident Information Management System (AIMS)	System analyzing accident information and trends
"K" LINE-Drive to No Accident (K-DNA)	Our unique safety equipment installation guidelines that transcend the decree
Safety campaign	Annual Companywide safety awareness-raising activities under the theme of "safety in navigation and cargo operations" and "environmental preservation"
Emergency response drill	Establish accident response headquarters and conduct accident readiness drills
KARE program	Education program for improving social and interpersonal skills
K-Line marine circular	Inform the latest safety-related information to all ships under our operation

Number of Major Accidents



Note: The target range is our consolidated range, which corresponds to 100% of operating revenues.





### Human Rights Awareness Initiatives



- In April 2020, we signed the UN Global Compact and declared our support for the principles related to human rights, "support and respect the protection of human rights" and "not be complicit in human rights abuses," and the principles related to labor, "elimination of forced and compulsory labor," "effective abolition of child labor," and "elimination of discrimination in respect of employment and occupation."
- We have formulated the "K" LINE Basic Policy on Human Rights, with effect from February 2022, based on UN Guiding Principles on Business and Human Rights (UNGPR) to promote initiatives to respect the human rights of all stakeholders associated with the Group's business activities.

### Onboard Workstyle Reform



- We are working on the IT development and digitalization of our vessels, installing high-spec computers, which already support IT development, and promoting the introduction of a communications infrastructure capable of handling large amounts of data to reduce the workload of maritime personnel onboard.
- On *CENTURY HIGHWAY GREEN*, which was delivered in March 2021, we introduced a long-term evolution (LTE) network that uses IP / MPLS solutions, in addition to the traditional satellite communication system, and realized a balance of sufficient communication speed and highly encrypted communication through a field area network (FAN) environment between the onshore and offshore points.

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

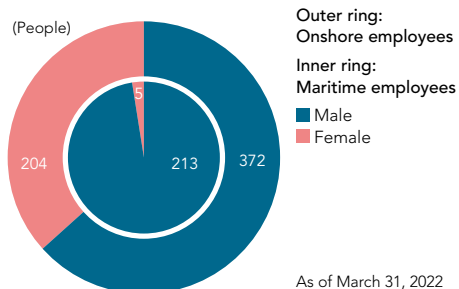
- In order to create an environment in which everyone can fully demonstrate their individual abilities while balancing work and family life, we formulated the following action plan with the aim of becoming a company where all employees can work with a sense of motivation and self-confidence.

**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.

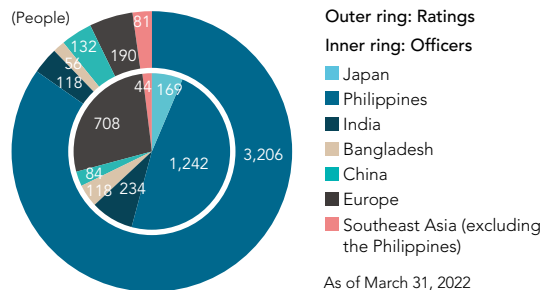
**Goal 2**  
Goal to balance work life and family life  
Limit the average monthly overtime working hours per employee to 40 hours or less.

**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					
		FY2019		FY2020		FY2021	
		Onshore	Seafarer	Onshore	Seafarer	Onshore	Seafarer
Number of employees	Male	368	202	370	200	372	204
	Female	194	3	195	4	213	5
	Subtotal	562	205	565	204	585	209
	Total	767		769		794	
	Female employment ratio	34.5	1.5	34.5	2.0	36.4	2.4
Employees in management positions	Male	126		120		128	
	Female	5		5		8	
	Female employment ratio	3.82		4.00		5.88	
General managers or higher	Male	37		33		31	
	Female	1		0		0	
	Female employment ratio	2.63		0.00		0.00	
Executives (Including Directors and Officers)	Male	31		27		25	
	Female	2		2		2	
	Female employment ratio	6.06		6.90		7.41	
Percentage of employees with disabilities*1	%	1.96		1.82		2.09	
Number of occupational accidents*2	Cases	0	0	0	0	0	0
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	%	77.2	77.5	78.6	75.8	76.2	75.8

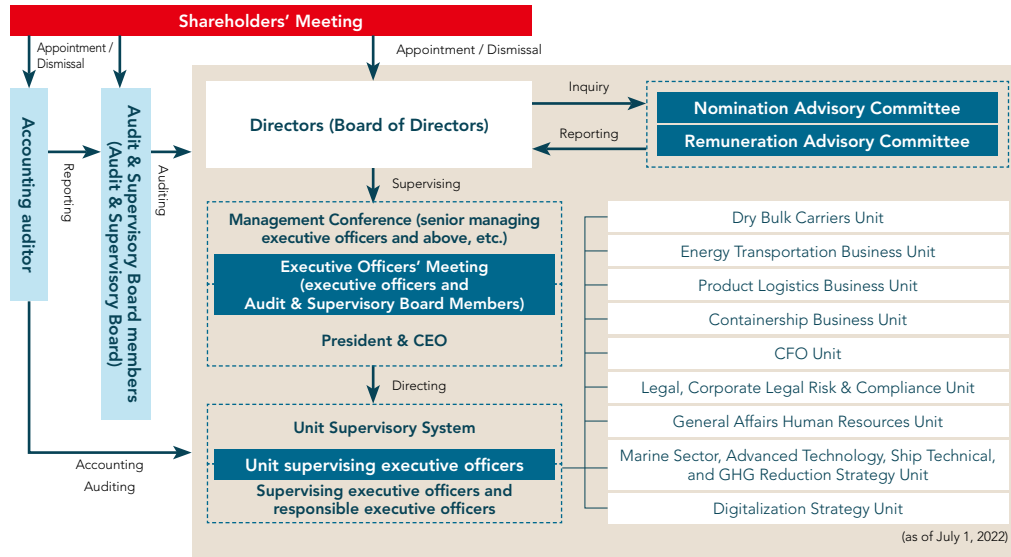
Notes: 1. These figures conform to the Act for Promotion of Employment of Persons with Disabilities. According to the act, a 90% exclusion rate applies to seafarers (excluding those on duty onshore).  
2. Excludes accidents while commuting.  
3. Number of injuries / illnesses, caused by occupational 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 measures that enable "work-life balance."

Primary systems	Outline of our systems	Legal standard	Number of users in FY2021		
			Males	Females	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	—	2	2
Maternity leave	Granted from eight weeks prior to the expected date of birth	Granted from six weeks prior to the expected date of birth	—	10	10
	Maternity allowance granted during the period of eight to six weeks prior to birth	No established standards	—	10	10
Childcare leave	Granted until the child turns three years old	Granted until the child turns one year and six months	0	27	27
Childcare leave for fathers	Granted for from five working days up to 10 working days	No established standards	6	—	6
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	15	1	16
	Available in the 21st year at the Company (10 consecutive days)	No established standards	4	2	6
Administrative leave for accompanying on spouse's overseas / domestic assignment	Granted for two years for overseas assignment or one year for domestic assignment	No established standards	0	5	5

Corporate Governance Structure



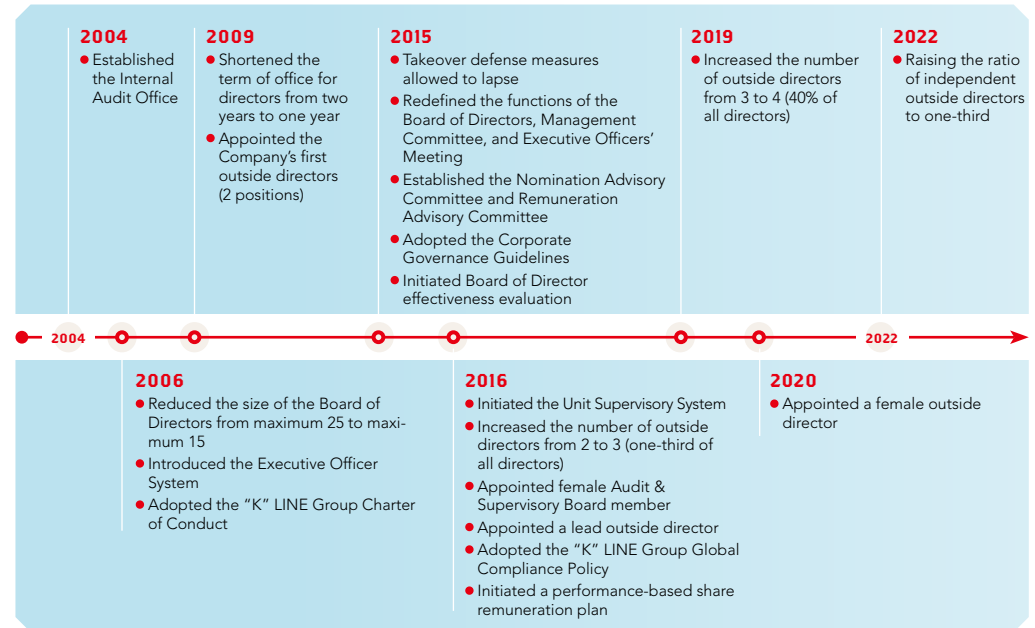
Officer Remuneration System

Classification	Type of remuneration	Nature of remuneration	Method of determination	Maximum limit of remuneration
Director	1. Monthly remuneration	Fixed remuneration	Remuneration is determined in accordance with position.	Within ¥600 million / year
	2. Bonuses based on consolidated performance*	Variable remuneration	Linked to consolidated performance and individual performance evaluations for single fiscal year	
	3. Performance-based share remuneration (BBT =Board Benefit Trust)*		Linked to the Company's medium-to long-term total shareholder return TSR TSR = The rate of increase of the Company's shares over a fixed period +The dividend rate over the fixed period (Total dividend ÷ Initial share price)	
Audit & Supervisory Board member	Monthly remuneration only	Fixed remuneration	Determined following deliberation among Audit & Supervisory Board members	Within ¥12 million / month

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	Technology	Global
Yukikazu Myochin	●	●			●
Atsuo Asano	●			●	●
Yukio Toriyama	●	●	●		●
Kazuhiko Harigai	●				●
Yasunari Sonobe	●				●
Keiji Yamada		●			●
Ryuhei Uchida	●		●		●
Kozue Shiga		●			●
Tsuyoshi Kameoka	●	●			●

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 the Nomination Advisory Committee and Remuneration Advisory Committee to enhance the function of the Board of Directors. The committees are composed of independent outside directors, the Chairman, 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 and medium- to long-term economic rationality of individual holdings to determine whether holdings should be continued.
- 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, 2022, 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		
			FY2019	FY2020	FY2021
Board of Directors	Number of directors	Persons	10	10	10
	Male	Persons	10	9	9
	Female	Persons	0	1	1
	Ratio of females	%	0	10	10
	Number of outside directors (number of independent outside directors)	Persons	4 (3)	4 (3)	4 (3)
	Ratio of outside directors	%	40	40	40
	Number of meetings held	Times	14	18	18
Average attendance ratio	%	98.9	99.6	100	
Audit & Supervisory Board	Number of members	Persons	4	4	4
	Male	Persons	2	3	3
	Female	Persons	2	1	1
	Ratio of females	%	50	25	25
	Number of outside members	Persons	2	2	2
	Ratio of outside members	%	50	50	50
	Number of meetings held	Times	14	16	16
Nomination Advisory Committee	Number of members	Persons	5	4	4
	Number of outside members	Persons	3	3	3
	Ratio of outside members	%	60	75	75
	Number of meetings held	Times	13	7	8
Remuneration Advisory Committee	Number of members	Persons	5	4	4
	Number of outside members	Persons	3	3	3
	Ratio of outside members	%	60	75	75
	Number of meetings held	Times	6	4	6
Remuneration	Total remuneration paid to directors (number of payees*)	¥ millions	312 (12)	319 (12)	340 (10)
	Total remuneration paid to Audit & Supervisory Board members (number of payees*)	¥ millions	73 (6)	84 (5)	81 (5)


\* 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. <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>
 <p><b>FTSE4Good</b></p>	<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>
 <p><b>FTSE Blossom Japan</b></p>	<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>
 <p><b>FTSE Blossom Japan Sector Relative Index</b></p>	<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>2022 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>  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.</li> </ul>
 <p><b>S&amp;P/JPX Carbon Efficient Index</b></p>	<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>2022 <b>Somo Sustainability Index</b></p>	<ul style="list-style-type: none"> <li>• <b>Somo Sustainability Index</b> This ESG-focused management product, which Somo 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.somo-am.co.jp/institutional/product/06/">https://www.somo-am.co.jp/institutional/product/06/</a> (Japanese only)</li> </ul>

Major Awards and Recognition

Contents	
	<ul style="list-style-type: none"> <li>• <b>CDP 2022 Climate Change A List</b> "K" LINE has been selected for the 7th consecutive year on the Climate Change A List, achieving an A, the highest score in the CDP's Climate category. <a href="https://www.cdp.net/en/companies/companies-scores">https://www.cdp.net/en/companies/companies-scores</a></li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Nikkei SDGs Management Survey</b> Nikkei Research Inc. evaluated "K" LINE with a 4.0-star rating. <a href="https://www.nikkei-r.co.jp/service/survey/sdgs_survey/">https://www.nikkei-r.co.jp/service/survey/sdgs_survey/</a> (Japanese only)</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Ministry of Health, Labour and Welfare</b> "K" LINE was granted Kurumin certification for the third time, as a company that provides superior support for childcare. <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 only)</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Ministry of Economy, Trade and Industry / Japan Health Council</b> "K" LINE has been recognized for the fourth time in three consecutive years under the 2022 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. <a href="https://www.kyoukaikaenpo.or.jp/~media/Files/shiga/kenkou/ev/r03zoom-kkeiei0811.pdf">https://www.kyoukaikaenpo.or.jp/~media/Files/shiga/kenkou/ev/r03zoom-kkeiei0811.pdf</a> (Japanese only)</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Ministry of Economy, Trade and Industry</b> "K" LINE was selected as a "DX Certified Business Operator" under the DX Certification established by the Ministry of Economy, Trade and Industry in April 2022. <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 only) <a href="https://www.kline.co.jp/ja/news/other/other-705399405708498818/main/0/link/220404JA.pdf">https://www.kline.co.jp/ja/news/other/other-705399405708498818/main/0/link/220404JA.pdf</a> (Japanese only)</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Daiwa Investor Relations Co. Ltd.</b> "K" LINE was granted the Excellence Award in 2022. 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. <a href="https://www.daiwair.co.jp/news/internet_IR2022.html">https://www.daiwair.co.jp/news/internet_IR2022.html</a> (Japanese only)</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>EcoVadis</b> "K" LINE was awarded a Bronze rating for overall sustainability initiatives in 2022 by EcoVadis, an internationally recognized provider of business sustainability ratings based in France. <a href="https://ecovadis.com/">https://ecovadis.com/</a></li> </ul>





◎ World headquarters  
● Overseas major affiliates, representative offices and branches

**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**

India Mumbai  
 Indonesia Jakarta  
 Korea Seoul  
 Taiwan Kaohsiung  
 Taipei  
 Singapore Singapore

Thailand Bangkok  
 Laem Chabang  
 China Guangzhou  
 Shanghai  
 Tianjin  
 Philippines Manila  
 Vietnam Haiphong  
 Hanoi  
 Ho Chi Minh City  
 Malaysia Shah Alam

**Oceania**

Australia Fremantle  
 Melbourne

**North America**

U.S.A. Baltimore  
 Houston  
 Los Angeles  
 Lothian  
 New York  
 Portland  
 Richmond  
 San Francisco

**Central and South America**

Chile Santiago  
 Brazil Sao Paulo  
 Peru Lima  
 Mexico Altamira  
 Mexico City

## Outline of the Company (as of March 31, 2022)

<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 585 At-sea duty 209 Unconsolidated total 794 Consolidated total 5,158
<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, Yangon, 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), 264 (overseas)

## Stock Information (as of September 30, 2022)

<b>Authorized</b>	200,000,000 shares of common stock
<b>Issued</b>	94,749,463 shares of common stock
<b>Number of shareholders</b>	46,462
<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 22, 2023)

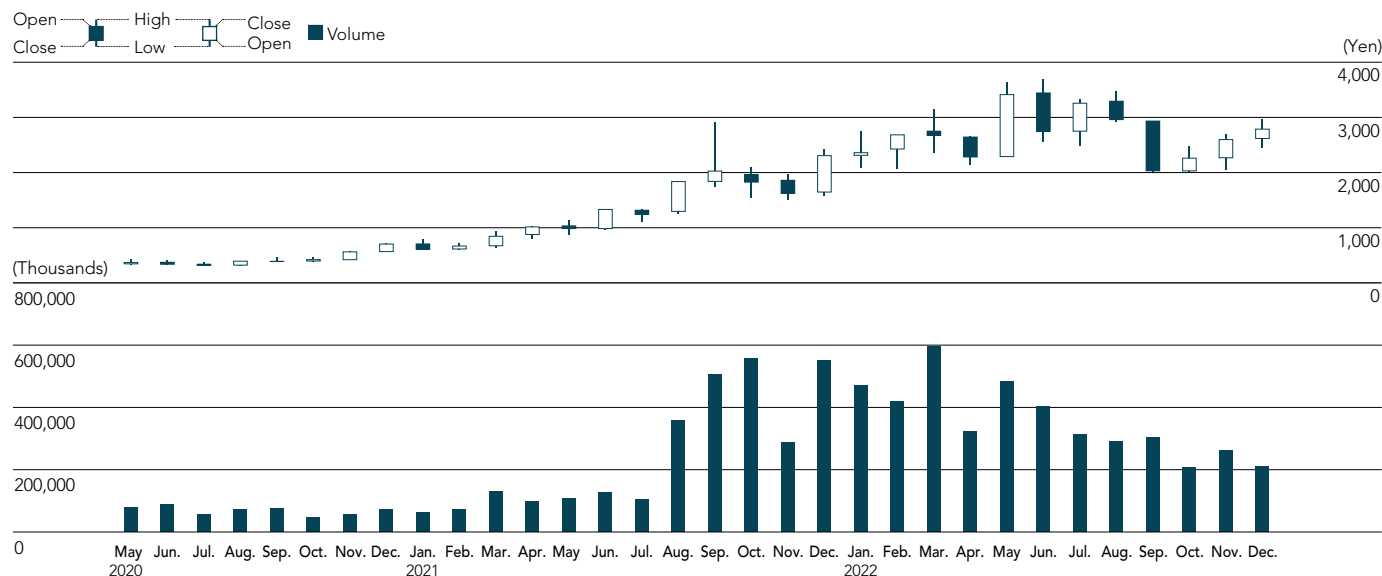
<b>JCR</b>	A- (Stable)
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## Major Shareholders (as of September 30, 2022)

Shareholders	Number of shares held (thousands)	Percentage of shares held (%)
ECM MF	10,716	11.32
GOLDMAN SACHS INTERNATIONAL	9,779	10.33
The Master Trust Bank of Japan, Ltd. (trust account)	9,128	9.64
MLI FOR SEGREGATED PB CLIENT	5,651	5.97
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	5,132	5.42
Custody Bank of Japan, Ltd. (trust account)	2,922	3.08
IMABARI SHIPBUILDING CO., LTD	2,354	2.48
CGML-LONDON EQUITY	2,100	2.21
Custody Bank of Japan, Ltd. (Kawasaki Heavy Industries, Ltd. retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.)	2,035	2.15
Mizuho Bank, Ltd.	1,868	1.97

Note: Figures for share ownership breakdown do not include treasury stock (122,438shares).

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



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  
TEL: (+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.

