Financial Highlights Brief Report for Fiscal Year 2024

May 7th, 2025

"K" LINE
KAWASAKI KISEN KAISHA, LTD.

Index

A. Financial Highlights for Fiscal Year 2024

A-1 : Financial Results for FY2024

Financial Results FY2024

(billion yen)

Operating Revenues and Profit/Loss	FY2024							FY2023	
	1Q	2Q	1H	3Q	4Q	2H	Total (a)	Total (b)	(a)-(b)
Operating Revenues	267.6	270.4	538.0	266.9	242.9	509.9	1,047.9	957.9	90.0
Operating Income/Loss	30.7	30.4	61.1	31.1	10.6	41.7	102.8	84.1	18.7
Ordinary Income/Loss	74.8	112.4	187.3	101.5	19.2	120.7	308.0	132.7	175.3
Net Income/Loss Attributable to Owners of Parent	72.5	110.6	183.2	101.4	20.6	122.1	305.3	101.9	203.3
Exchange Rate(¥/$)	¥155.02	¥152.77	¥153.89	¥149.04	¥154.09	¥151.57	¥152.73	¥143.82	¥8.91
Bunker Price(/MT)	$629	$624	$627	$601	$585	$593	$610	$620	-$10

Key Factors (year-on-year comparison)

- Thanks to robust transport demand in Dry Bulk and Car Carrier Business, operating income increased.
- In Containership Business, short-term freight rates rose. This resulted in higher ordinary income and net income attributable to owners of parent.

Key Financial Indicators

(billion yen)

Indicators	FY2024 (c)	FY2023 (d)	(c)-(d)
Equity Capital	1,648.4	1,591.9	56.5
Interest-Bearing Liability	344.8	287.7	57.0
DER	21%	18%	3points
Equity Ratio	75%	75%	-1point

Shareholder's return

- Dividend: The year-end dividend is 50 yen per share, as announced in February 2025.
  When combined with the interim dividend of 50 yen per share, the full year dividend is expected to be 100 yen per share.

*FY2023 figures are based on retrospective application of a change in accounting policy.
*Equity ratio is 57-59%, including off-balance-sheet charter hire(600.0 to 700.0 billion yen) at the end of fiscal 2024.

A-2 : Financial Results for FY2024 by Segment

Financial Results for FY2024 by Segment

(billion yen)

Business Segment (Upper row: Operating Revenues) (Lower row: Ordinary Income/Loss)	FY2024							FY2023	
	1Q	2Q	1H	3Q	4Q	2H	Total (e)	Total (f)	(e)-(f)
Dry Bulk	88.3	83.1	171.5	81.8	69.0	150.8	322.3	293.5	28.8
	7.6	- 1.3	6.2	9.9	- 2.6	7.3	13.5	3.5	10.0
Energy Resource Transport	25.6	25.0	50.7	26.0	25.1	51.1	101.9	105.6	- 3.7
	1.2	- 0.5	0.6	5.7	- 1.4	4.3	4.9	7.5	- 2.5
Product Logistics	151.1	158.5	309.7	156.5	146.5	303.1	612.8	548.6	64.1
	66.4	116.6	183.0	86.7	24.5	111.3	294.3	128.6	165.7
Containership	18.0	17.5	35.6	16.6	16.3	32.9	68.5	59.3	9.2
	41.0	95.3	136.4	57.4	12.5	69.9	206.3	45.8	160.5
Other	2.4	3.6	6.0	2.4	2.2	4.7	10.8	10.0	0.7
	0.4	- 0.9	- 0.4	0.6	0.6	1.3	0.9	1.4	- 0.4
Adjustment	-	-	-	-	-	-	-	-	-
	- 0.8	- 1.3	- 2.2	- 1.6	- 1.9	- 3.5	- 5.7	- 8.4	2.6
Total	267.6	270.4	538.0	266.9	242.9	509.9	1,047.9	957.9	90.0
	74.8	112.4	187.3	101.5	19.2	120.7	308.0	132.7	175.3

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

- **Dry Bulk**
  - Conditions for the Capesize market have remained generally solid, supported by steady transport demand.
  - The market conditions for Panamax and smaller sizes improved in the first half compared to the previous fiscal year, supported by transportation demand.
  - Income increased compared to the previous fiscal year due to the absence of temporary factors from the previous year.
- **Energy Resource Transport**
  - Although LNG Carrier, Thermal Coal Carrier, VLCC (Very Large Crude Carrier), and LPG Carrier Businesses secured stable profits backed by medium- to long-term charter contracts, income decreased year on year due to temporary factors.
- **Product Logistics**
  - Car Carrier Business: the global automobile sales market continued to recover as the supply shortages of semiconductors and automotive parts were largely resolved.
  - We have continued efforts to restore freight rates and improve vessel operation efficiency.
  - Containership Business: demand for fleet capacity remains strong due to robust personal consumption and port congestion.
  - Following the Lunar New Year, spot rate markets have been on a downward trend due to slowdown in cargo movement, and supply of newly built vessels. However, they have significantly improved compared to the previous year.

*FY2023 figures are based on retrospective application of a change in accounting policy.

B. Forecasts and Initiatives for Fiscal Year 2025

B-1 : Forecasts for FY2025 and Key Factors

Forecasts for FY2025

(billion yen)

Operating Revenues and Profit/Loss	FY2025			FY2024	
	1H Forecast	2H Forecast	Total (g)	Total (h)	(g)-(h)
Operating Revenues	476.0	474.0	950.0	1,047.9	- 97.9
Operating Income/Loss	41.0	39.0	80.0	102.8	- 22.8
Ordinary Income/Loss	57.5	47.5	105.0	308.0	- 203.0
Net Income/Loss Attributable to Owners of Parent	66.0	34.0	100.0	305.3	- 205.3
Exchange Rate(¥/$)	¥141.59	¥140.00	¥140.79	¥152.73	-¥11.94
Bunker Price(/MT)	$573	$575	$574	$610	-$36

Key Factors (year-on-year comparison)

- FY2025 forecast is based on the assumption that the use of the Cape of Good Hope route will continue, without anticipating the resumption of transit through the Suez Canal.
- Due to the uncertainty surrounding the U.S. tariff policy and the impact of foreign exchange rates, operating income is expected to decrease by 22.8 billion yen year-on-year to 80.0 billion yen, while ordinary income is expected to decrease by 203.0 billion yen year-on-year to 105.0 billion yen.

➡ details : B-2

Key factor assumption

- Yen-US$ exchange rate ¥140.79/$ (average for FY2025)
- Bunker price $574/MT
- Market assumption
  Please refer to Appendix

Estimates sensitivity (12 months)

- Yen-US$ rate: each ¥1 weaker(stronger) adds (subtracts) ± ¥1.6 bln
- Bunker price: each $10/MT down (up) adds (subtracts) ± ¥0.03 bln

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

Shareholder's return

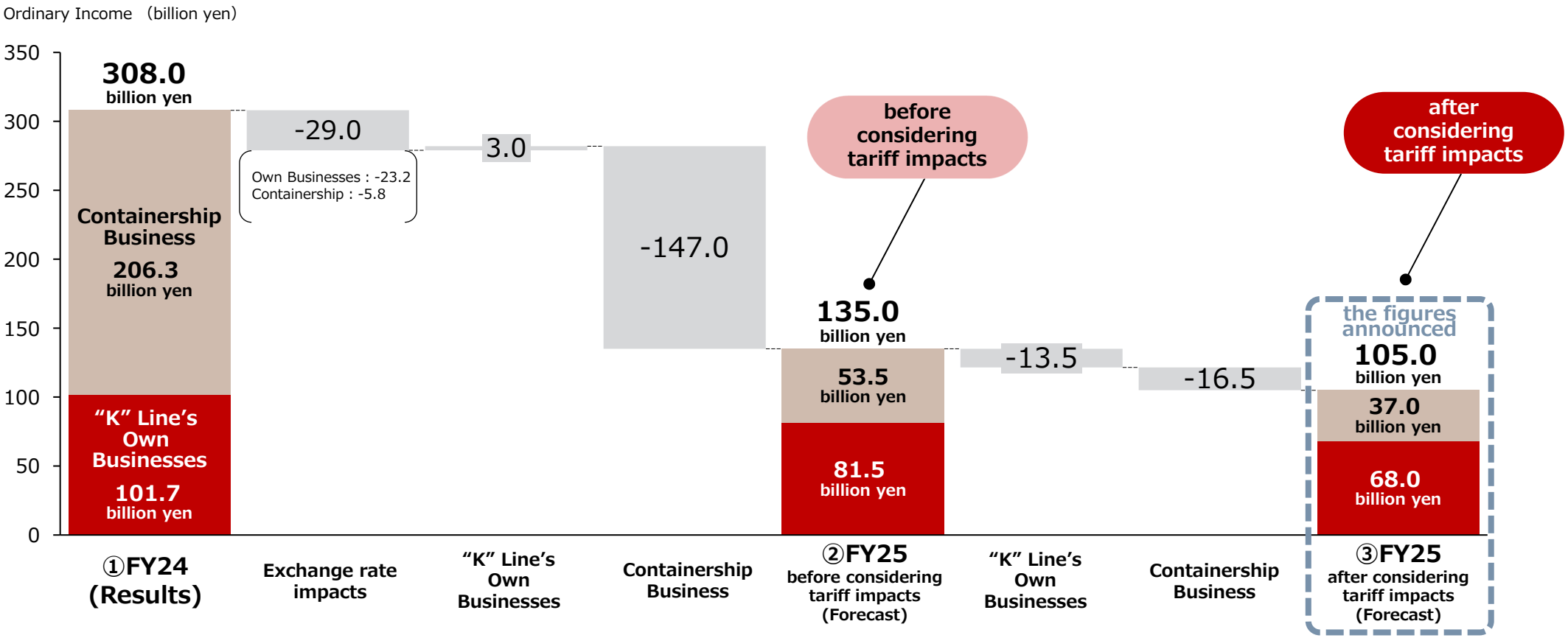
- Dividend

The annual dividend forecast for FY2025 is 120 yen/share (interim and year-end dividends: 60 yen/share each).
This includes a basic dividend of 40 yen/share and an additional dividend of 80 yen/share (60 yen/share announced in February 2025).

*We have increased the total shareholder returns during the Medium-term Management Plan period by 50.0 billion yen to 800.0 billion yen or more and continue to consider flexible shareholder returns.

➡ details : C-5

B-2 : Comparison of Income and Loss for FY2025 (Year-on-Year Comparison, Impact of Tariffs)



Year-on-Year

①FY24 results:308.0 billion yen
→ ②FY25 forecast before considering tariff impactst:135.0 billion yen

- **Exchange rate impacts** : Expect impacts of 29.0 billion yen (23.2 billion yen for Own Business and 5.8 billion yen for the Containership Business) due to an appreciation of approximately 12 yen in the exchange rate.
- **Containership Business** : A decrease of 147.0 billion yen is expected due to a deterioration in the supply-demand balance caused by an increase in vessel supply from the delivery of new vessels etc.

Tariff Impacts

② FY25 forecast before considering tariff impactst:135.0 billion yen
→ ③ FY25 forecast after considering tariff impactst:105.0 billion yen

- **"K" Line's Own Businesses** : Impacts of 13.5 billion yen are expected due to a decline in the number of units transported in Car Carrier Business etc.
- **Containership Business** : A decrease of 16.5 billion yen is expected due to a reduction in cargo volume and a decline in freight rates etc.

B-3 : Forecasts for FY2025 by Segment

Forecasts for FY2025 by Segment

(billion yen)

Business Segment (Upper row: Operating Revenues) (Lower row: Ordinary Income/Loss)	FY2025 1H Forecast	FY2025 2H Forecast	FY2025 Total (i)	FY2024 Total (j)	(i)-(j)
Dry Bulk	140.0	132.0	272.0	322.3	- 50.3
	4.0	5.0	9.0	13.5	- 4.6
Energy Resource Transport	47.0	46.0	93.0	101.9	- 8.9
	3.5	3.0	6.5	4.9	1.5
Product Logistics	284.0	291.0	575.0	612.8	- 37.9
	61.0	41.5	102.5	294.3	- 191.8
Containership	32.0	31.0	63.0	68.5	- 5.6
	29.0	8.0	37.0	206.3	- 169.4
Other	5.0	5.0	10.0	10.8	- 0.8
	- 0.0	0.0	0.0	0.9	- 1.0
Adjustment	-	-	-	-	-
	- 11.0	- 2.0	- 13.0	- 5.7	- 7.2
Total	476.0	474.0	950.0	1,047.9	- 97.9
	57.5	47.5	105.0	308.0	- 203.0

Key Factors by Segment

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

Dry Bulk

- Amid uncertainty created by the U.S. tariff policy, we expect a year-on-year decline in profit, reflecting potential fluctuations in cargo conditions and other factors. We will continue to work on improving vessel operation efficiency and reducing costs while closely monitoring cargo conditions.

Energy Resource Transport

- LNG Carrier, Thermal Coal Carrier, VLCC (Very Large Crude Carrier), and LPG Carrier Businesses are expected to secure stable profits backed by medium- to long-term charter contracts.
- Profit is expected to increase due to the absence of one-time/ temporary factors from the previous fiscal year.

Product Logistics

- Car Carrier Business: we expect a decline in demand for automobiles in the United States due to the impact of the U.S. tariff policy. We therefore anticipate a decrease in marine cargo movements destined for the U.S. We will continue efforts to optimize our fleet and enhance vessel operation and deployment efficiency, while keeping a close eye on changes in transport demand.

- Containership Business: profit is expected to decrease due to factors such as a deterioration in the supply-demand balance caused by an increase in vessel supply from the delivery of new vessels, a reduction in cargo volume, and a decline in freight rates resulting from U.S. tariff policies.
- ONE will continue efficient operation and flexible vessel deployment in line with demand while keeping a close eye on changes in the situation.

* In FY2025, we plan to make some changes to the allocation method for foreign exchange gains and losses.
* Starting from the first quarter of FY2025, Car Carrier Business figures will be disclosed as reference information, just as we do for Containership Business.

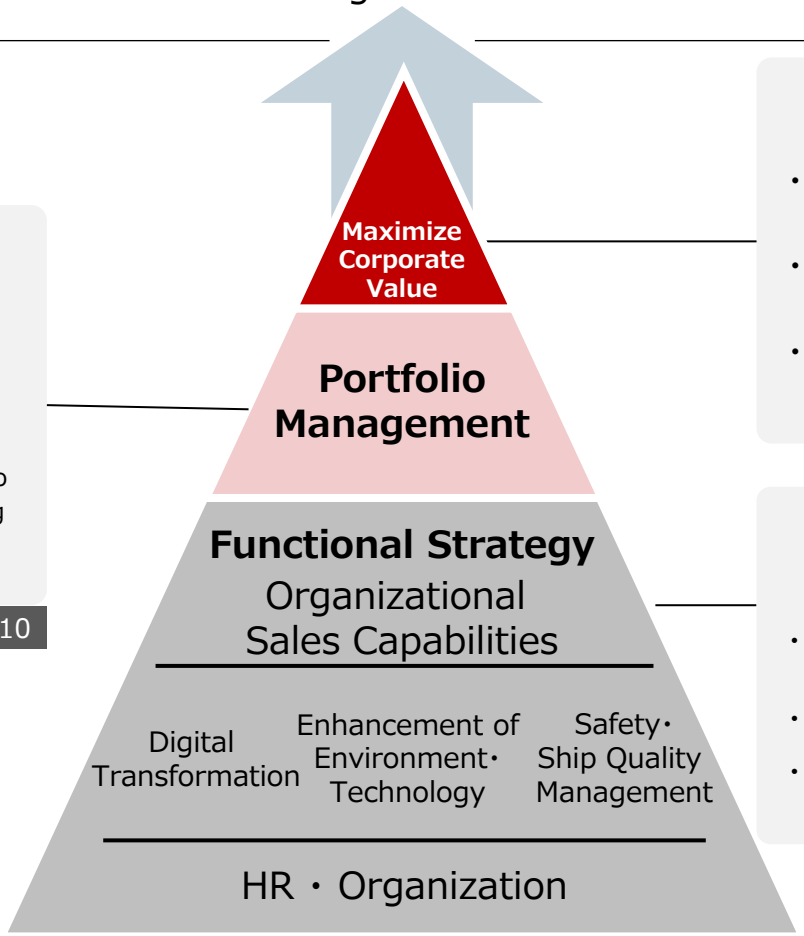
C. Status and Progress of the Medium-term Management Plan

C-1 : Key Points of the Medium-term Management Plan

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

Further growth and improvement of corporate value

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



Business Strategy

Enhancing profitability

- Growth strategy using emissions reduction and decarbonization as opportunities
- Investment concentrated on the “role of driving growth” and “environment”
- Initiatives for improvement on business portfolio
- Continually investigating measures for achieving dramatic growth

➡ details : C-9～10

Capital Policy

Realizing maximization of corporate value

- Optimal capital structure
  (Aiming for both financial soundness with an awareness of business risks and capital efficiency)
- Cash allocation
  (optimizing growth investment and shareholder’s return)
- Further enhancement of business management
  (executive management, investment management, and business value management for each business)

➡ details : C-2～6

Functional Strategy

Further enhancing our functional strengths that make us the preferred choice of customers and partners

- Refining our three strengths: Environment・Technology, Safety・Ship Quality Management, and Digital Transformation
- Quantitative and qualitative development of human resources that support growth and functions
- Further strengthening of organizational sales capabilities that bring together businesses and functions

➡ details : C-7～8

* : role of driving growth : Coal & Iron Ore Carriers、Car Carriers and LNG Carriers

C-2【Capital Policy】: Capital Policy Progress and Corporate Value Improvement

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

Enhancing earning power

Operating CF 1.5 trillion yen During the Medium-term Management Plan period

- **The ordinary income target for FY2026, the final year of the current Medium-term Management Plan, is 160.0 billion yen, while the full-year ordinary income for FY2024 is 308.0 billion yen** (up 8.0 billion yen from the previous announcement)
- **The operating CF forecast for the Medium-term Management Plan period is 1.5 trillion yen** (unchanged from the previous announcement)

Investment plan (promotion of investment for growth)

Investing CF 610.0 billion yen During the Medium-term Management Plan period

- While we continue to make investments necessary to improve corporate value without relaxing investment discipline, the postponement of some investment projects beyond the Medium-term Management Plan period, along with cash inflows from asset sales and other factors, is expected **to bring investment CF for the Medium-term Management Plan period to 610.0 billion yen** (down 130.0 billion yen from the previous announcement)
- We will achieve growth by enhancing businesses serving the role of driving growth, and by promoting environmental investment taking advantage of emissions reduction and decarbonization opportunities

Optimal capital structure

Business risk・Financial soundness・Capital efficiency

- Aiming for both financial soundness with an awareness of business risks, and capital efficiency
- In order to consider an optimal capital structure, we continue verifying the level of capital required for “K” Line’s own businesses and Containership Business

Further Advancement of Business Management

ROIC 6.0~7.0% (FY26 Target)

- Establishing 3 business management financial statements for each business
- More advanced business value management
- Implementing more advanced investment management

Shareholder return policy

Shareholder return 800.0 billion yen～

Shareholder Return Policy

- **Our policy is to always be aware of the optimal capital structure, ensure the investments necessary to improve corporate value, and maintain financial soundness. Moreover, regarding the portion exceeding the appropriate capital, we will actively consider shareholder returns, based on cash flow**
- **The total return amount during the Medium-term Management Plan period is expected to be 800.0 billion yen or more** (up 50.0 billion yen from the previous announcement)

Returns in FY2025 ~26 — Dividend

- **FY25 : The additional dividend will be increased by 20 yen/share from the announced in February 2025, and we plan the annual dividend to be 120 yen/share**
- FY26 : We plan the annual dividend to be 100 yen/share (No change from the previous announcement)

Responsive return delivery

- Taking the business environment into account and based on our shareholder return policy, we are considering **additional flexible returns of 50.0 billion yen or more** going forward

For corporate value improvement

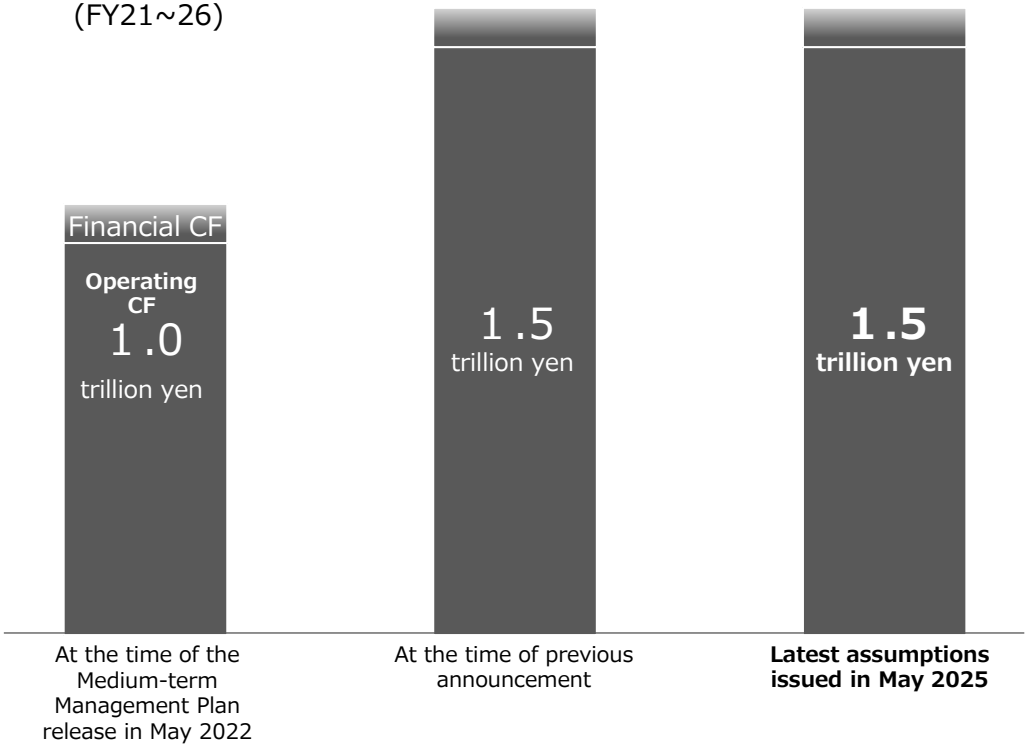
PBR return to/ maintain/ improve 1.0 or more

- We aim to sustainably achieve **ROE of 10% or more** by strengthening earning power and improving capital efficiency, and to return to, maintain and improve **the PBR of 1.0 or more**, keeping in mind reduction of capital costs and **PER enhancement** by cultivating further expectation for growth
- With the aim of reinforcement of governance and improving corporate value through management reform by further enhancing the functions of the board of directors in determining and supervising management policies and strengthening management capability such as the management team in prompt decision-making on business execution etc., **on March 28, 2025, we have transitioned to the “Company with Nominating Committee, etc.”**
- Through IR activities, we will promote dialogue with stakeholders and further raise awareness of our business growth strategy among investors

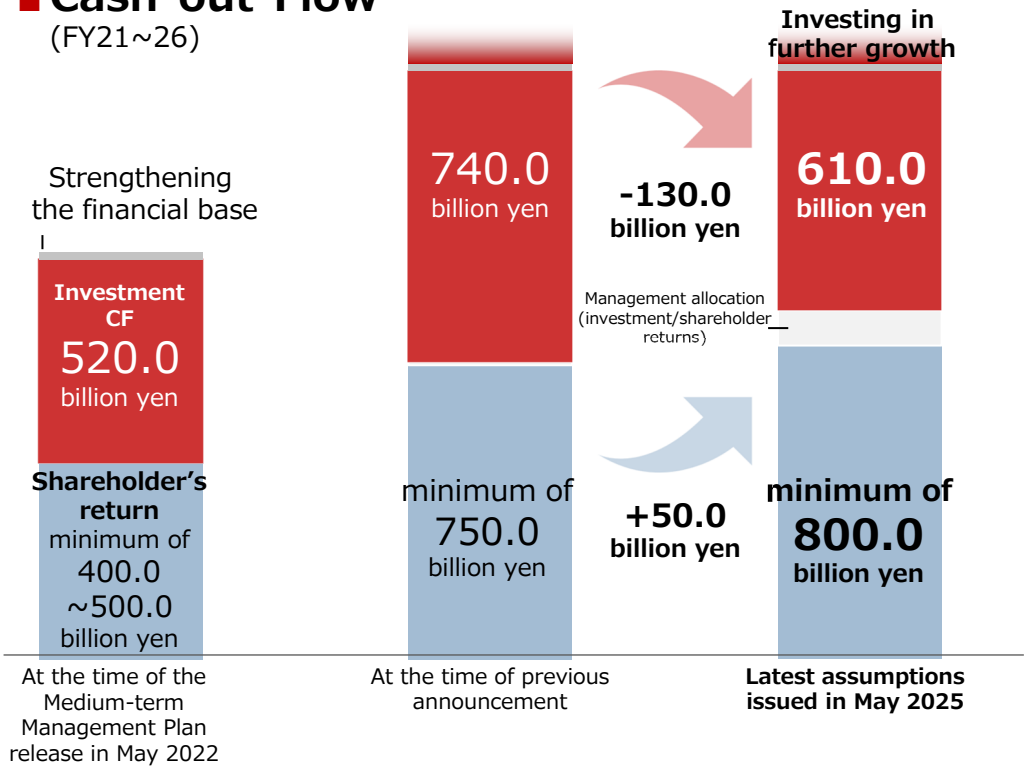
C-3【Capital Policy】: Cash Allocation

Operating cash flow is expected to be 1.5 trillion yen, whereas investment cash flow is expected to be 610.0 billion yen
We increase shareholder returns during the Medium-term Management Plan period, from 750.0 billion yen or more to 800.0 billion yen or more
Based on the concept of optimal capital structure, we are striving for a balance between investment in growth and shareholder returns when using generated cash

Cash-in-Flow
(FY21~26)



Cash-out-Flow
(FY21~26)



Based on the latest performance forecast, **operating CF is expected to be 1.5 trillion yen**

Due to the postponement of investments beyond the Medium-term Management Plan period and asset sales, **investment cash flow is expected to be 610.0 billion yen** (130.0 billion yen lower compared to the previous announcement)

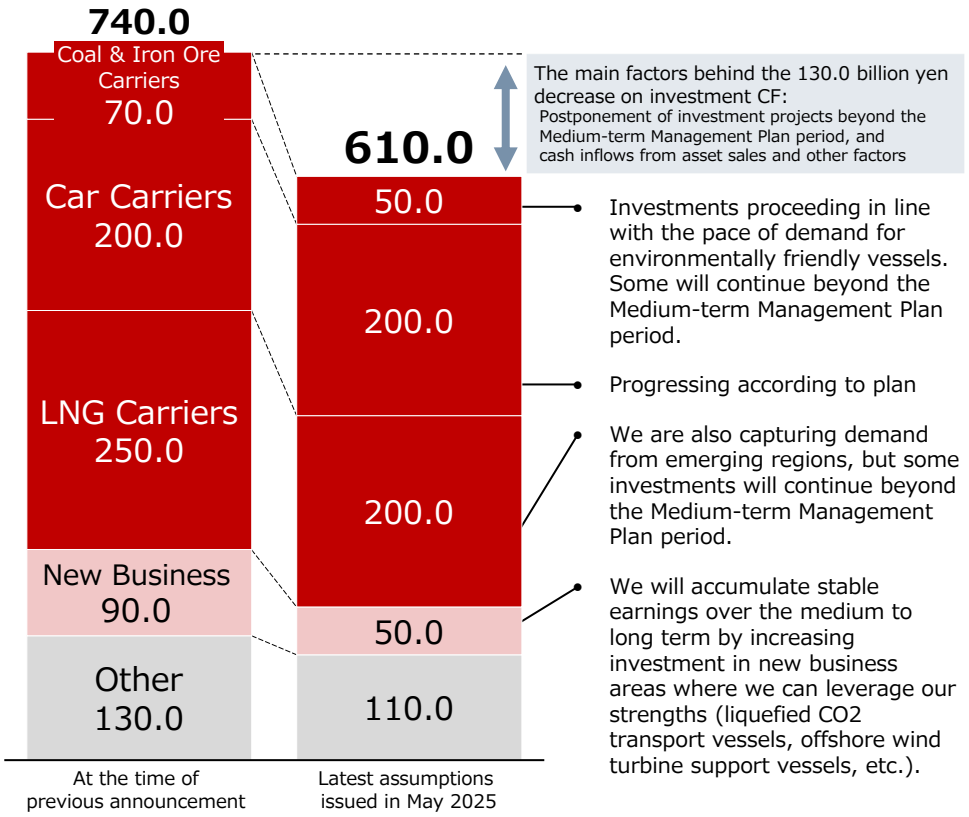
Based on the return policy, **shareholder returns are planned to be 800.0 billion yen or more** (50.0 billion yen higher compared to the previous announcement)

C-4【Capital Policy】：Business Investment Plan

Based on the Medium-term Management Plan, with the focus on the role of driving growth and environmental initiatives, we will exercise investment discipline by considering risk and return in line with our business and objectives and will invest discreetly during good times and strategically during bad times.

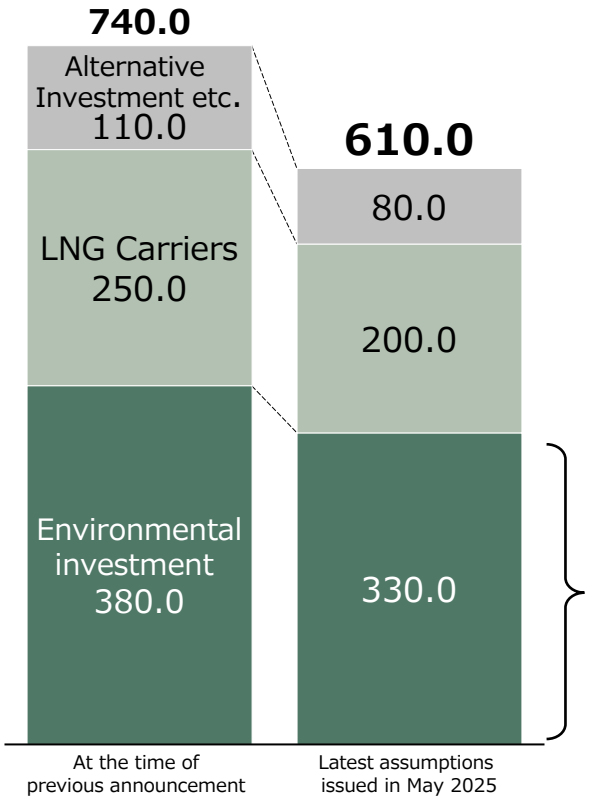
- **The investment cash flow for the Medium-Term Management Plan period is planned to be 610.0 billion yen** (of which 500.0 billion yen has already been confirmed)**, a decrease of 130.0 billion yen from the previous announcement**

FY2022-26 cumulative investment CF (billion yen)



The main factors behind the 130.0 billion yen decrease on investment CF:
Postponement of investment projects beyond the Medium-term Management Plan period, and cash inflows from asset sales and other factors

- Investments proceeding in line with the pace of demand for environmentally friendly vessels. Some will continue beyond the Medium-term Management Plan period.
- Progressing according to plan
- We are also capturing demand from emerging regions, but some investments will continue beyond the Medium-term Management Plan period.
- We will accumulate stable earnings over the medium to long term by increasing investment in new business areas where we can leverage our strengths (liquefied CO2 transport vessels, offshore wind turbine support vessels, etc.).



- Eco-friendly vessels, such as LNG-fueled vessels
- New businesses that contribute to reduction of carbon emission, such as liquefied CO2 transport vessels and offshore wind turbine support vessels etc.
- Environmentally friendly equipment such as Seawing etc.

Investing 75% in businesses with the role of driving growth and 10% in new business opportunities

Investing 55% in environmental initiatives (90% if including LNG carriers) → Establishing a competitive advantage

C-5【Capital Policy】: Shareholder's Return Policy

The total return amount during the Medium-term Management Plan period has been increased to 800.0 billion yen or more
The annual dividend forecast for FY2025 has been revised from 100 yen/share to 120 yen/share

Total return amount during the Medium-term Management Plan period

Current announcement : **800.0 billion yen or more**
(Previous announcement : 750.0 billion yen or more)

✓ Based on the shareholder return policy and taking cash flow into consideration, the total return amount has been increased by 50.0 billion yen

Dividend

FY2025

Current announcement : **120 yen/share**
(interim and year-end : 60 yen/share each)
(Previous announcement : 100 yen/share)

✓ For the undecided portion of the previously announced total shareholder return of 750.0 billion yen, an additional dividend of 20 yen/share has been added on the amount announced in February 2025, bringing the planned total to 120 yen/share

Further flexible additional returns

Taking the business environment into consideration and based on the shareholder return policy, **we are considering flexible additional returns of 50.0 billion yen or more going forward**

		Actual	Plan		
		FY21～23	FY24	FY25	FY26
Dividend and additional shareholder return per share	Responsive additional return delivery		75.2 billion yen*1	Taking the business environment into consideration and based on the shareholder return policy, going forward, we are considering…	
	Share buy-back		90.8 billion yen	50.0 billion yen～ Responsive additional return delivery	
	Additional Dividend		60 yen/share	**80 yen/share**	60 yen/share
	Basic Dividend		40 yen/share	40 yen/share	40 yen/share
Total return amount *2	Share buy-back		170.0 billion yen	**50.0 billion yen～** Responsive additional return delivery	
	Additional Dividend		70.0 billion yen (100 yen/share)	**80.0 billion yen (120 yen/share)**	60.0 billion yen (100 yen/share)
	Basic Dividend				
	Total return amount	370.0 billion yen	240.0 billion yen	**190.0 billion yen～**	
		Total return amount during the Medium-term Management Plan period : 800.0 billion yen or more			

*1 The share buyback has been completed, and shares repurchased have been cancelled in March 2025
*2 Total return amount is rounded to the nearest 10 billion yen

Shareholder return policy for the Medium-term Management Plan period

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

C-6【Capital Policy】: Further Advancement of Business Management Target for each KPI

Aiming for sustainable growth and improvement of corporate value,
we will continue capital efficiency-conscious management,
keeping in mind each KPI of the Medium-term Management Plan.

	ROIC*	ROE	Earnings targets
FY2024 (Result)	12%	18.5%	Ordinary income 308.0 billion yen (of which, 101.7 billion yen was derived from "K" Line's own businesses)
FY2026 (Target)	6.0~7.0%	More than 10%	Ordinary income 160.0 billion yen (of which, 90.0 billion yen to be derived from "K" Line's own businesses)

Current progress and response policy

- We will achieve sustainable growth by implementing an internal management system using business-specific financial KPIs (ROIC, EVA, etc.). The aim is to maximize corporate value during the Medium-term Management Plan period through a project for further advancement of business management

- Currently, we have achieved our goal significantly thanks to improved performance in Containership Business and "K" Line's own businesses
- During the period of the Medium-term Management Plan, we aim to sustainably achieve the target while maintaining awareness of capital efficiency, including initiatives for business portfolio enhancement

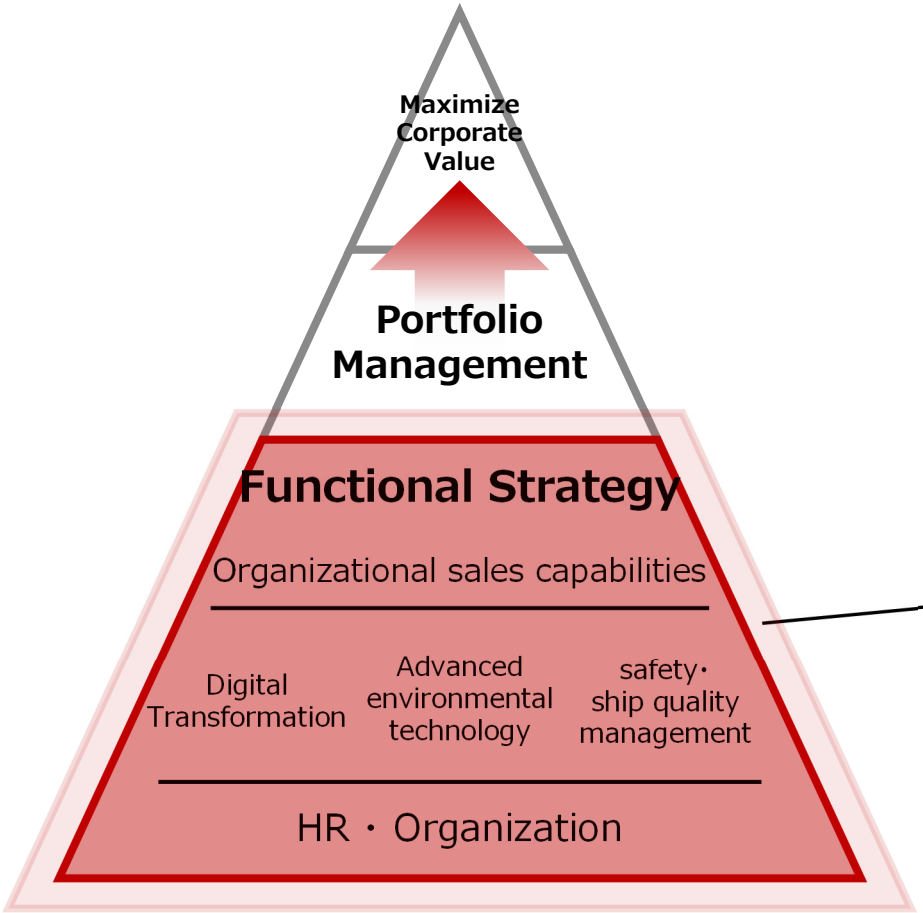
- The Product Logistics segment is now driving and maintaining our strong performance
- Enhancing profitability through investment in environmental initiatives and businesses with the role of driving growth
- Continually investigating measures for achieving dramatic growth

* ROIC includes off-balance-sheet charter hire of 600.0 to 700.0 billion yen.

C-7【Functional Strategy】: Key Points for "K" Line's Functional Strategy

By honing our core functional strengths, we aim to be the first choice for customers and partners and to realize a growth strategy that seizes emissions reduction and decarbonization trends as business opportunities.

Growth strategy using emissions reduction and decarbonization as opportunities



Background and Key Points

The environmental goals of society and "K" Line and the options for achieving them are becoming more concrete.

The energy transition toward emissions reduction and decarbonization has increased the need to build new supply chains.

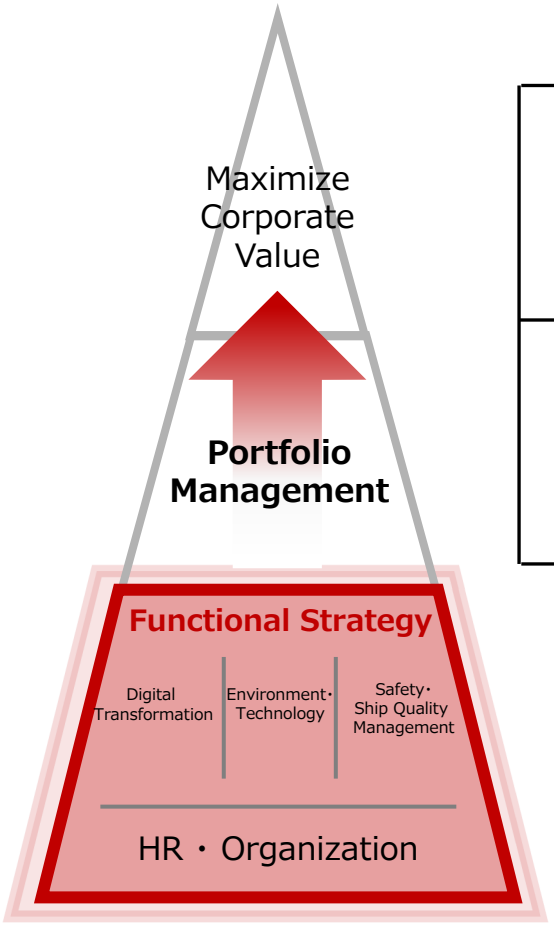
Emergence of new customer needs, new business opportunities and earnings opportunities.

By honing our functional strengths, we will respond to the changing business environment and the emergence of new needs and opportunities and strengthen our efforts to build a new business model.

Realizing growth strategies with portfolio management and a functional strategy

C-8【Functional Strategy】： Three Functions + HR/Organization Policy

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



Three functions that underpin our strengths + HR/organization policies

Integrated strategy for environmental response and technological advancement

Environment・Technology

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

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

Safety・Ship Quality Management

Amid the uncertainties of the initial phase of next-generation fuel and technology adoption, we are providing exceptional safety and ship quality management through proven frontline knowledge, experience, and expertise

Guided by our digital transformation (DX) strategy, we are advancing both DX of data and DX of HR, leveraging a digital foundation to **boost our operational productivity** and accelerate **digitalization of vessel operations etc.**

Digital Transformation

Strengthening our own competitiveness while creating added value for customers

+

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

HR・Organization

Strengthening and securing our capabilities and resources to be chosen by customers and partners

C-9【Business Strategy】: Importance and progress of each business

By implementing measures in line with the role of each business under the Medium-term Management Plan, we will achieve the earnings targets for FY2026 and FY2030.

Role of driving growth	Coal & Iron Ore Carriers	Through customer-oriented and environmental sales, maintain and strengthen relationships with Japanese and Korean steel mills and strengthen relationships with growing Indian and Middle Eastern steel mills and major resource companies.
	Car Carriers	Against a backdrop of robust demand, we have perceived environmental measures and high-and-heavy cargo* to be opportunities, and we are realizing sustained business management through medium- to long-term contracts.
	LNG Carriers	We are building strong relationships of trust with influential partners and expanding long-term contracts to meet customers' needs through "K" Line's strength of providing support that combines maritime technology and sales.
Role of supporting smooth energy source conversion and taking on new business opportunities	Thermal Coal VLGC・VLCC	Even during the transition to new energy mixes, we will address the ongoing demand for fossil fuel transportation, contribute to reduction of emission and decarbonization efforts of our customers, and build long-term relationships through proposal-based sales.
Role of contributing by enhancing profitability	Bulk Carriers	In addition to increasing vessel deployment efficiency and maintaining and expanding our customer base in Japan and the rest of Asia, we will improve and develop our sales outside Japan and increase profitability by raising the proportion of light assets in our fleet.
	Short Sea and Coastal Port/Logistics	Along with improving earning power in the business areas of Short Sea and Coastal, Ports, and Logistics, we will promote synergies between these areas by leveraging the knowledge of the relevant Group companies. Logistics Business will aim for further growth by promoting collaboration with partner companies through the established holding company.
Role of supporting the business as a shareholder and stabilizing the earning base	Containerships	Maximizing corporate value through involvement in management governance and continuous support for human resources from a shareholder perspective.
Expansion of new business in fields where "K" LINE can utilize its strengths	Projects for emissions reduction and decarbonization	Participating in new business areas that contribute to a low-carbon and decarbonized world by utilizing our strengths, namely, liquefied CO_2 transport and offshore wind turbine support vessel businesses etc.

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

C-10【Business Strategy】: Three businesses that will drive growth and new business areas : Growth strategy progress

Coal/Iron Ore

By leveraging customer-oriented and environmental sales, we will further strengthen relationships with existing customers while also working to enhance ties with the Indian and Middle Eastern markets, as well as major resource companies.

- "CAPE HAYATE," our first Capesize bulk carrier powered primarily by LNG, was delivered in May 2024. We will continue to align with the low-carbon initiatives of Japanese, Chinese, and Korean steel mills, customers in India and the Middle East, and major resource companies, while advancing the transition to environmentally friendly vessels.
- Meeting medium-term customer demand by offering new vessels with excellent fuel efficiency based on medium- to short-term chartering.
- Planning an operating fleet of 100 to 110 vessels by FY2030–35.

Car Carriers

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

- We are enhancing strong relationships with shippers by providing reliable and sustainable transport services.
- Strengthening the foundation for stable service provision by encouraging shippers to switch to medium and long-term contracts.
- We aim to bolster fleet competitiveness through emissions reduction and decarbonization initiatives, as well as by building larger vessel types. 9 LNG-fueled car carriers have already been delivered.
- Promoting the implementation of next-generation zero-emission vessels and new technologies towards FY2030 target achievement.

LNG Carrier

In addition to serving our main markets of Japan, Korea, China, and Europe, we are gearing up efforts in new markets such as Southeast Asia and India, and plan to expand our fleet from 46 vessels to 65 vessels by FY2026.

- Following last year's 12 LNG vessels for Qatar Energy, we signed long-term time charter contracts and shipbuilding contracts for 4 additional vessels in FY 2024.
- We signed long-term time charter contracts and shipbuilding contracts for LNG carriers with state-owned GAIL, India's largest natural gas supplier.
- As demand for transitional fuels such as LNG increases, our fleet of 65 vessels planned for FY2026 is nearly confirmed, and we plan to expand our fleet to 75 vessels or more by FY2030, mainly through long-term charter contracts.

New Business Areas

In the liquefied CO2 transport business, the Northern Lights project in Norway will become fully operational this year, at which point we will be managing 3 liquified CO2 carriers. A Japanese-registered geological survey vessel will also begin operations to support offshore wind turbines.

- Liquefied CO2 transport business: Signed a charter contract with NL *1 for a third LCO2 vessel. The first 2 vessels have completed their voyage to the project site and are scheduled to begin transport operations for the world's first CCS*2 project.
- Offshore wind turbine support vessel business: KWS *3 and EGS *4 have established a joint venture for marine geological survey operations. Developing a track record centered on the geological survey vessel "EK HAYATE".

*1 NL: Northern Lights JV DA、*2 CCS: Carbon Capture and Storage
*3 KWS: "K" Line Wind Service, Ltd、*4 EGS: EGS Survey Pte Ltd

C-11 : Changes in the business environment

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

	Geopolitical risks	Global economy	Energy and environmental policies
External Environment	• **Economic separation due to conflict between the United States and China, Russia's war in Ukraine, conditions in East Asia and the Middle East** • Continuation of **uncertain political situations in various countries**	• **Policy changes under the new U.S. administration (such as reciprocal tariffs and countermeasures against China-related vessels by the USTR)** • Business confidence in Europe and the United States, and trend in purchasing power • Economic slowdown in China	• **Fluidity and instability for national energy mix policies**, including renewable energy, nuclear power, and fossil fuels • Start of new CO2 emission regulations and response measures
Anticipated Risks and Opportunities	• **Avoidance of the Suez Canal due to security crisis in the Red Sea and resulting shipping detours around the Cape of Good Hope** • Concern about impacts on trade • Concern about impacts on resource supply	• **Reorganization of supply chains and changes in trade patterns** • **Exchange rate fluctuations caused by changes in monetary policy in various countries and the associated economic impacts** • Slowdown in the real economy due to various pressures that increase costs	• Risk of overlapping environmental regulations resulting in double burdens • Soaring energy prices • Future demand for transporting new fuels • **Improved service and cost competitiveness of vessels powered by next-generation fuels due to stricter environmental regulations**

Action Based on the Medium-term Management Plan

- Continuing to work toward growth through appropriate portfolio strategies by recognizing the emissions reduction and decarbonization of the Company and society as a business opportunity
- Continuing to enhance our functional strengths in the areas targeted for our business expansion
- Continuing to prepare for changes in the business environment by analyzing various risks and preparing response measures

C-12 : Shipping Industry Environment

The business environment remains uncertain, due to policy changes by the new U.S. administration and avoidance of Suez Canal due to the situation in the Middle East etc.

		U.S. tariff policy	USTR-imposed countermeasures targeting China-related vessels	Suez Canal
Overview		• Possibility of a decrease in cargo volume and changes in trade patterns due to the U.S. tariff policy and the associated implementation of retaliatory tariffs by various countries	• Port entry fees will be levied on ships calling at U.S. ports as a countermeasure against alleged unfair practices in the Chinese shipbuilding sector, etc., which would go into effect on 14 October this year.	• The ceasefire agreement between Israel and the Islamic organization Hamas has expired. The situation is becoming increasingly tense again, amid continued retaliatory attacks between U.S. forces and the Houthis, as well as ongoing Israeli military operations in Gaza
Response of shipping companies		• Short- to medium-term fleet adjustments in line with cargo demand • Review of services and vessel deployments in line with changes in trade patterns	• Continue to confirm details and gather information. We have started internal discussions on how to respond such as changing vessel deployment etc. We also share information with customers	• Safety must be confirmed before any return to the Suez Canal, and the likelihood of that remains unclear
Impact on our business performance	**"K" Line's Own Businesses**	• **Impacts vary depending on the cargo and services of each business** • **Dry Bulk** : Coal & iron ore carriers are mainly under medium- to long-term contracts, so the impacts will be limited in the short term. For Panamax and smaller sizes, trade patterns will change for each cargo type, but the overall impact is expected to be limited • **LNG Carrier** : No short-term impact is expected due to med- to long-term contracts • **Car Carrier** : US sales of 16.5 million units could possibly see a corresponding decline. We expect the number of vehicles we would carry to be affected	• **Impacts vary depending on the cargo and services of each business** • **Dry Bulk** : The impact will be limited as Coal & iron ore carriers make few calls at U.S. ports and many of Panamax and smaller size vessels are excluded due to their size, in addition that they hardly call at U.S. ports for loading. • **LNG Transport**: The proportion of LNG exports on US vessels will likely increase in the medium to long term. No impact expected in the short term • **Car Carrier** : Impact is expected as port entry fees will be levied on virtually all car carriers entering the U.S. ports	• **Impacts vary depending on the services of each business** • **Dry Bulk** : Limited impacts expected as the effect of avoiding the Suez Canal has been to tighten shipping capacity by about 1-2% • **LNG Transport** : No short-term impact is expected due to med- to long-term contracts • **Car Carrier** : Impacts are expected as avoidance of the Suez is estimated to have tightened shipping capacity by around 6-7%
	Containership Business	• We expect impact as cargo to/from the U.S. accounts for just under 20% of the world's cargo. As service changes will take time, we are currently considering countermeasures to get prepared for a potential decrease in cargo volume	• We will consider avoiding the use of Chinese-built ships for U.S. port calls • We will consider monitoring trends before placing any new orders with Chinese shipyards	• The effect of avoiding the Suez Canal has been to tighten shipping capacity by about 10%. When the Suez Canal passage resumes, there is a possibility of an increase in the scrapping of aged vessels

Reference : Schedule for Business Briefing

We plan to hold a business briefing in the near future.

Subject

Explanation of our three businesses with the role of driving growth

Materials

The briefing materials and archive will be made available on our website.

Business briefing topics

		Main speakers
Opening Remarks		Representative Executive Officer, President & CEO : Takenori Igarashi
Role of driving growth	**Car Carriers**	Managing Corporate Officer : Haruhiko Sugimoto
	Coal & Iron Ore Carriers	Senior Managing Corporate Officer: Masatoshi Taguchi
	LNG Carriers	Senior Managing Corporate Officer: Michitomo Iwashita
Closing Remarks		Senior Managing Representative Executive Officer : Yutaka Akutagawa

Appendix

Market Results and Assumption/ Market Exposure

Dry Bulk Market Results and Assumption

Dry Bulk Market	FY2024					FY2025				
	1Q	2Q	3Q	4Q	Total	1Q Forecast	2Q Forecast	3Q Forecast	4Q Forecast	Forecast
CAPE	$22,650	$24,900	$18,300	$13,000	$19,750	$17,000	$22,000	$22,000	$15,000	$19,000
PANAMAX (*)	$16,400	$13,950	$10,550	$9,600	$12,650	$13,500	$13,500	$13,500	$11,500	$13,000
HANDYMAX	$15,000	$14,550	$11,850	$8,300	$12,450	$12,000	$12,500	$12,500	$11,000	$12,000
SMALL HANDY	$13,050	$13,300	$12,250	$9,050	$11,900	$12,000	$12,500	$12,500	$10,500	$11,900

Tanker Market Results and Assumption

Tanker Market	FY2024					FY2025				
	1Q	2Q	3Q	4Q	Total	1Q Forecast	2Q Forecast	3Q Forecast	4Q Forecast	Forecast
VLCC (Middle East/Japan)	$36,650	$25,850	$26,000	$36,350	$31,200	$42,000	$42,000	$42,000	$42,000	$42,000
AFRAMAX (South Asia/Japan)	$35,900	$28,450	$27,000	$21,150	$28,150	$21,000	$21,000	$21,000	$21,000	$21,000

Transition of Fleet Scale

Vessel Type	FY2022	FY2023	FY2024
CAPE	85	86	85
Panamax and smaller size	87	95	86
Wood Chip Carriers	7	11	7
Total	**179**	**192**	**178**
VLCC	6	6	6
LPG Carriers	4	5	5
Other Tankers	2	2	2
LNG Carriers	44	46	46
Thermal Coal Carriers	28	25	24
Total	**84**	**84**	**83**

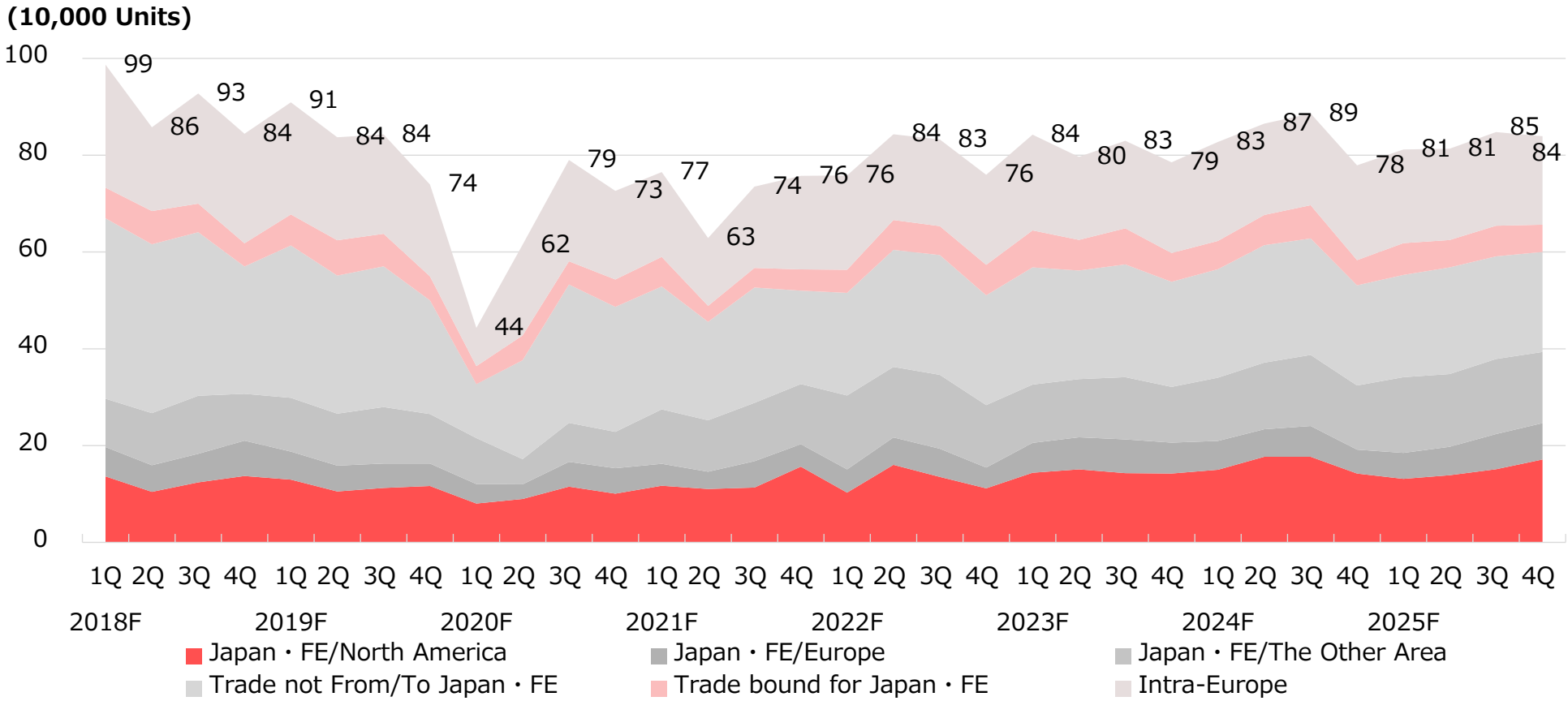
FY2025 : Market Exposure

Vessel Type	Market Exposure
CAPE	16%
Panamax and smaller size	21%
Wood Chip Carriers	0%
VLCC	0%
LPG Carriers	0%
Thermal Coal Carriers	15%

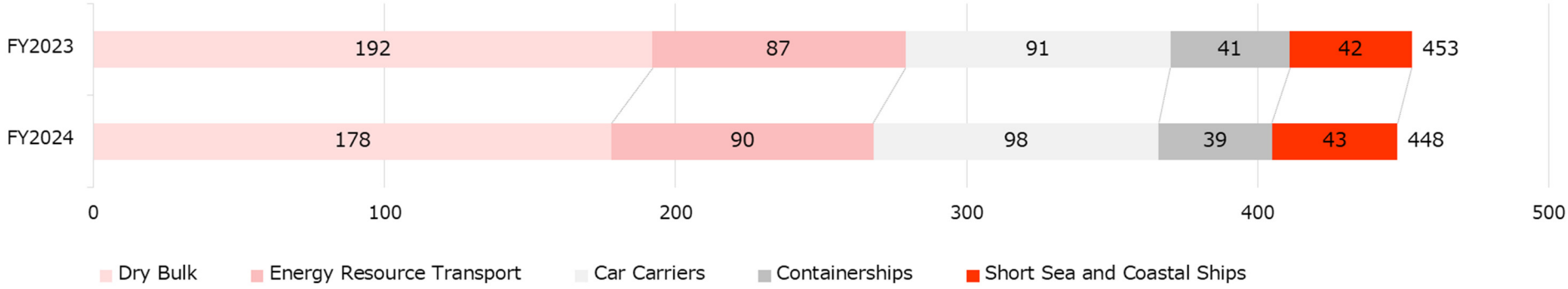
* From this disclosure onward, Dry Bulk market conditions for Panamax will be presented based on the 5TC for both FY2024 and FY2025.

Car Carriers Total Units Carried by Service Routes

Total Units Carried (1,000 units)	FY2024 1Q	2Q	3Q	4Q	Total	FY2025 1Q Forecast	2Q Forecast	3Q Forecast	4Q Forecast	Forecast
Outbound	340	371	387	324	1,423	341	348	379	393	1,461
Homebound	58	63	69	52	242	66	57	63	56	242
Others	224	243	241	207	915	211	220	212	207	850
Intra-Europe	205	189	189	196	778	193	188	193	183	758
Total Units Carried	827	865	886	779	3,358	812	813	848	839	3,312
Number of Fleet	91	92	97	98	98	96	98	98	99	99



“K” Line Group Fleet Composition



	FY2024						FY2023	
	Owned		Chartered		Total		Total	
Type of Vessel	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)
Dry Bulk	53	6,548,336	125	15,777,149	178	22,325,485	192	23,672,479
Tankers	11	2,228,599	2	108,320	13	2,336,919	13	2,337,128
LNG Carriers	44	3,636,087	2	153,909	46	3,789,996	46	3,789,996
Thermal Coal Carriers	9	791,718	15	1,361,678	24	2,153,396	25	2,241,893
Drilship	1	-	0	-	1	-	1	-
FPSO	2	-	0	-	2	-	1	-
Geo-Survey Vessel	1	3,587	0	-	1	3,587	0	-
Liquefied CO2 Carriers	2	20,359	0	-	2	20,359	0	-
LNG Bunkering Vessel	1	2,431	0	-	1	2,431	1	2,431
Car Carriers	42	634,637	56	1,033,038	98	1,667,675	91	1,528,078
Containerships	13	1,143,606	26	2,478,747	39	3,622,353	41	3,820,051
Short Sea and Coastal Ships	28	310,135	15	131,591	43	441,726	42	345,784
Total	207	15,319,495	241	21,044,432	448	36,363,927	453	37,737,840

* The number of owned vessels includes co-owned vessels, and deadweight tonnage includes share of other companies' ownership in co-owned vessels.
* Includes flagships and spot and/or short-term activities at the end of term.

“K” Line Group Vessels in Operation/New Building Delivery Schedule

“K” Line Group Vessels in Operation

Segment	Business/ Vessel Type		FY2023	FY2024
Dry Bulk		CAPE	86	85
		PANAMAX	49	41
		HANDYMAX	36	39
		SMALL HANDY	10	6
		CHIP	11	7
	Total		**192**	**178**
Energy Resource Transport	Tankers	VLCC	6	6
		AFRAMAX	2	2
		LPG Carriers	5	5
		Total	13	13
		LNG Carriers	46	46
		Thermal Coal Carriers	25	24
		Drillship	1	1
		FPSO	1	2
		Geo-Survey Vessels	0	1
		Liquefied CO2 Carriers	0	2
		LNG Bunkering Vessels	1	1
	Total		**87**	**90**
Product Logistics	Car Carriers	7,000 Units	18	24
		6,000 Units	44	46
		5,000 Units	11	10
		4,000 Units	3	3
		3,000 Units	6	6
		2,000 Units	4	4
		~2,000 Units	5	5
		Total	91	98
	Containerships	14,000TEU	12	12
		8,000TEU	13	11
		5,500TEU	4	4
		4,200TEU	7	7
		1,700TEU	5	5
		1,200TEU	0	0
		Total	41	39
	Short Sea and Coastal Ships		42	43
	Total		**174**	**180**
Grand Total			**453**	**448**

New Building Delivery Schedule

Number of Vessel	2025	2026	2027
CAPE		2	2
PANAMAX	1	2	
HANDYMAX	1	5	1
LNG Carriers	6	13	4
Thermal Coal Carriers		1	2
Liquefied CO2 Carriers	1		
Car Carriers (7,000 Units)	5		3
Short Sea and Coastal Ships		2	1
Total	14	25	13

【Disclaimer】
Information contained in this material is provided solely for informational purposes and is not an offer or a solicitation of an offer to buy or sell securities.
You are requested to make investment decisions using your own judgment.

【Forward-looking statements】
This material contains forward-looking statements concerning future plans and forecast, these statements are based on information currently available.
Furthermore, “K” LINE therefore cautions readers that actual results may differ materially from economic conditions, supply and demand in the shipping industry, price of bunker, foreign currency exchange rates.

“K” LINE
KAWASAKI KISEN KAISHA, LTD.