

NORTHERN PIONEER

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“K” LINE REPORT 2025

Disclosure Framework

“K” LINE is working to enhance its publications and disclosures to help all stakeholders gain a deeper understanding of the initiatives of the “K” LINE Group.

The story of greater corporate value and sustainable growth is presented in the “K” LINE REPORT, while supplementary information and data can be found in other disclosure materials.

1

To know about “K” LINE

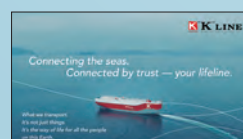
Corporate Website

<https://www.kline.co.jp/en/index.html>



“K” LINE Commercial

https://www.kline.co.jp/en/corporate/kline_CM.html



2

To know about the story of greater corporate value and sustainable growth

“K” LINE REPORT

<https://www.kline.co.jp/en/ir/library/report.html>



The “K” LINE REPORT is published with the goal of helping all stakeholders gain a deeper understanding of the “K” LINE Group's corporate activities, its perspectives on social responsibility, its initiatives for environmental preservation and safe operations, and its medium- and long-term visions.

3

To know more detailed information

To know about management and strategy

Medium-Term Management Plan

<https://www.kline.co.jp/en/ir/library/strategy.html>

Progress of the Medium-Term Management Plan

https://www.kline.co.jp/en/corporate/kline_with.html

Financial Report

<https://www.kline.co.jp/en/ir/library/presentation.html>

Business Briefing

<https://www.kline.co.jp/en/ir/library/event.html>

FACTBOOK

<https://www.kline.co.jp/en/ir/library/fact.html>

General Meeting of Shareholders Materials

<https://www.kline.co.jp/en/ir/stock/meeting.html>

Corporate Governance Report

https://www.kline.co.jp/en/sustainability/governance/corporate_governance.html

Shareholder Reports

<https://www.kline.co.jp/ja/ir/library/shareholder.html> (in Japanese only)

To know about financial information

Financial Statements

<https://www.kline.co.jp/en/ir/library/Statement.html>

Financial Highlights

<https://www.kline.co.jp/en/ir/library/result.html>

To know about sustainability

Sustainability Website

<https://www.kline.co.jp/en/sustainability.html>

ESG DATA BOOK

https://www.kline.co.jp/en/sustainability/esg_data.html

TCFD-Based Information Disclosure

https://www.kline.co.jp/en/sustainability/environment/climate_change/main/0110/teaserItems1/02/linkList/0/link/0830tcf_eng.pdf

Disclosure based on the TNFD Framework

https://www.kline.co.jp/en/sustainability/environment/impact_mitigation/main/0119/teaserItems1/05/linkList/0/link/20250115tnfd_eng.pdf

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About This Report

Editorial Policy
The “K” LINE Group is a logistics company rooted in the shipping industry that owns and operates various fleets tailored to worldwide marine transportation needs.
The “K” LINE REPORT in fiscal 2025, which corresponds to the turning point of the medium-term management plan, explains to stakeholders such as shareholders and investors the progress and future direction of the “K” Line Group’s capital policy, business strategy, and functional strategy stated in the medium-term management plan and also introduces the Group’s sustainability efforts focusing on environmental conservation and safety in navigation.
For more details on each of these efforts, please visit our website (<https://www.kline.co.jp/en/>).

Reporting Period
Fiscal 2024 (April 1, 2024–March 31, 2025)
Note: The report also includes some developments after April 2025.

Scope of Reporting
In principle, this report covers the activities and data of Kawasaki Kisen Kaisha, Ltd., and its subsidiaries and affiliates, except where otherwise noted.

Guidelines Referred to

- Integrated Reporting Framework, The IFRS Foundation
- ISO 26000
- Environmental Reporting Guidelines 2018, The Ministry of the Environment of Japan
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, The Ministry of Economy, Trade and Industry of Japan

Forward-Looking Statements
The Company’s plans, strategies, and future financial results indicated in this report reflect the judgment made by its management based on information currently available and include risk and uncertainty factors. Consequently, the actual financial results may be different from the Company’s forecasts due to changes in the business environment, among other factors.

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The transition of "K" LINE and society in
general toward low-carbon and
decarbonization is a growth opportunity. We
will grow our businesses while maintaining
awareness of the optimal capital structure and
cash allocation to achieve sustainable
enhancement of corporate value.

Takenori Igarashi
 Director, Representative
 Executive Officer, President & CEO



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Message from the CEO

What Kind of Company Do We Aim to Become?

I was appointed Director, Representative Executive Officer, President & CEO. I feel a profound sense of responsibility in inheriting the solid foundation that "K" LINE has built over more than a century. During my career, I was posted to the United Kingdom twice for a total of eight years, working primarily with automobile manufacturers in Europe and the United States. This experience exposed me to diverse business practices and cultures, though I initially faced challenges in communication. I persevered, I prepared meticulously and visited clients repeatedly, engaging in dialogue that gradually built mutual trust. Through these experiences, I learned firsthand the importance of understanding our counterparts deeply and engaging with them directly and sincerely.

What I learned from experience has guided me ever since: meet each customer sincerely, earn their trust, and contribute to the resolution of their challenges. This is the very source of "K" LINE's competitiveness and is fundamental to enhancing our corporate value. In my

current role as president, I will continue to tackle challenges boldly, guided by this conviction. In this rapidly changing business environment, we will seize growth opportunities decisively and deliver sustainable enhancement of corporate value to meet the expectations of our customers, shareholders, and all other stakeholders.

How Will We Respond to Changes in the External Environment and to Management Risks?

The external environment surrounding our businesses presents diverse and complex risks, including the emergence of geopolitical issues such as tensions between the U.S. and China, the Middle East situation, and the Russia-Ukraine conflict; concerns over a global economic slowdown; and increased uncertainty regarding energy and environmental policies worldwide. In addition, trade policies initiated by U.S. tariff policies and actions by the Office of the U.S. Trade Representative (USTR) not only affect supply chains but, through the creation of blocs between specific countries and changes in trade patterns, can have significant impacts on national economies and seaborne transport demand. With respect to energy and environmental policy, reviews of decarbonization policy by the U.S. administration have further increased uncertainty about the policy outlook. In response to changes such as these in the external environment, we will conduct various risk analyses and implement agile and appropriate measures.

What are Our Capital Policies and Cash Allocation?

Our cash-allocation policy is to maintain the optimal capital structure; ensure investments necessary for enhancing corporate value and growth as well as financial soundness; and while taking into account cash-flow conditions, allocate any excess capital proactively and flexibly toward shareholder returns, including share repurchases.

For operating cash flow during the current medium-term management plan period, our initial outlook was ¥900.0 billion to ¥1.0 trillion. Reflecting progress in performance, we revised this upward to ¥1.5 trillion. For investment cash flow, we have increased the amount from the initial ¥520.0 billion to ¥610.0 billion and are proactively advancing growth investments centered on environmental initiatives. Looking ahead to fiscal 2030, we aim to achieve an ordinary income at least ¥250.0 billion plus additional upside. For shareholder returns during the plan period, taking into account the status of operating and investment cash flows, we have raised the planned total from the initial ¥400.0–500.0 billion to at least ¥800.0 billion. Our dividend forecast for fiscal 2025 is ¥120 per share (a base dividend of ¥40



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plus an additional dividend of ¥80), and for fiscal 2026 is ¥100 per share.

We will strengthen earning power and improve capital efficiency to enhance corporate value, with the aim of sustainably achieving ROE (return on equity) of 10% or higher, reducing our cost of capital, and restore and maintain a PBR of at least 1.0, with further improvement through further growth.

How Will We Achieve Sustainable Growth and Enhance Corporate Value?

Under the current medium-term management plan, we are strengthening our earnings base by allocating management resources primarily to three growth-driving businesses (the coal & iron ore carrier, car carrier, and LNG carrier businesses) and to environmental initiatives that advance decarbonization and low-carbon transition. During the plan period, 75% of business investment will be allocated to the three growth-driving businesses, and 55% of total investments will go to environmental initiatives. With these investments, we aim to establish competitive advantages for the future.

In the coal & iron ore carrier business, we are leveraging our strengths in safe operations, high-quality ship management, and environmental technologies to maintain and expand contracts with customers in Japan and beyond, while capturing new demand and expanding our customer base in growth markets such as India and the Middle East, thereby strengthening our earnings base. Our first LNG-fueled capesize bulk carrier, CAPE HAYATE, was delivered in 2024. We plan additional deliveries of capesize bulk carriers with environmental specifications, including LNG-fueled vessels. Drawing on our long-accumulated technologies and expertise in transport quality management, we will also address new cargo demand, such as direct reduced iron and bauxite, to broaden our cargo portfolio and further strengthen our earnings base. We remain committed to supporting customers' transition to low-carbon and decarbonization goals.

In the car carrier business, we are focused on providing more stable, higher-quality transportation and introducing environmentally friendly vessels to build services aligned with customer needs, in response to the supply chain disruptions during the COVID-19 pandemic. Leveraging our marine engineering capabilities and expertise, we are also expanding our handling of high-and-heavy cargo such as construction and agricultural machinery, and rail vehicles. By optimizing our cargo portfolio, we are steadily strengthening our earnings base. We have delivered 12 LNG-fueled car carriers as of August 2025. To advance carbon neutrality, we are also exploring the introduction of zero-emission vessels and progressing plans to add a total of 30 new-build LNG-fueled car carriers and zero-emission vessels by fiscal 2030. We aim to drive further business growth by fully leveraging our strengths in safe operations, advanced ship quality management, and environmental initiatives to create new value in marine transportation.



In the LNG carrier business, we are steadily expanding our fleet under long-term charters. In 2022, we signed contracts with Qatar Energy for 12 vessels and added four more in fiscal 2024. We also concluded our first contract with India's major energy company, GAIL, for LNG transport, with commencement scheduled for 2027. Leveraging our proven expertise in high-quality ship management, we will maintain and strengthen relationships with existing customers in Japan, Asia, and Europe while capturing new demand. At the same time, we will pursue projects for emerging regions with strong growth, such as South and Southeast Asia, and pursue opportunities for U.S.-origin shipments from the world's largest LNG exporter, thereby strengthening and diversifying stable medium- to long-term earnings. We are currently involved with 47 LNG carriers and expect this number to increase to 65 in fiscal 2026 and at least 75 by fiscal 2030, with a long-term goal of more than 100 vessels. By leveraging our decades of expertise in LNG transport, we will also strengthen and diversify our earnings base by promoting, among other initiatives, the conversion of LNG carriers to FSRUs (Floating Storage and Regasification Units) and by strengthening the transport of

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liquefied CO₂, ethane, and ammonia.

For liquefied CO₂ transport, we are undertaking ship management for three vessels in Europe's Northern Lights project, the world's first full-scale commercial carbon capture and storage (CCS) value chain project, with two liquefied CO₂ carriers already delivered and the remaining vessel scheduled for delivery in 2025. In the offshore wind power generation support vessel business, the geotechnical survey vessel EK HAYATE was delivered in 2024 and commenced survey operations. In 2025, we have entered into a capital alliance with SN Marine Co., Ltd., which owns and manages offshore support vessels, to expand our business foundation and strengthen our competitiveness. By strengthening businesses by integrating our business domains with the functions and know-how we possess, we will work to further enhance corporate value.

How Will We Strengthen Our Functional Strategies and HR & Organization?

To achieve sustainable growth, we are strengthening three core functions—Safety & Ship Quality Management, Environment & Technology, and Digital Transformation—and the HR & Organization that supports them.

Safety is our top priority. The "K" LINE Group's corporate principle and vision are committed to providing safe and optimal services. Safety and Ship Quality Management is fundamental to earning the trust of society, customers, and all stakeholders. Specifically, we are implementing fire-prevention measures on car carriers and providing safe-route guidance using optimal-operation systems. In addition, we are developing systems that ensure the safe and smooth operation of engines using new fuels for decarbonization, —making safety a daily reality. To secure and develop highly skilled seafarers who form the core of Safety and Ship Quality Management, we have introduced scholarship programs primarily in the Philippines, India, and Bulgaria. Recruited seafarers receive training at the "K" LINE Maritime Academy Training Center and practical onboard education, developing personnel capable of handling special cargoes and an expanding array of new fuels.

For Environment & Technology, we aim to enhance sophistication and are promoting initiatives that support the transition to low-carbon and carbon-free solutions for both "K" LINE and society. As of August 2025, our own decarbonization efforts have resulted in the delivery of 13 LNG-fueled vessels—including car carriers and capesize bulkers—capable of reducing CO₂ emissions by approximately 30%. We are considering further fleet development, including the introduction of zero-emission vessels. We are also developing the Seawing automated kite system, which harnesses wind power. Phase 1 of development was completed in June 2025. In Phase 1, tension and system performance verification tests were conducted at a land-based test facility using a 300 m² kite, confirming system performance and tension control, and indicating expected reductions of more than 10%* in fuel consumption. We plan to begin sea trials going forward, aiming for practical application around 2027. In addition, for the Northern Lights project, the world's first CCS project, we have commenced ship management of 7,500 m³-class liquefied CO₂ carriers, contributing to the creation of a new CCS value chain. Viewing society's shift to low-carbon and decarbonization as a business opportunity, "K" LINE will further strengthen collaboration with customers and partners to contribute to a sustainable energy society while steadily advancing business growth.

In DX (Digital Transformation), we are accelerating transformation change from five perspectives: at sea, onshore, data, human resources, and security. At sea, we leverage the integrated ship operation and performance management system, K-IMS, to collect ship operation information and analyze operational data, including vessel-specific fuel efficiency. This enables data-driven decisions such as hull cleaning for energy savings and preparations for introducing new fuels. We are also improving productivity and promoting workstyle reform

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on board by introducing electronic logbooks and leveraging high-speed communications technologies. As an example of our onshore initiatives, we are introducing a new business and operation management platform in the tramp sector. From a data perspective, we are establishing a Companywide data-utilization base, calculating GHG emissions, and visualizing management indicators for each business to support data-driven decision-making. In human resources, we run development programs for DX talent to enhance employees' digital literacy and promote frontline-led problem-solving. We also provide DX programs tailored to the perspectives of officers and managers, building a Companywide framework for promoting DX.

For HR & Organization, we are strengthening structures, for example, by establishing the Environment/Technical Strategy Group as the command center for environmental and technical initiatives. Our human resource strategy is based around the idea that it is essential for diverse individuals to exchange ideas freely and openly. In recruiting, we actively seek individuals worldwide who bring varied perspectives and values. We host "K" LINE UNIVERSITY at our Tokyo Head Office each year, providing training for management and future management candidates from overseas subsidiaries to foster global talent. We have also initiated reciprocal assignments, bringing staff from overseas subsidiaries to the Tokyo Head Office to promote cross-cultural exchange and collaboration.

* The level of fuel-consumption reduction varies by conditions such as vessel type, speed, route, and season. Under certain combinations, reductions significantly exceeding 10% can be expected.

How Are We Advancing Sustainability Management?

The "K" LINE Group regards sustainability management as one of the key challenges for enhancing corporate value. By viewing environmental and social challenges—including climate change—as opportunities, we are committed to creating both economic and social value, thereby contributing to the realization of a sustainable society. In April 2025, we revised our "K" LINE Group Charter of Conduct, establishing a basic philosophy for further strengthening and promoting sustainability management across the Group. In August 2025, we introduced a Sustainable Procurement Policy and Supplier Sustainability Guidelines to extend sustainability initiatives throughout the entire supply chain, promoting them in mutual trust and cooperation with our business partners. Based on the environmental targets and roadmap set forth in the "K" LINE Environmental Vision 2050, we continue to initiate projects that advance the shift to low-carbon and decarbonization operations, while conserving biodiversity. By actively engaging in sustainability efforts, we will contribute to preserve the global environment and build a sustainable society, while enhancing corporate value.

What Was the Purpose of Changing Our Organizational Design?

At the Extraordinary General Meeting of Shareholders held on March 28, 2025, we transitioned from a company with Audit & Supervisory Board to a company with a Nominating Committee, etc. Under this structure, the Board of Directors determines key management policies and oversees their implementation, while authority for the operational side is delegated to statutory executive officers, enabling agile management through swift decision-making. We also established three committees within the Board of Directors: the Nominating Committee, Audit Committee, and Compensation Committee, each with a majority of outside directors, to further strengthen our supervisory function.

Amidst major social transformations, such as the transition to low-carbon and decarbonization, and increasing complexity in business management due to geopolitical risks and uncertainty in global trade policies, we aim to achieve sustainable growth and enhance corporate value by accelerating decision-making and establishing a supervisory framework for highly transparent business execution.



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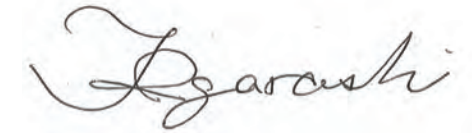
Message from the CEO

To All Stakeholders

"K" LINE continues to cherish and carry forward the "K" LINE Spirit: enterprising spirit, free and broad-mindedness, and independence and autonomy. In today's increasingly uncertain business environment, it is more important than ever to approach matters flexibly and boldly, without being constrained by conventional frameworks. The term "animal spirits" introduced in John Maynard Keynes's seminal work *The General Theory of Employment, Interest and Money* embodies human instinctive spontaneity, boldness, and the drive to take on challenges. Even in a highly uncertain business environment, if each officer and employee of the "K" LINE Group acts with boldness and perseverance, taking on challenges with

determination, it will surely lead to further enhancement of corporate value. We sincerely appreciate your continued support and goodwill.

Director, Representative Executive Officer,
President & CEO




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Objective of the "K" LINE Group

Corporate Principle

~ **K** Trust from all over the world ~

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

Vision

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

Values the "K" LINE Group Prizes

Providing safe and optimized services
that put the customer first

Tireless attitude toward problem
solving

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

Relentless efforts to achieve
innovation

Contributing to the global environment
and a sustainable society

Respecting individuals and ensuring
fair business activities by embracing
diverse values

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Providing safe and optimized services that put the customer first

In crew assignment operations, we allocate personnel appropriately, taking into account their past boarding history and experience, with the goal of ensuring safe navigation based on professional knowledge and expertise.

For marine professionals on onshore assignments, we focus on developing talent that can meet the needs of technical sales support, leveraging specialized knowledge gained from vessel-specific experience to deliver attentive customer service and operational support.

Through these efforts to stay close to both the frontline and our customers, we deliver safety and trust.

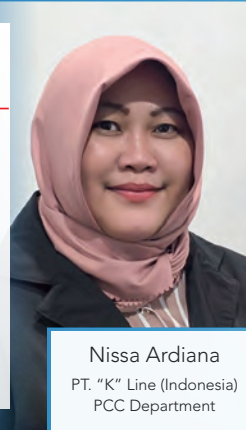


Sebasuchan Tetsuya Kunito
Maritime Strategy Group,
Marine Personnel Team

Tireless attitude toward problem solving

As Commercial PCC team, we face tight schedules, shifting production, and last-minute changes daily. A supportive working environment helps us stay focused, collaborate across teams, and find solutions through a proactive, customer-first mindset.

We work closely with Principals, Planners, and internal divisions, building trust and ensuring service quality and reliability. This culture of teamwork and continuous improvement not only strengthens our performance but also plays a vital role in sustaining the supply chain for our global partners.



Nissa Ardiana
PT. "K" Line (Indonesia)
PCC Department



Suzuka Ishii
LNG Group,
LNG Team No. 2

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

I am engaged in customer and vessel support for LNG carriers after delivery.

Existing projects in which the "K" LINE Group is involved as shipowner range from vessels that have been in operation for over 15 years to those that have only recently been delivered, and the vessel characteristics are diverse.

Because customer requirements also vary in response to environmental regulations that are updated daily, we strive to capture these needs through daily communication with customers and collaboration with overseas sales offices, working with our in-house ship management company and marine professionals to provide optimal solutions.



Yuichiro Ota
On Secondment to "K"
Line Wind Service, Ltd.

Relentless efforts to achieve innovation

At "K" Line Wind Service, we aim to provide high-quality, safe vessel services for the offshore wind power industry, contributing to the decarbonization of society.

Offshore wind power support vessels not only have special specifications but also require advanced operations and safe handling different from those of general merchant vessels, in which "K" LINE has long been experienced.

In this new challenge of providing support and work vessels, we engage in close communication to ensure we can always provide customers with safe and optimal service solutions.

Contributing to the global environment and a sustainable society

In European region where CCS projects are advanced, we are proposing liquefied CO₂ transportation services.

The CCS business has just started. Therefore, we often collaborate with customers on technical studies such as ship-shore interfaces and CO₂ cargo handling. Our customers are also proactive in the low-carbonization and decarbonization of transportation.

By leveraging the "K" LINE Group's experience in the liquefied gas transportation business and CO₂ carriers operation, and knowledge on low-carbonization and decarbonization technologies, and by continuously updating them, we strive to propose safer, more efficient and optimal CO₂ transportation service.



Toshiaki Yajima
"K" LINE ENERGY
SHIPPING (UK) LIMITED

Respecting individuals and ensuring fair business activities by embracing diverse values

We believe that an environment where diverse values and personalities come together provides the foundation for building a flexible and strong organization.

To foster such an environment, as a person in charge of new graduate recruitment, I consider it an important mission to broadly communicate the appeal of the shipping industry and "K" LINE to students with diverse attributes and experiences and to welcome diverse talent into "K" LINE without bias.

Through multifaceted approaches and continuous trial and error, we are working to increase the number of people who resonate with "K" LINE's values and corporate culture and who we can have truly feel like, "I want to work here."



Hanae Tayama
Human Resources Group,
Human Resources Recruiting
and Training Team

Values of the "K" LINE Group

To promote the management and execution of business under a unified sense of purpose, the "K" LINE Group has established corporate principles and a specific vision as well as various values as the foundations for its executives.

This page introduces how our prized values are interpreted and practiced in daily tasks by the Group's diverse personnel at the forefront of global operations.

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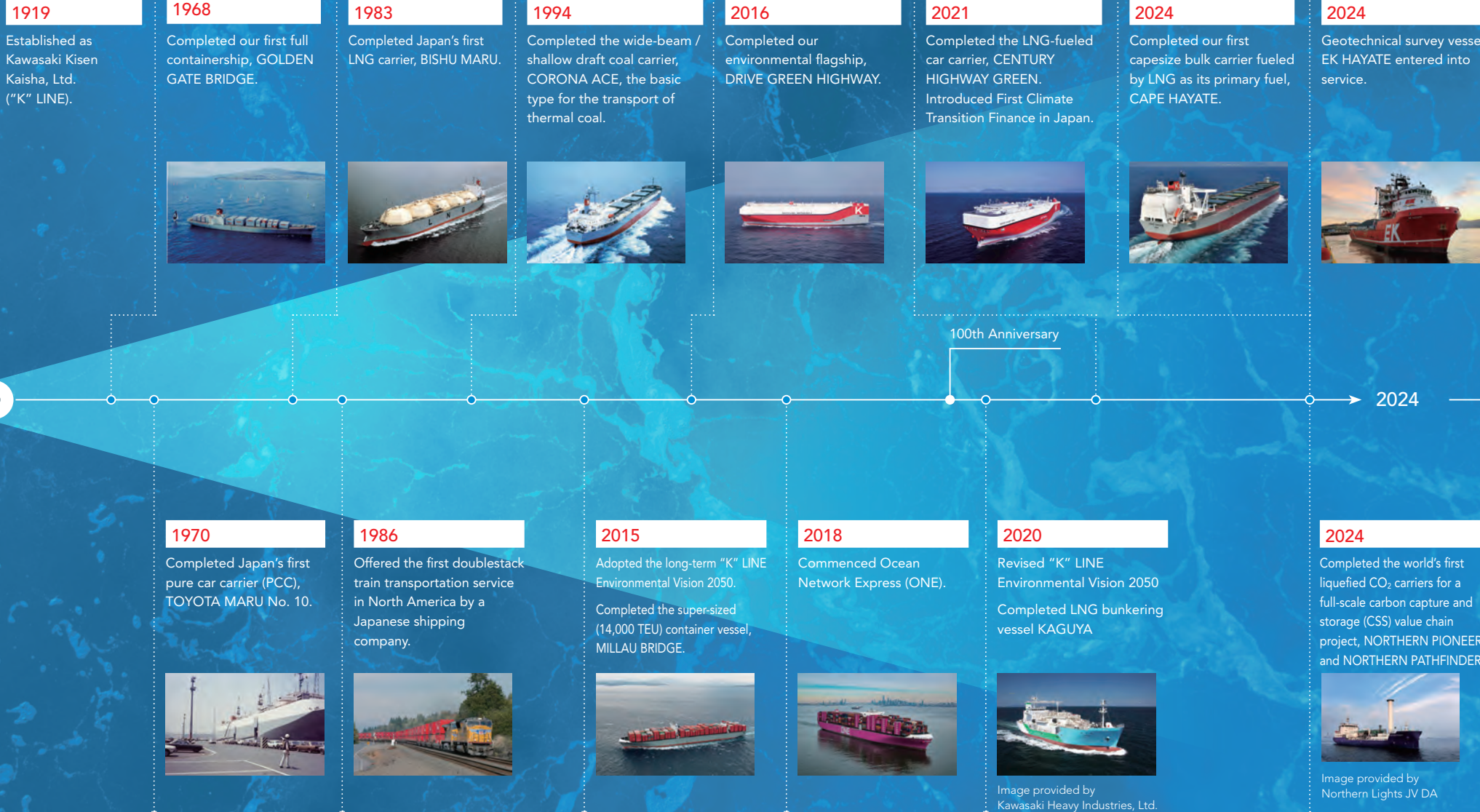
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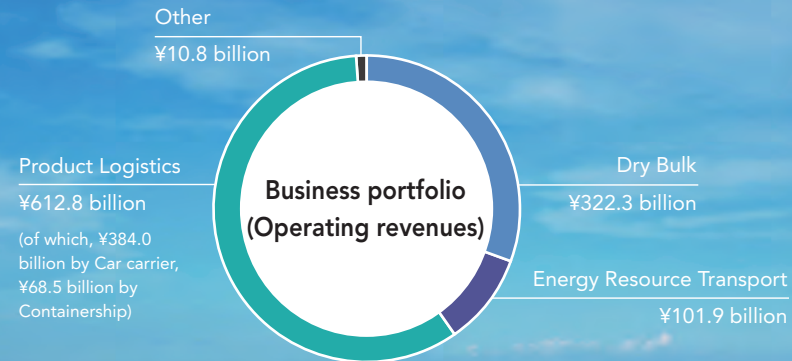
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Present State of the "K" LINE Group



Operating revenues (consolidated) ¥1047.9 billion	Ordinary income ¥308.1 billion
Number of vessels in operation 448	Number of employees (consolidated) 5,780
Total assets ¥2.2100 trillion	Number of business locations 286 (28 in Japan, 258 overseas)
Number of major accidents 0 cases	Efficiency improvement of CO₂ emissions per deadweight ton-mile 42% reduction (compared with 2008)

* Number of vessels in operation, Number of employees (consolidated), Number of business locations : As of September 30, 2025

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Businesses of the "K" LINE Group

Dry Bulk



Coal & Iron Ore
Carrier Business /
Bulk Carrier Business

In the Dry Bulk business, we offer a global transportation service for dry bulk cargoes such as steelmaking raw materials, bauxite, steel products, paper raw materials, grains, and coal etc. We actively engage in the transportation of cargoes not only bound for Japan but also for South Korea, China, India, and the Middle East, as well as in triangular trade in the Atlantic region. The Dry Bulk Business Unit is taking on the challenge of decarbonization by exploring low-carbon solutions, including wind propulsion and alternative fuels such as biofuels, LNG, methanol, and ammonia.

Energy Resource Transport



LNG Carrier Business /
Liquefied Gas 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 Liquefied Gas Business, alongside the important transportation of liquefied CO₂ as one of the practical solutions for achieving net zero, we are also focusing on further enhancing transport of other liquefied gases, such as LPG and ammonia, which are expected to see market growth and contribute to decarbonization of society.

Energy Resource Transport



Energy Business

In the Fuel business, we are engaged in next generation fuel supply business such as LNG and ammonia, and we are looking into liquefied hydrogen transportation vessels. Meanwhile, we are engaged in a variety of vessels which is essential to install and maintain offshore wind projects including support vessels, transportation vessels and geo-survey vessels. Through such new business field, we are contributing to reduce environmental impacts for future generations.

Energy Resource Transport



Crude Oil and
Product Business

The Crude Oil and Product Business has developed a global business for customers both in Japan and overseas who transport crude oil, and we are participating in a drillship project off Brazil and a floating production, storage and offloading (FPSO) system off Brazil and Ghana. In addition, we procure bunker fuel (heavy oil, marine diesel oil, LNG, biofuel, etc.) for vessels that will be allocated all over the world.

Energy Resource Transport



Electricity Business

Our main area of business is transporting thermal coal from Australia and Indonesia to Japan for use by domestic power utility companies in coal-fired power plants. Our wide-beam bulk carriers developed for transporting thermal coal for power generation have become the basic type for the transport of coal, and thanks to our "Corona Series" of wide-beam carriers, we can provide safe and flexible services that meet the specific coal transportation needs of electric power utility companies.

Product Logistics



Car Carrier Business

Since developing and introducing Japan's first pure car carrier (PCC) in 1970, we have continued to provide high-quality transportation service globally. In addition, to flexibly respond to diversifying needs, we will also strengthen our High & Heavy (high and heavy cargoes such as construction machinery, agricultural machinery, and railway cars) transportation. The LNG-fueled car carrier which has been introduced since the 2020 fiscal year, will be expanded to a total of 13 vessels by the 2025 fiscal year, promoting a response to customer needs for reducing environmental impact.

Product Logistics



Logistics and
Port 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, including storage, processing, and transportation of finished vehicles. In addition, we operate car carrier terminals and container terminals at four ports in Japan—Tokyo, Yokohama, Osaka, and Kobe.

Product Logistics



Short Sea and
Coastal Business

Kawasaki Kinkai Kisen Kaisha, Ltd. operates a wide variety of vessels, such as coastal vessels to / from Asia, including fuel transport for biomass power plants; RORO vessels and ferries to promote modal shifts in Japan; and dedicated limestone carriers for steel and dedicated coal carriers for electric power. We also began offshore support vessel operations around Japan to further enhance the business.

Product Logistics



Containership Business

In April 2018, the containership businesses of three Japanese shipping companies were integrated to form a new company, ONE. As of March 31, 2025, ONE operates a containership fleet of over 263 vessels (2.01 million TEU). Through our extensive service network covering more than 120 countries worldwide, we provide reliable and prompt international transportation services.

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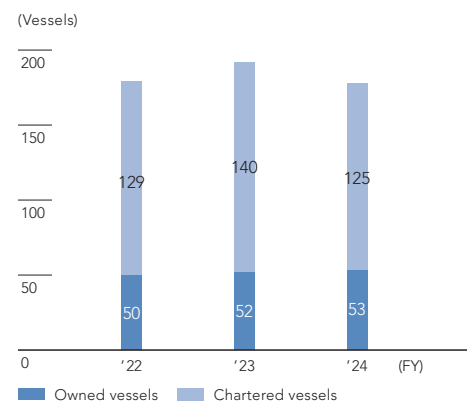
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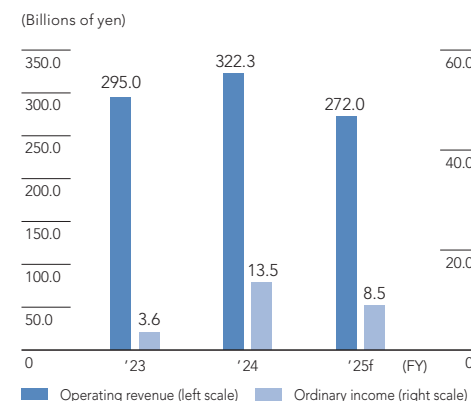
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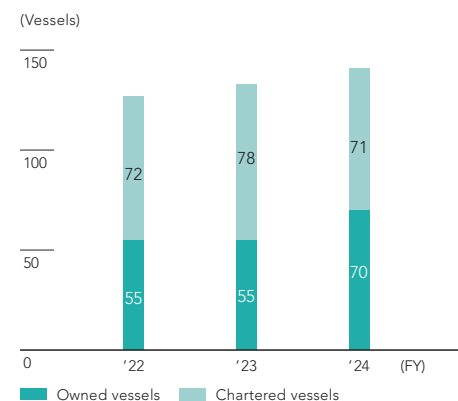
Dry Bulk Fleet



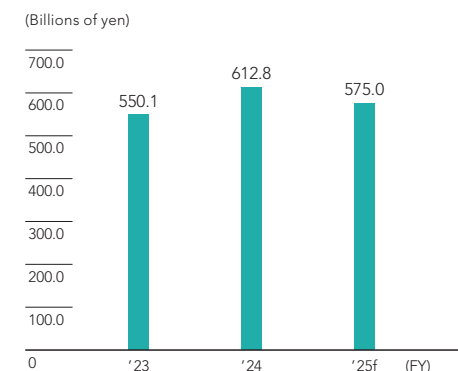
Dry Bulk Operating Revenues, Ordinary Income



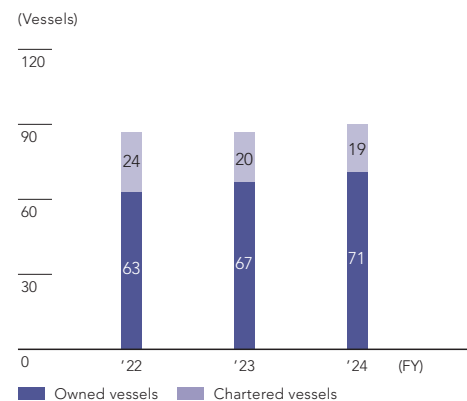
Product Logistics Fleet (Excluding Containership)



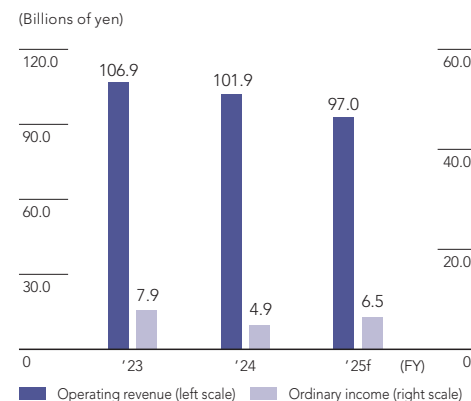
Product Logistics Operating Revenue



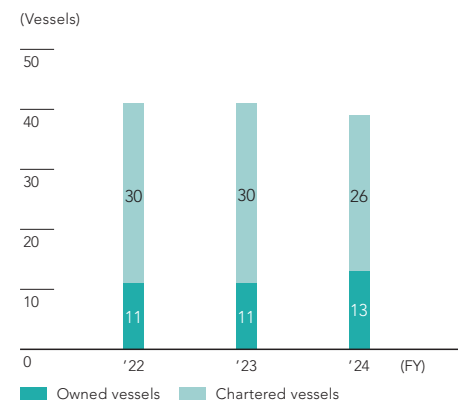
Energy Resource Transport Fleet



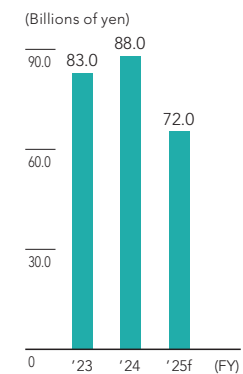
Energy Resource Transport Operating Revenues, Ordinary Income



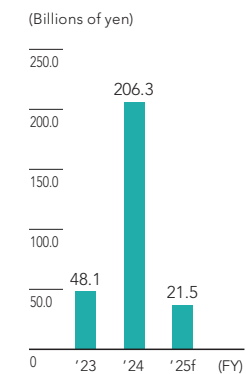
Product Logistics Fleet (Containership)



Product Logistics Ordinary Income (Excluding Containership)



Product Logistics Ordinary Income (Containership)



* FY2025's forecasts for segment operating revenues and segment ordinary income reflect the forecast as of November 2025.

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"K" LINE Group's Six Capitals

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

<p>Financial Capital</p>	<p>Enhancing of power and maintaining both capital efficiency and financial soundness based on an awareness of optimal capital structure and cash flow</p>	<p>The "K" LINE Group unveiled its medium-term management plan in May 2022, having observed major improvements to its financial position through business improvements. The Company announced plans to proactively return value to shareholders, while monitoring cash flow for the portion of capital that exceeded requirements for investing to enhance corporate value and maintain a healthy financial position. In terms of capital policy, we plan to achieve an optimal capital structure and further enhancement of business management, and then optimize cash allocation for growth investments and shareholder return. In addition, with the aim of improving governance and corporate value through management reforms 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., we transitioned to the "Company with a Nominating Committee, etc." board model on March 28, 2025.</p>	<p>Consolidated total assets .. ¥2.2 trillion Equity capital ¥1.68 trillion Interest-bearing liabilities .. ¥312.2 billion Equity ratio 76% DER 19%</p>	<p>Capital Policy → P.27-28</p>
<p>Human Capital</p>	<p>People and organizations that continuously support logistics infrastructure in global society</p>	<p>Hiring and training personnel who support all-important safety in fleet navigation, lead change, and sustain growth in our businesses, and capably address changes, in the business environment is an issue of utmost importance to the "K" LINE Group. We strive to create a work environment where employees with diverse values can thrive and apply their abilities.</p>	<p>Number of consolidated employees 5,780 Percentage of foreign crew members 97.2%</p>	<p>Functional Strategy → P.47-48 Safety & Ship Quality Management → P.52 HR & Organization → P.55-57</p>
<p>Equipment Capital</p>	<p>Fleet with appropriate flexibility to manage business strategy</p>	<p>The "K" LINE Group has been advancing various initiatives to achieve the revenue and expenditure targets for fiscal years 2026 and 2030. These include focusing on the growing coal & iron ore carrier, car carrier, and LNG carrier businesses, introducing environmentally friendly ships such as LNG and ammonia carriers, participating in new business areas such as liquefied CO₂ transport business and offshore wind power support vessel business that contribute to society's low-carbon and carbon-free transition, replacing existing vessels, strengthening cost-competitiveness through fleet upsize, ensuring fleet flexibility in light of the risk of a retreat in demand, and organizing fleets capable of meeting diverse transportation needs, including High & Heavy cargo.</p>	<p>Property, plant, and equipment (vessels) ¥389,939 million Number of vessels in operation 448 Operating tonnage 35,417,512 D/T</p>	<p>Medium-Term Management Plan → P.18 Safety & Ship Quality Management → P.52 Environment & Technology → P.50-51</p>
<p>Intellectual Capital</p>	<p>Evolving environment / technology / innovation</p>	<p>The "K" LINE Group is keen to provide top-class industry solutions by addressing environmental needs for a low-carbon and carbon-free footprint not only at "K" LINE but also among customers and throughout society; by developing zero-emission vessels, including the establishment of a fuel supply network; and by deploying advanced digital technologies for autonomous navigation, breakdown prediction, and environmentally friendly systems such as Seawing and Kawasaki Integrated Maritime Solutions. Through these initiatives, we are refining our core values in safety, quality, and the environment.</p>	<p>Percentage of installation of Kawasaki Integrated Maritime Solutions on owned / medium- to long-term chartered vessels 98%</p>	<p>Safety & Ship Quality Management → P.52 Environment & Technology → P.50-51 Digital Transformation → P.53 HR & Organization → P.55-57</p>
<p>Social and Relationship Capital</p>	<p>Solid customer base and partnerships backed by experience</p>	<p>Building on a customer base established through our track record of safe transportation, we aim to strengthen relationships with customers who share our view that low-carbon and carbon-free initiatives are a growth opportunity. In addressing social issues such as decarbonization, we participate in councils and joint research with both domestic and international partners. The liquefied CO₂ transportation business aims to contribute to carbon neutrality, taking advantage of know-how and safe operation experience nurtured through the liquefied gas carrier business of the "K" LINE Group and partnerships with existing customers.</p>	<p>Number of countries in which the Company operates 24 Net sales by region Japan 91.2% U.S. 1.0% Europe 3.5% Asia 4.2% Other 0.1% Number of affiliated companies 28 (domestic), 258 (overseas)</p>	<p>Medium-Term Management Plan → P.18 Safety & Ship Quality Management → P.52 Environment & Technology → P.50-51 Digital Transformation → P.53 HR & Organization → P.55-57</p>
<p>Natural Capital</p>	<p>Contributing to reduction in environmental impact on the sea and air</p>	<p>As a company for which oceans, a form of natural capital, are its business area, we strive to balance our ongoing developments and contributions to a sustainable society. Under the "K" LINE Environmental Vision 2050, we are committed to reducing environmental impacts, such as moving toward low-carbon and carbon-free operations and society as a whole, and conserving biodiversity and the atmospheric environment.</p>	<p>Number of LNG / LPG-fueled carriers in operation 9 Efficiency improvement of CO₂ emissions per deadweight ton-mile 42% reduction (compared with 2008)</p>	<p>Functional Strategy → P.47-48 Safety & Ship Quality Management → P.52 Environment & Technology → P.50-51</p>

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The "K" LINE Group's Materiality

As a part of identifying, evaluating, and managing sustainability-related risks and opportunities, we review and re-assess materiality (material issues for sustainability) as necessary. The "K" LINE Group's most recent review in FY2022 identified 12 new material issues. These are categorized into five areas, including safety / ship quality management, advancement of environmental technologies, digital transformation, and human resources—the four pillars of our functional strategy for a solid business foundation to realize the business strategies set forth in our medium-term management plan—and management base, which serves as the foundation of the four pillars (see below for details). The "K" LINE Group positions materiality as a set of key issues to be addressed in order to realize its corporate principle and vision, contribute to solutions for social issues, and achieve sustained growth and improve corporate value under the medium-term management plan.

Material Issues and Basic Policy

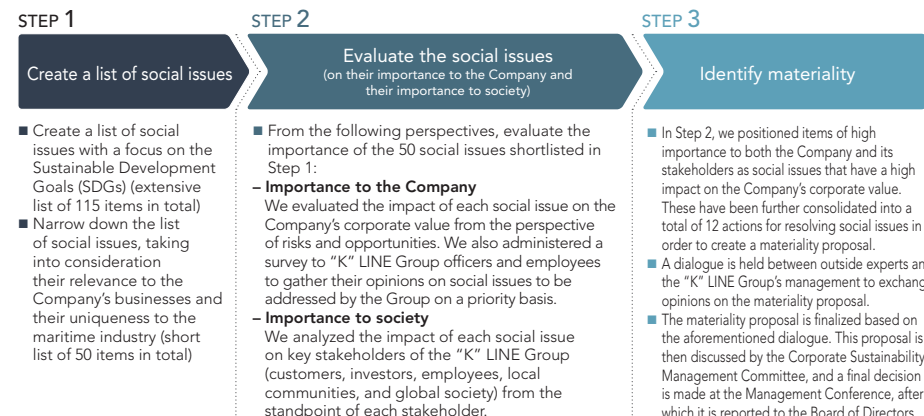
Category	Material Issues (Actions for resolving social issues)	Basic Policy
Management base	Respect for human rights ▶ P.64	Promote initiatives to respect the human rights of all stakeholders involved in the "K" LINE Group's business activities.
	Reinforcement of corporate governance ▶ P.73	To fulfill its corporate social responsibility, respond to the trust of shareholders and other stakeholders, and achieve sustainable growth, we will thoroughly enforce corporate ethics across the entire Group, build an organic and effective governance framework, and continue striving to enhance corporate value in conjunction with strengthening our earnings and financial structures.
	Promotion and reinforcement of compliance ▶ P.65	Comply with applicable laws, ordinances, rules and other norms of behavior in both the domestic and international community, and conduct its business activities properly in good faith through fair, transparent, and free competition.
Safety / Ship quality management	Promotion of safety in navigation and cargo operations ▶ P.52	Make the safe operation of vessels and the safety of crew and cargo the top priority, while striving to provide higher quality, safer, and more optimal services with the customer first in mind.
Advancement of environmental technologies	"K" LINE low-carbon and carbon-free transition ▶ P.50	Toward the Group policy of net zero GHG emissions by 2050, promote environmental impact reduction activities across the entire supply chain and contribute to the realization of a global decarbonized society.
	Supporting the development of a low-carbon and carbon-free society ▶ P.51	
	Reducing "K" LINE's impact on the sea and air to zero ▶ P.50	
Digital transformation	Promotion of innovation ▶ P.49	Pursue innovation in safety, environment, and quality to contribute to the realization of a low-carbon and carbon-free society.
	Reinforcement of response to digital transformation (DX) ▶ P.53	Further advance the digitalization of information, business processes, and vessels, and enhance added value as a source of competitiveness by refining the core values of safety, environment, and quality through the use of data and digital technologies.
Human resources	The securing and development of human resources ▶ P.55	Work to quantitatively and qualitatively secure and develop human resources corresponding to the demands of each business portfolio to enhance both social and economic value. In addition to hiring new graduates, conduct year-round mid-career hiring and implement diverse training programs aimed at developing "human resources who can lead sustainable growth and transformation of the business" and "human resources who can flexibly respond to changes in the business environment."
	Shaping of working environment and promotion of health management ▶ P.55	Respect the dignity, individuality, and diversity of members of the "K" LINE Group, work to maintain and improve a safe and comfortable workplace environment, and aim to realize a more enriched life through initiatives such as childcare and nursing leave systems, compliance consultation desks, measures against overwork, stress checks, and mental health seminars.
	Diversity & inclusion ▶ P.57	Position diversity as a "source of competitiveness," and conduct both new graduates and mid-career hiring without regard to nationality, educational background, gender, or work area (administrative or technical). Respect the diversity of values generated through these efforts. Promote further diversity, including encouraging men's participation in childcare and fostering unity and integration with staff of overseas subsidiaries through "K" LINE UNIVERSITY.

Process to Identify Materiality

When identifying material issues, the Group referred to various sources of guidance related primarily to corporate social responsibility (CSR), including ISO 26000 and the OECD Guidelines for Multinational Enterprises. While considering Sustainable Development Goals (SDGs) and other social issues, we analyzed and evaluated materiality from the two perspectives of importance to the Company (importance from a business perspective) and importance to society (importance from a stakeholder perspective), in addition to factors such as their alignment with our business strategy and their impact on value creation.



Steps for Analyzing Materiality



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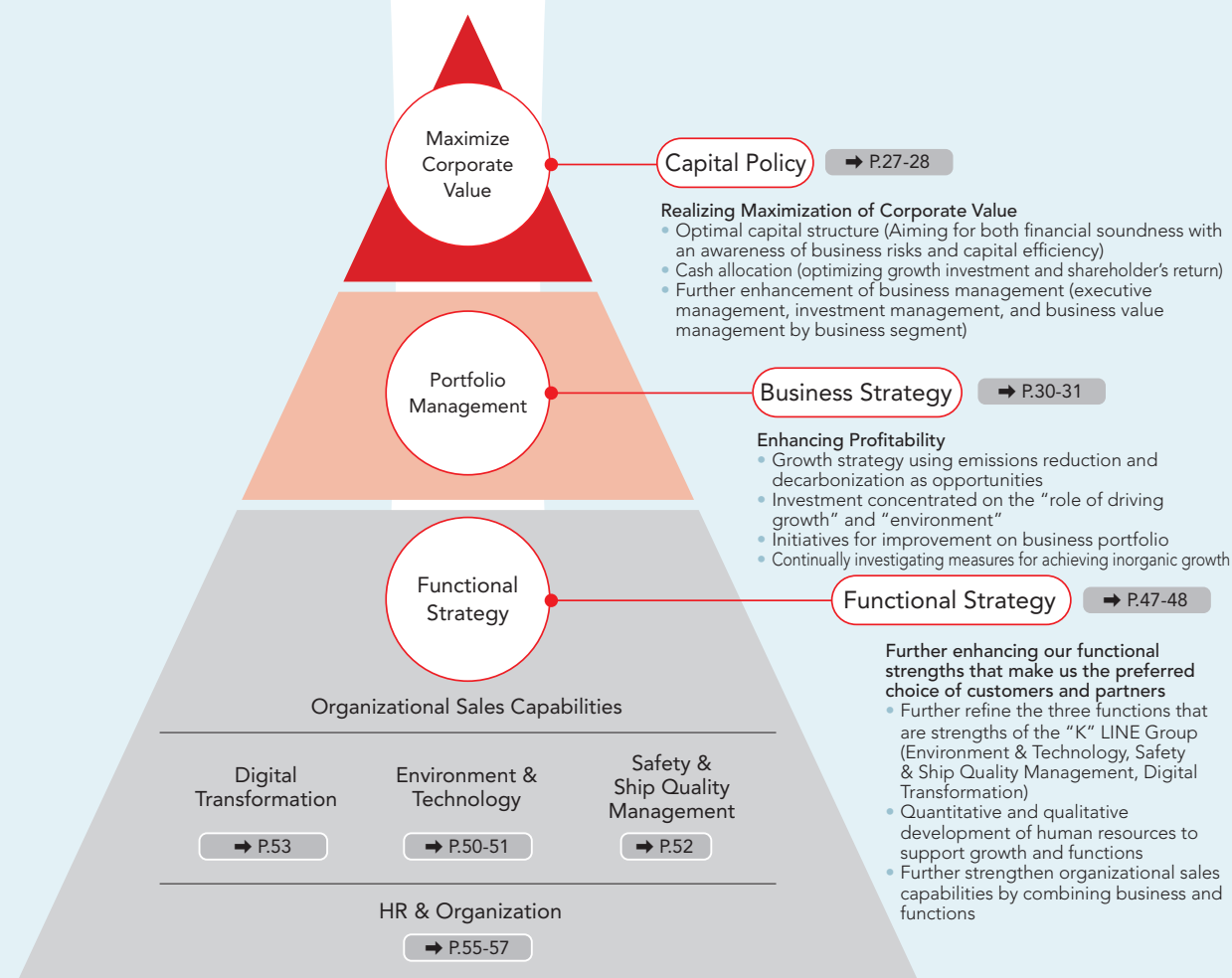
Key Points of the Medium-Term Management Plan

We are steadily implementing the capital policy, business strategy, and functional strategy set out 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*1. This is based on a growth strategy that takes advantage of emissions reduction and decarbonization opportunities.

*1. Coal & Iron Ore Carrier Business, Car Carrier Business, and LNG Carrier Business



KPIs for Business Management

	ROIC*2	ROE	Earnings targets
FY2024 (Result)	12%	18.8%	Ordinary income ¥308.0 billion (of which, ¥101.7 billion was derived from "K" LINE's own businesses)
FY2026 (Target)	6.0-7.0%	10% or more	Ordinary income ¥160.0 billion (of which, ¥90.0 billion to be derived from "K" LINE's own businesses)
Current progress and response policy	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> We have achieved our targets significantly, driven by 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 	<ul style="list-style-type: none"> The product logistics segment has been 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 inorganic growth

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

Price book-value ratio (PBR): Aim for return to, maintain and improve 1.0 or more

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

Under the fiscal 2022 medium-term management plan, the "K" LINE Group targeted a return on equity (ROE) of at least 10%, ordinary income of ¥140.0 billion in fiscal 2026, and earnings growth in its own businesses. Regarding the medium-term target for ordinary income in fiscal 2026, we revised the target upward from ¥140.0 billion to ¥160.0 billion in May 2024, taking into account improvements in our own businesses, with a view to achieving stable and accelerated progress. Looking ahead to 2030, we aim for ¥250.0 billion + α . We will continue aiming for sustainable achievement of a 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.

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Changes in the Business Environment

Below is a description of changes in the medium- to long-term business environment surrounding the "K" LINE Group. 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.



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Shipping Industry Environment

Below is a description of external environments expected to affect the "K" LINE Group in the near term. The business environment remains uncertain, due to policy changes by the U.S., countermeasures by China and other countries in response, and avoidance of the Suez Canal due to the situation in the Middle East, etc. (As of November 2025)

		U.S. tariff policy	USTR-imposed countermeasures targeting China-related vessels	The situation in the Middle East
Overview		<ul style="list-style-type: none"> The United States decided to raise tariffs on most major trading partners, while Japan and the U.S. agreed to apply reciprocal tariff rates of 15% on most items, effective August 2025, with some exceptions. At the U.S.-China talks on October 30, both sides agreed to postpone the implementation of the additional tariffs originally delayed to another year, or to partially cancel them. 	<ul style="list-style-type: none"> As a measure to counter China's shipbuilding support policies, the U.S. plans to impose port charges on foreign-built ships calling at U.S. ports. For Car Carriers, larger port charges than previously announced started being applied on October 14. In response to the U.S. measures, China also began imposing port charges on U.S.-related vessels calling at Chinese ports starting the same day. Subsequently, as a result of the U.S.-China talks on October 30, information has been received that both measures have been postponed for one year. 	<ul style="list-style-type: none"> Although a ceasefire agreement between Israel and the Islamic organization Hamas has been reached, a complete ceasefire has not yet been achieved, and the situation remains unpredictable.
Response of shipping companies		<ul style="list-style-type: none"> The impact on national economies and corporate supply chains requires continued monitoring. Short- to medium-term fleet adjustments in line with cargo demand. Review of services and vessel deployments in line with changes in trade patterns. 	<ul style="list-style-type: none"> The industry will continue to make proposals to U.S. authorities for a review of this system in coordination with the Japanese government. New orders to Chinese shipyards are being considered as appropriate. 	<ul style="list-style-type: none"> Return to the Suez Canal will be contingent on confirming safety, and the timing of resumption is currently uncertain. Depending on the situation, instability in the Strait of Hormuz is also a concern, requiring attention to safe navigation.
Impact on our business performance	"K" LINE's own Businesses	<ul style="list-style-type: none"> Impacts vary depending on the cargo and services of each business Dry Bulk: For Coal & Iron Ore Carriers under medium- to long-term contracts, the impact is expected to be limited. Panamax and smaller sizes will see varied impacts depending on cargo, but the overall effect is expected to remain limited. LNG Carriers: No short-term impact is expected due to medium- to long-term contracts. Car Carrier: The number of vehicles exported to the U.S. was virtually unaffected in the first half of FY2025. It is expected to decline somewhat in the second half. 	<ul style="list-style-type: none"> Impacts vary depending on the cargo and services of each business. Dry Bulk: The impact -including China's counter measures- is expected to remain limited. LNG Carrier: The impact -including China's counter measures- is expected to be negligible. Car Carriers: Although the measures were expected to affect virtually all car carriers, if postponed, it is expected to result in no impact on FY2025 performance. 	<ul style="list-style-type: none"> 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 Carriers: No short-term impact is expected due to medium- to long-term contracts. Car Carriers: Impacts are expected as avoidance of the Suez Canal is estimated to have tightened shipping capacity by around 5-6%.
	Containership Business	<ul style="list-style-type: none"> We expect a certain level of impact, as cargo to/from the U.S. accounts for just under 20% of the world's cargo. Adjustments are being made to vessel deployment and services. 	<ul style="list-style-type: none"> Implementing measures to avoid U.S. port calls by China built vessels. 	<ul style="list-style-type: none"> 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.

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We will support "K" LINE's growth from a financial and capital policy perspective, striving to become a resilient shipping company capable of navigating even the roughest seas to continue growing.

Yutaka Akutagawa
Senior Managing Representative Executive Officer



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A Warm and Open Corporate Culture

I joined "K" LINE in 2021 as an Audit & Supervisory Board member and became Managing Executive Officer in charge of Finance, Accounting, and Taxation in June 2023. Before joining the Company, I mainly worked in corporate banking, supporting a wide range of clients in developing business and financial strategies. Upon joining "K" LINE, the first thing that struck me was the high volatility of the maritime industry. This industry is heavily influenced by geopolitical risks, global economic trends, and fluctuations in exchange and interest rates. In such a this environment, I recognized the importance of shaping our financial and business portfolio strategies. In the four years since joining the Company and assuming the role of CFO, I always return to these fundamentals and keep them firmly in mind.

The impression I had of "K" LINE during my time in banking and the reality I found after joining were quite different. In 2021, the world and the company were still mired in the COVID-19 pandemic and striving for financial recovery. Given the prolonged period of challenging business conditions, I had assumed the Company might be somewhat inward-looking. However, after working together, I found that everyone was positively engaged in their work in a very warm and open corporate culture. I feel that this openness and warmth is one of "K" LINE's most important characteristics and a key driver of the Company's strength.



Our Financial Position Has Recovered, and Now Our Focus is on Improving Capital Efficiency

Our current PBR (Price-to-Book Ratio) is below 1.0 and an urgent priority is to bring it above 1.0 as soon as possible, followed by maintaining and further improving this level. I believe it is positive that the Tokyo Stock Exchange's focus on PBR has generated momentum toward improving capital efficiency. In our capital-intensive industry, where asset structures differ significantly from other sectors, aiming for a 2.0x- or 3.0x PBR is not realistic in the short term. Nevertheless, our immediate goal is to achieve a PBR of at least 1.0.

During the COVID-19 pandemic, our containership business unexpectedly generated strong profits, resulting in a dramatic improvement in our financial position. On a book-value basis, our equity ratio now stands at approximately 76%, or in the 58% to 60% range when including off-balance-sheet lease obligations under the new accounting standards. With quantitative issues around capital largely resolved, the challenge we face today lies in improving its quality. In other words, capital efficiency.

In this context, our ONE (Ocean Network Express) initiatives are particularly important. As shareholders, we must support ONE's growth while simultaneously improving our capital efficiency. The containership business accounts for a large portion of our invested capital and earnings composition, with ordinary income for FY2024 totaling approximately ¥300.0 billion, around ¥100.0 billion from our own businesses and roughly ¥200.0 billion from the containership business. Given our heavy dependence on the containership segment, which is much more volatile than other businesses, it is also essential to transform our business portfolio by expanding "K" LINE's own businesses.

We position our three own businesses—coal & iron ore carrier business, car carrier business, and LNG carrier business—as the role of driving growth. The coal & iron ore carrier business provides stable earnings through dedicated vessel contracts serving steel mills in Japan and Korea. The car carrier business has been steadily generating stable profits in recent years, in line with our medium-term management plan investments. The LNG carrier business requires especially long investment and recovery periods, so in some respects, we may not have fully conveyed our vision for its future profit growth, including scale and time horizon. Insufficient communication of these strengths may also be affecting our PER (price-earnings ratio). We intend to provide clear explanations so the market better understands and values each business's characteristics. PBR equals PER times ROE (return on equity), so we must ensure that both our growth prospects and capital efficiency are accurately recognized by the market.

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Preparing for Future Growth through Funding and Risk Management Upgrades

In February 2023, we regained an external credit rating of A (JCR: A-), and we have issued corporate bonds for three consecutive years since then, demonstrating that our financing structure is both stable and competitive. Securing further funding is essential to executing our growth strategy. Shipbuilding projects inherently require long-term financing. To obtain long-term, stable, low-cost funding, it is increasingly important to maintain sound financial health, build strong relationships with financial institutions, and diversify funding sources.

Managing and mitigating risks from foreign-exchange and interest-rate fluctuations are also key priorities. Most of our cash inflows and outflows are denominated in U.S. dollars, while shareholder returns are made in yen. Managing this mismatch, and particularly the impact of exchange-rate fluctuations, is a significant challenge. As we have entered an era of rising interest rates, we are once again emphasizing management of interest-rate risk, which had been of lesser concern in recent years.



Capital-Cost Awareness is Essential for a Capital-Intensive Business

Awareness of capital cost is now deeply embedded throughout the Company. When business units make investments, such as building new vessels, they do so on the premise that returns are expected to exceed the Weighted Average Cost of Capital (WACC). We aim for an ROE of 10% or higher and therefore must secure returns that exceed the WACC, including a premium above the cost of equity and debt financing.

Simply increasing leverage is not the answer to lowering WACC. Instead, business units are required to find creative ways to enhance profitability and control costs.

In recent years, we have advanced our management framework to incorporate ROIC (return on invested capital) and EVA (economic value added) as key performance metrics. We emphasize improving profitability relative to invested capital, with a strong focus on WACC of business. For a capital-intensive industry like ours, profitability relative to invested capital is more important than sales margin.

Risk-return profiles differ across businesses: long-term, contract-based operations such as LNG carrier business tend to be exposed to lower risk and offer correspondingly lower returns, while other businesses carry higher risks but can achieve higher returns. We monitor WACC and ROIC for each segment and use these insights to make management decisions such as business portfolio restructuring.

Personally, I place great importance on ensuring whether we are making appropriate investments to secure future growth. Investment is essentially a result of our operating activities. The foundation of business growth lies in the number of high-quality investment opportunities we can capitalize on that meet internal criteria. Ensuring that these necessary investments are properly executed is a critical aspect of management control.

I'm also a firm believer in the importance of a system to properly assess the initiatives and performance of each business unit. Even in a market-driven industry, initiatives that minimize downturns in a declining market or outperform peers during upturns should be recognized; these are manifestations of strong management capability. We intend to build such mechanisms within our organization.

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Growth Investments Guided by Cash Allocation Discipline

At the start of the current medium-term management plan, we set a total investment cash flow target of ¥520.0 billion. This figure was raised to ¥740.0 billion in May 2024, but after a thorough review of progress, it was again revised to ¥610.0 billion as of May 2025. The reduction reflects delays in certain projects and cash inflow from asset sales, etc., but we have ensured that all essential investments are being executed as planned.

Shipyard slots are booked years in advance, making it difficult to place large orders, and delivery lead times are generally three to four years. Ship prices also remain high, and placing large-scale orders under such conditions is risky. Given this environment, we must pursue a flexible investment strategy that includes not only organic growth but also stronger partnerships, alliances, and M&A. We will consider strategic collaborations and M&A to enhance fleet competitiveness and transport capabilities, thereby accelerating our growth without relaxing investment discipline.



While Ensuring the Necessary Investments for Growth and Maintaining Financial Soundness, We Will Proactively and Flexibly Return Value to Shareholders

During the current medium-term management plan, our shareholder return target was increased from ¥750.0 billion or more announced in February 2025 to ¥800.0 billion or more in May 2025. Through discussions with investors and analysts, we have gained recognition as a company firmly committed to shareholder returns. We will continue to focus on maintaining an optimal capital structure, ensuring investments necessary for enhancing corporate value and financial soundness, and allocating any excess capital proactively and flexibly toward shareholder returns while taking cash flow into consideration.

Questions about the optimal capital structure, which balances financial soundness with capital efficiency, often arise in earnings briefings, particularly regarding specific numerical targets. In our case, a large portion of our fixed assets consists of investment securities in ONE, which also has a significant impact on our earnings and cash flows. This structural characteristic makes it difficult to define a single numerical benchmark. However, please rest assured that we manage our capital efficiency and financial soundness with utmost discipline and care. We will continue to support "K" LINE's growth from a financial and capital policy perspective, striving to remain a resilient shipping company capable of navigating even the roughest seas.

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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 during the medium-term management plan period: ¥1.5 trillion	<ul style="list-style-type: none">Against the ordinary income target of ¥160.0 billion for FY2026, the final year of the current medium-term management plan, the full-year ordinary income forecast for FY2025 is ¥100.0 billionOperating CF during the medium-term management plan period is expected to be ¥1.5 trillion	<div>Further Advancement of Business Management</div> <div>ROIC 6.0 – 7.0% (FY2026 Target)</div> <ul style="list-style-type: none">Establishing 3 business management financial statements for each businessMore advanced business value managementImplementing more advanced investment management
Investment plan (promotion of investment for growth)	Investing CF during the medium-term management plan period: ¥610.0 billion	<ul style="list-style-type: none">We will continue to make necessary investments to enhance corporate value while maintaining investment discipline. Investing CF during the medium-term management plan period is expected to be ¥610.0 billionWe 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, and Capital efficiency	<ul style="list-style-type: none">Aiming for both financial soundness with an awareness of business risks, and capital efficiencyIn order to consider an optimal capital structure, we continue verifying the level of capital required for “K” LINE’s own businesses and containership business	
Shareholder return policy	<div>Shareholder return ¥800.0 billion or more</div> <div>Shareholder return policy</div> <div>Returns in FY2025–26Dividends</div> <div>Responsive additional return delivery</div>	<ul style="list-style-type: none">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 flowThe total return amount during the medium-term management plan period is expected to be ¥800.0 billion or more <hr/> <ul style="list-style-type: none">FY2025: Annual dividend of ¥120 per share plannedFY2026: Annual dividend of ¥100 per share planned <hr/> <ul style="list-style-type: none">Taking the business environment into account, we are continuing to review responsive additional shareholder return measures of ¥50.0 billion or more during the medium-term management plan period announced in May 2025.	
For corporate value improvement	PBR: return to/maintain/improve 1.0 or more	<ul style="list-style-type: none">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 growthWith the aim of improving governance and 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., we transitioned to the “Company with Nominating Committee, etc.” on March 28, 2025Through IR activities, we will promote dialogue with stakeholders and further raise awareness of our business growth strategy among investors	

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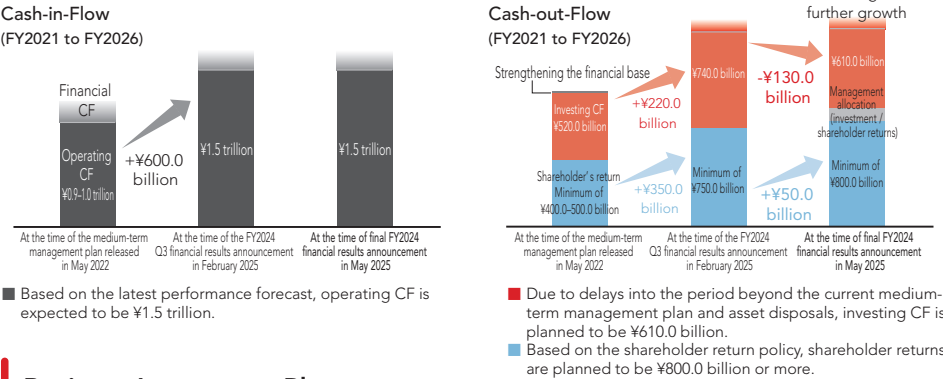
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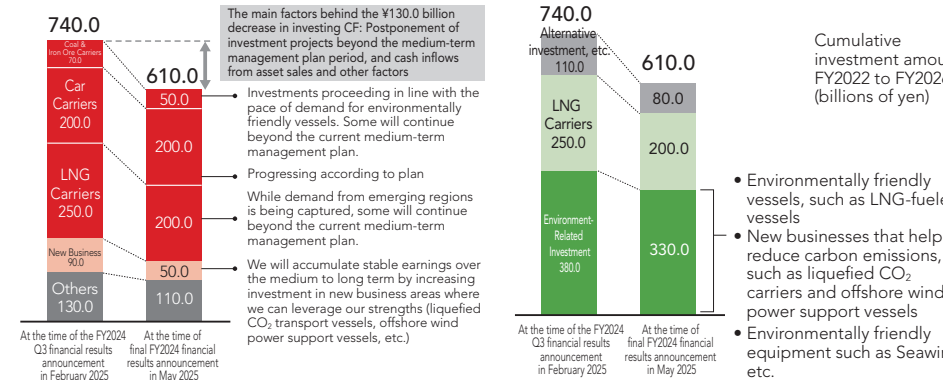
This is the current state of our cash allocation under our capital policy. Regarding cash in-flow (operating cash flow), the medium-term management plan initially estimated between ¥900.0 billion and ¥1.0 trillion. This was later improved by ¥600.0 billion, with the latest figure now projecting an operating cash flow of approximately ¥1.5 trillion. Based on the concept of optimal capital structure, the generated cash will be allocated and implemented during the medium-term management plan period, with ¥610.0 billion directed toward business investments and ¥800.0 billion or more toward shareholder returns, ensuring a balance between the two.



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 plan is to decrease investing CF for the medium-term management plan period by ¥130.0 billion from the figure announced in February 2025, reaching ¥610.0 billion (of which ¥500.0 billion has been confirmed) Investing 75% in businesses with the role of driving growth and 10% in new business opportunities



Returns to Shareholders

The total return amount during the medium-term management plan period is planned to be ¥800.0 billion or more. We are continuing to actively carry out appropriate dividends and responsive share buy-backs to increase shareholder value.

For FY2025 and FY2026, in addition to annual dividends of ¥120 per share and ¥100 per share respectively, we plan to conduct a responsive additional return delivery of ¥50.0 billion or more.

During the period of the medium-term management plan, 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.

Dividends

Annual dividend forecast
FY2025: **¥120/share**
FY2026: **¥100/share**
(interim and year-end dividends: ¥60/share each in FY2025)

Responsive Additional Return Delivery

FY2025 to FY2026 (during the medium-term management plan)
Taking the business environment into consideration, we are continuing to review responsive additional shareholder return measures of **¥50.0 billion or more** during the medium-term management plan period announced in May 2025

	Actual		Plan	
	FY21–FY23	FY24	FY25	FY26
Dividend and additional shareholder return per share	Responsive additional return delivery	¥75.2 billion	Taking the business environment into consideration and based on the shareholder return policy, going forward, we are considering... ¥50.0 billion or more responsive additional return delivery	
	Share buy-back	¥90.8 billion	¥120/share	¥100/share
	Additional dividend	¥60/share	¥80/share	¥60/share
Total return amount*	Basic dividend	¥40/share	¥40/share	¥40/share
	Share buy-back	¥170.0 billion	¥50.0 billion or more responsive additional return delivery	
	Additional dividend	¥70.0 billion (¥100/share)	¥80.0 billion (¥120/share)	¥60.0 billion (¥100/share)
	Basic dividend			
	Total return amount	¥370.0 billion	¥240.0 billion	¥190.0 billion or more

* Total return amount is rounded to the nearest ¥10 billion

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Business Strategy

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

 Role of driving growth	Coal & Iron Ore Carriers	Through customer-oriented and environmental sales, we are maintaining and strengthening relationships with Japanese and Korean steel mills and strengthening 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 expanding long-term contracts by meeting customer needs through "K" Line's strength of providing support that combines maritime technology and sales, and by building strong relationships of trust with influential partners.
 Role of supporting smooth energy source conversion and taking on new business opportunities	Thermal Coal	While meeting transportation demand for necessary fossil fuels, we will also propose solutions that contribute to low-carbon and decarbonization efforts of our customers.
	Tankers	
	LPG Carriers	
 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 are improving and developing 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 are promoting synergies between these areas by leveraging the knowledge of the relevant Group companies. Logistics Business aims 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	We aim to maximize 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	We are 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 power support vessel businesses etc.

* High-and-heavy cargo: Oversized cargo such as construction and agricultural machinery, and rail vehicles

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Three Businesses That Will Drive Growth and New Business Areas: Growth Strategy Progress

Coal & Iron Ore Carriers

Leveraging safe operation, high-quality ship management, and environmentally focused sales aligned with customers' shift toward low-carbon and decarbonization initiatives, "K" Line will further strengthen relationships with existing customers in Japan and abroad. At the same time, we will expand our customer base by capturing growing demand in emerging markets such as India and the Middle East.

- "CAPE HAYATE," our first LNG-fueled Capesize bulk carrier, was delivered in 2024. A series of deliveries are scheduled for cutting-edge Capesize bulk carriers with excellent fuel efficiency, including LNG-fueled vessels.
- "K" Line will continue to promote the shift to environmentally friendly vessels in line with customers' decarbonization efforts while also responding to transitional demand.
- Planning an operating fleet of 100 to 110 vessels by FY2030–35.



LNG Carriers

We are gearing up efforts in new markets such as Southeast Asia and India, and plan to expand our fleet from 47 vessels to 65 vessels by FY2026.

- Of the 16 new LNG carriers ordered for QatarEnergy, 4 have been delivered.
- Signed long-term time charter 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.



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 cargo owners to switch to medium- to long-term contracts.
- We aim to bolster fleet competitiveness through emissions reduction and decarbonization initiatives, as well as by building larger vessel types. A total of 12 LNG-fueled car carriers*1 have already been delivered, and the number of environmentally friendly vessels is planned to reach 30 by FY2030.
- Promoting the implementation of next-generation zero-emission vessels and new technologies toward FY2030 target achievement.



New Business Areas

In the liquefied CO₂ transport business, the Northern Lights project in Norway has become fully operational, and we are managing 3 liquified CO₂ carriers. A Japanese-registered geological survey vessel has begun operations to support offshore wind power.

- Liquefied CO₂ transport business: Signed a charter contract with NL*2 for 3 liquefied CO₂ vessels. The first 2 vessels have completed their voyage to the project site and began transport operations for the world's first CCS*3 project this year. The third vessel is scheduled to be engaged in overseas transportation from 2026 onward. In September, a memorandum was signed with HANS*4 for joint development of a CCS value chain utilizing FSU*5.
- Offshore wind power support vessel business: KWS*6 and EGS*7 have established a joint venture for marine geological survey operations. We have been steadily building up our track record, starting with the geotechnical survey vessel "EK HAYATE." In August, KWS entered a capital alliance with SN Marine, a company engaged in the ownership and operation of offshore support vessels.



*1. As of November 5, 2025 *2. NL: Northern Lights JV DA

*3. CCS: Carbon Capture and Storage

*4. HANS:Havstjerne ANS, an unlimited liability incorporated partnership of Harbour Energy's Norwegian subsidiary and a wholly owned subsidiary of Yinson Production

*5. FSU: Floating Storage and Injection Unit. An offshore facility for storing and injecting liquefied CO₂

*6. KWS: "K" Line Wind Service, Ltd. *7. EGS: EGS Survey Pte Ltd

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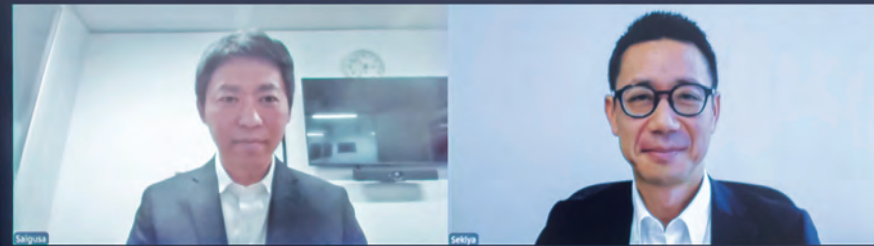
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Employee Roundtable Discussion

Special Feature

Tackling an Unprecedented Project to Create New Value —Contributing to Society's Decarbonization—

In 2022, "K" LINE became the first shipping company to participate in the full-scale carbon capture and storage (CCS) project, Northern Lights. Of the three vessels initially contracted, two were delivered in 2024, and the third is under preparation for start of operations in 2026. Our London-based subsidiary, "K" LINE ENERGY SHIPPING (UK) LIMITED, will manage these three vessels, transporting CO₂ collected from customers based in Norway, Denmark, and the Netherlands to Northern Lights' CO₂ receiving terminal in Øygarden, Norway. We interviewed four employees involved in the project about their collaboration in promoting the project, what they gained from it, and their outlook for the future.



Shinichiro Saigusa

"K" LINE ENERGY SHIPPING (UK) LIMITED
Joined as a new graduate in 2001
(25th year with the Company as of 2025)

Kiyoshi Sekiya

"K" LINE ENERGY SHIPPING (UK) LIMITED
Joined mid-career in 2010
(16th year with the Company as of 2025)

Yutaro Miyoshi

Liquefied Gas Business Group, CCS Business Team
Joined as a new graduate in 2008
(18th year with the Company as of 2025)

Tomoya Hamaoka

Liquefied Gas Business Group, CCS Business Team
Joined mid-career in 2022
(4th year with the Company as of 2025)

— To begin with, could you each please begin by introducing yourselves, explaining your roles in this project, and how you've been involved?

Sekiya As Manager of the Renewable Green Business Team, I led the project team back in 2022. After signing the time charter contracts for liquefied CO₂ carriers, I was assigned to London in April 2023, where I joined my current department and have been engaged in this project.

Saigusa After lengthy business trips to Oslo to prepare for the establishment of a renewable energy-related organization in Europe, I was assigned to London in June 2022, where I joined my current department and have been engaged in this project.

Miyoshi Since 2020, I have been the primary person in charge of CCS in the Renewable Green Business Team, and from the project's inception, I have been involved in all aspects, from bidding to contract negotiations. After the conclusion of the time charter contracts for liquefied CO₂ carriers, I have been responsible for operational support from Tokyo, as well as managing the Norwegian subsidiary.

Hamaoka Having joined the Company in 2022 from another industry, I was immediately assigned to this project alongside Miyoshi. Starting from bidding to contract negotiations, we have worked together and continue our efforts in Tokyo today.

— The challenge of an unknown project. What were your thoughts when the bid was announced?

Sekiya As Manager of the Renewable Green Business Team at that time, I was involved in developing a marine transportation business for CCS (Carbon dioxide Capture and Storage). Since 2021, we have been participating in Japan's New Energy and Industrial Technology Development Organization (NEDO) research, development, and demonstration project on liquefied CO₂ maritime transport, working to stay ahead of other companies and accumulating know-how. When the opportunity came to bid for long-term contracts for liquefied CO₂ carriers for Northern Lights, I was excited by this major opportunity, thinking, "We can't let this chance slip by."

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Miyoshi At the time, CO₂ transport in CCS had only been conducted via pipelines. Northern Lights was the first in the world to undertake CCS involving liquefied CO₂ maritime transport. We were determined to be chosen as their partner and seize the chance to engage in the "world's first full-scale CCS project."

Hamaoka To be honest, I could not hide my wonderment. Having only just joined from another industry in 2022, I had no knowledge of the shipping business when I was assigned to this project, which was also the first of its kind for the Company. As I learned more about the general shipping business, I began to understand how a CCS project utilizing ships could be successful.

— Bidding for a new project. How did you approach the preparations?

Saigusa At the time, I was making repeated and lengthy business trips to Europe in preparation for setting up a renewable energy-related organization there. I visited Northern Lights in Norway in early 2022. We emphasized not only our existing efforts in CCS, but also our long-standing involvement in ship management of LNG carriers, which share a lot of technological DNA with liquefied CO₂ carriers, and our extensive track record in operating LNG carriers in Europe. We also conveyed that we had already been engaged in LNG transport for Norway's first Snøhvit project since 2006, earning recognition from Equinor, a shareholder of Northern Lights, which was helpful.

As a result, we received a favorable response and continued communication with Northern Lights. Later, Saigusa was assigned to London in June 2022. Based on the information he gathered locally on Northern Lights, the Tokyo team advanced preparations for the bid.

Miyoshi Accurate information is essential for bidding—what kind of bidding will be conducted, and what Northern Lights was looking for. Through close collaboration between the London and Tokyo teams, we were able to proceed smoothly with preparations.



— What challenges did you face in moving the project forward?

Sekiya While the project team worked hard on negotiations with Northern Lights and preparation of bidding documents, we also had to obtain internal approval, which was equally difficult. Liquefied CO₂ carriers were a new type of vessel for "K" LINE. Given the limited public understanding of CCS in 2022, the project initially faced some skepticism.



The project team conducted both qualitative and quantitative analyses, including forecasts for the European market for liquefied CO₂ carriers, "K" LINE's strengths in liquefied CO₂ transport, and countermeasures against potential risks.

Along with efforts to obtain internal approval, the project team was also staying in communication with Northern Lights, working on project economics estimates, and examining crew deployment plans requested by the customer.

Miyoshi We finalized and submitted the bid documents and pricing in July. At the start of preparations, there were around 10 competitors with LNG carrier and other liquefied gas vessel experience. By the following month, August, the shortlist had been narrowed to a few strong candidates, with us remaining among them. It was from this point that full-scale negotiations with Northern Lights began.

— What was important and what did you focus on during contract negotiations?

Saigusa The negotiations lasted about four months, from September to December. During this time, the project team held two online meetings per week, along with monthly in-person meetings at Northern Lights in Norway. After each meeting, we always made an effort to further talk with Northern Lights, discern what they really meant, and shared this additional information with the Tokyo team.

Sekiya In contract negotiations, the project team focused on making every effort to meet customer requests as thoroughly as possible, while also drawing a clear line between "what we can do" and "what we can't do." Even for demands that competitors would immediately refuse, we thoroughly discussed how we might meet them, translated this into realistic proposals, and carefully explained, "We can do this much, but not more."

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Employee Roundtable Discussion

Miyoshi At first, we doubted whether there was really any room for a Japanese shipping company to participate in a Norwegian project. But as we sincerely engaged with the customer, we felt their trust in us steadily growing.

As a result of our dedicated efforts, in December 2022, we finally signed long-term contracts with Northern Lights for two liquefied CO₂ carriers to begin operations in 2024.

— What challenges did you face after signing the contracts?

Sekiya When we signed the long-term contracts for two liquefied CO₂ carriers, we felt a sense of excitement but also tightened our resolve. From the start, the contracts required flexibility, with the customer agreeing that “as this is a new project, we should build the procedures for operation and cargo handling together.” We knew then the preparation phase for actual operations would become a real partnership. There will always be so many things that do not go as expected. We have to think long and hard about how to solve them.

Hamaoka From January 2023, the project team began working on issues that had not been finalized at the contract stage or that had not been originally anticipated. One example was arranging insurance for the vessels. As this project is subsidized by the Norwegian government, the arrangements differed significantly from the usual approach. We proceeded through trial and error, consulting Norwegian lawyers and insurers along the way.



In April 2023, Sekiya was transferred to “K” LINE ENERGY SHIPPING (UK) LIMITED in London. There, together with Saigusa, he took on responsibility for the project on the London side.

Sekiya The greatest difficulty in starting operations of the two liquefied CO₂ carriers was finding skilled crew members. These are new vessel types, so prospective crew were cautious not knowing what kind of ships they would be working on and how operations may differ from past experience. In the end, we recruited crew by educating them individually.

— What is your outlook for the project going forward?

Sekiya In November and December 2024, two vessels were delivered in succession. The third vessel is scheduled for delivery in 2025. The full-scale CCS project is finally about to begin, but this is where the true value of our Company will be tested. Our immediate goal is to get this project on track. I believe that the experience gained from launch to execution will be applicable to other new business opportunities in the future.

Saigusa This project is the world’s first CO₂ maritime transport undertaken for CCS, and it is attracting worldwide attention. By ensuring a solid start-up, we hope to further strengthen the trust of our customers and partners and connect this to securing subsequent liquefied CO₂ carrier projects.

Miyoshi Taking this project as the starting point, we intend to expand our fleet of liquefied CO₂ carriers and make the marine transportation business for CCS one of our core businesses.

Hamaoka Going forward, as projects other than Northern Lights are also anticipated, we aim to leverage the experience gained here to increase the number of vessels we engage with worldwide.



Image provided by Northern Lights JV/Tom Haga

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Dry Bulk

Coal & Iron Ore Carrier Business



Takeshi Mikami
Corporate Officer
In charge of Coal & Iron Ore Carrier Business, Coal & Iron Ore Carrier Planning & Operation, General Manager of Coal & Iron Ore Carrier Business Group



Cape-size Bulk Carrier CAPE SUZURAN



Cape-size Bulk Carrier CAPE HAYATE

Strengths

- A strong and enduring relationships with key customers built over many years of transactions.
- Sales structure and customer base in the broader Asian regions, where transport demand is expected to grow.
- Attentive services through high safety standards, advanced environmental technology, and customer-oriented operations.

Risks

- The risk of slowing growth in raw material demand due to a decline in steel demand from the global economic slowdown and the peaking of China's crude steel production.
- The risk of declining transport demand for cape-size vessels as the use of electric arc furnaces and direct reduced iron expands as part of decarbonization measures in the steelmaking process, changing trade patterns of raw materials.
- The risk of limited flexibility in renewing cape-size bulkers due to rising building costs from inflation and labor shortages, as well as fully booked shipyard's slipways for several years ahead.

Opportunities

- Increased vessel demand on a ton-mile basis due to the commencement of shipments from newly developed mines and strong demand for bauxite, particularly from long-distance sources such as West Africa.
- Improvement in the supply-demand balance in the medium term as speculative orders for new ships are limited on the back of environmental regulations, and a generation of vessels built in large numbers in the past is now nearing retirement.
- Differentiation through the expected fuel transition toward decarbonization and advancement of ship management and operation management.

Overview of Fiscal 2024

In the market for cape-size bulkers, transport demand for iron ore and bauxite remained firm from the beginning of the fiscal year. However, in the second half, iron ore demand from China slowed, and shipments declined due to heavy rainfall and cyclones at load ports, causing the market to temporarily soften. Toward the end of the fiscal year, as shipment volumes recovered, the market picked up again and overall remained firm throughout the year, despite some fluctuations.

To maintain and expand a stable revenue base, we strived to strengthen relationships with cargo owners, including efforts towards decarbonization, appropriately managed market exposure, and worked to reduce operating costs and increase the efficiency of fleet allocation.

Market Environment and Future Strategy

Through our commitment to safe operation, we will continue to provide high-quality transportation services to our long-standing customers, while maintaining and expanding strong business relationships.

In addition, we will steadily capture customer needs during the transition period leading up to the introduction of environmentally friendly vessels, including demand for the transition to zero-emission fuel vessels, such as LNG, as well as ammonia and methanol fueled vessels, to expand our market share in steel raw material transportation.

Additionally, the demand for the transportation of direct reduced iron, which supplements iron ore and coking coal in the steelmaking process to reduce greenhouse gas emissions, is expected to rise. We will establish the technology necessary for the safety in long-distance marine transportation of these materials and accumulate the necessary expertise. We will steadily expand our business activities in the broader Asian regions, such as India and the Middle East, where there is growing demand for raw materials for steel-making. By increasing the efficiency of vessel allocation, we will strengthen our earning power and competitiveness, thereby expanding earnings and growing the business. To systematically expand sales activities in the broader Asian region, we will enhance overseas bases such as Singapore, India, Dubai and other locations, further enhancing our ability to respond swiftly to customer needs and market changes.

Capesize Fleet Ranking

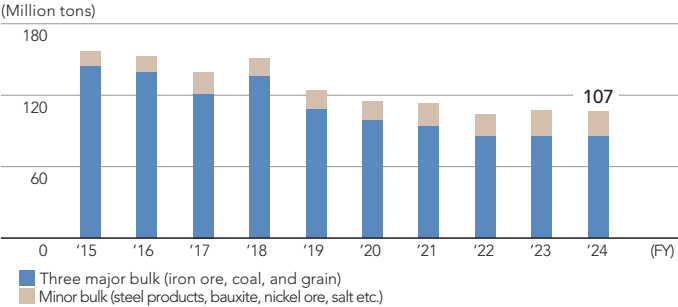
(As of June 2025)

Ranking	Operator	100,000 DWT	Vessels
1	China COSCO Shipping	227.8	91
2	CMB	149.0	77
3	Berge Bulk	134.2	61
4	ICBC	104.3	31
5	Winning Intl	101.9	53
6	Pan Ocean	92.4	36
7	China Merchants	82.8	29
8	Angelicoussis Group	82.1	44
9	H-Line Shipping	75.0	36
10	"K" LINE	71.5	36

* Includes owned vessels and a portion of chartered vessels

Source: Clarksons

"K" LINE Cargo Tonnage Carried by Dry Bulk Carriers



* The figures from FY2017 exclude the volume carried by the Electricity Business.

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Dry Bulk

Bulk Carrier Business



Kenichiro Matsui
Corporate Officer
In charge of Bulk Carriers,
Dry bulk Planning



KAMSARMAX Bulk Carrier ROYAL STELLAR



Supramax Bulk Carrier SPRING AURA

Strengths

- Existing customer base and connecting cargo, enabling efficient fleet allocation.
- Sales structure and customer base in the broader Asian regions, where transport demand is expected to grow.
- Track record and accumulated know-how in direct reduced iron transport.

Risks

- Uncertainty of the economic outlook of China, a major consumer of bulk cargo, and the rising geopolitical risks and their potential impact on transport demand.
- Changes in transport demand and trade patterns due to U.S. tariff measures, additional port charges, and rising geopolitical risks.
- Decline in thermal coal transport demand as countries advance decarbonization policies.

Opportunities

- A steady increase in transport demand for dry bulk cargo such as grain, fertilizer, construction materials, and other goods, driven by the expansion of the global economy and population growth in emerging countries.
- The expansion of new transport demand, such as direct reduced iron, biomass, and other materials required for raw material and fuel conversion by existing customers.
- Improvement in the supply-demand balance in the medium term as speculative orders for new ships are limited on the back of environmental regulations, and a generation of vessels built in large numbers in the past is now nearing retirement.

Overview of Fiscal 2024

In the market for Panamax and Sub-Panamax vessels, demand for South American grain and coal in the Pacific region remained firm at the beginning of the fiscal year, sustaining a strong market. However, the market softened due to decreased shipments during the inter-harvest period for grains, and eased vessel supply-demand balance caused by the recovery of water levels in the Panama Canal. In the second half, available tonnage increased, and the market declined due to reduced grain imports by China following a bumper harvest, but toward the end of the fiscal year, the market picked up again with a recovery in South American grain transport demand and an increase in vessel congestion.

We aimed to optimize the structure of the fleet by taking an asset-light approach to the core fleet. At the same time, we worked to maximize our earning power by maintaining and expanding our stable earning base, and increasing efficiency in fleet allocation.

Dry Bulk (All Types) Fleet Ranking

(As of June 2025)

Ranking	Operator	100,000 DWT	Vessels
1	China COSCO Shipping	356.0	314
2	CMB	176.1	111
3	Star Bulk Carriers	143.3	146
4	Berge Bulk	139.5	74
5	NYK	136.6	147
6	MOL	126.5	127
7	China Merchants	120.5	101
8	Pan Ocean	117.5	76
9	China Dev Bulk (CDB)	114.3	131
10	"K" LINE	112.6	93

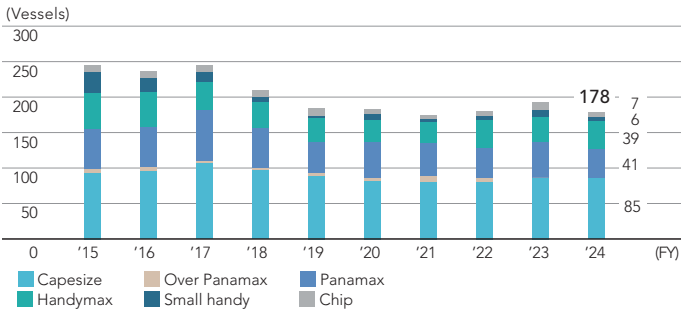
* Includes owned vessels and a portion of chartered vessels

Source: Clarksons

Market Environment and Future Strategy

"K" LINE is building a fleet with strong market resilience and a sustainable earning structure. In addition to Japan, we are strengthening our customer base in regions where we have a strong presence, such as India, the Middle East, and Southeast Asia. We will also strive to acquire new environmentally friendly cargoes such as direct reduced iron and biomass, while further enhancing our efficiency in fleet allocation. To enhance asset management and expand our operational capabilities, we have transferred some of the vessels owned by the Group to Singapore, reorganized our sales and fleet allocation operations and strengthened our access to growing markets across the broader Asian regions. We aim to further strengthen and expand our business overseas to maximize our earning power and improve profitability.

"K" LINE Dry Bulk Fleet



* Capesize includes the number of Over Panamax vessels in FY2023 and FY2024.

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Energy Resource Transport

LNG Carrier Business



Satoshi Kanamori
Senior Managing Corporate Officer
Responsible for Technical Unit,
Supervising Liquefied Gas Business,
In charge of LNG



LNG Carrier ENSHU MARU



LNG Carrier LAGENDA SETIA

Strengths

- "Industry-leading ship management track record" based on know-how and networks accumulated since the early stages of the LNG carrier business.
- "Capability to respond to and propose solutions for customer needs" utilizing technology and expertise.

Risks

- Stagnation of new LNG projects due to U.S. energy policies.
- Decline in LNG demand caused by global economic slowdown and accelerated transition to renewable energy.

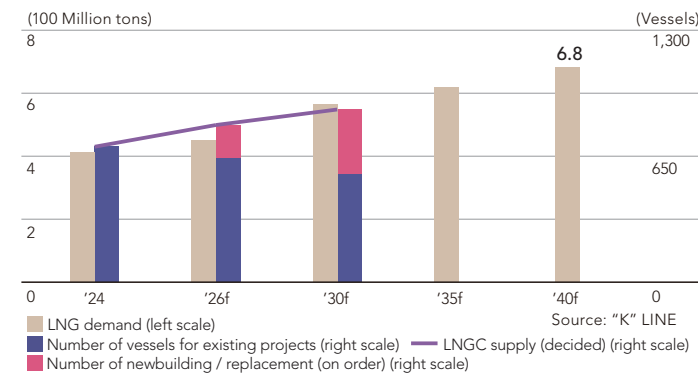
Opportunities

- Increased energy consumption in AI and data centers.
- Reevaluation of LNG's importance in energy policies of various countries.

Overview of Fiscal 2024

The LNG career business contributed to the stable earnings, with the existing fleet operating smoothly under medium- to long-term time charter contracts. For new projects, we are moving forward with the construction of newbuilding vessels scheduled for delivery from the next fiscal year onward. In addition, we have addressed long-term charter demand, which is our main target. This includes fleet replacement and expansion plans by existing customers, as well as future business in emerging regions such as South Asia, Southeast Asia, and China (hereinafter referred to as "Greater Asia"), where demand is expected to grow. Specifically, following the acquisition of a total of 12 vessels in Phase 1 of the expansion plan with QatarEnergy, Qatar's state-owned energy company, in fiscal 2022, we signed long-term time charter and shipbuilding contracts for an additional 4 vessels in Phase 2. Additionally, we signed a long-term time charter contract with GAIL, a major energy company in India.

LNG Demand and Fleet Supply Trends



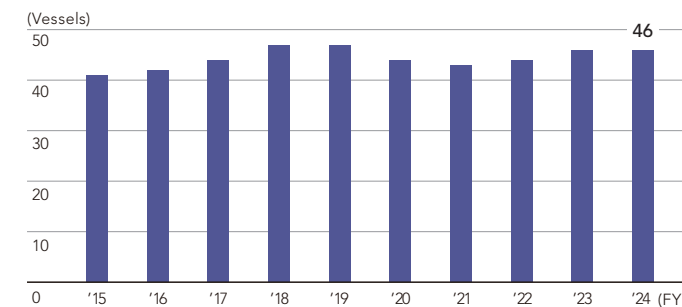
Market Environment and Future Strategy

With the steady increase in LNG demand, the demand for long-term and stable LNG carrier transport is also forecasted to expand steadily towards 2040. The LNG carrier business is positioned to grow in parallel with market expansion.

In this growing market, we aim to expand our long-term stable earnings base as part of "K" LINE's business portfolio by increasing the scale of investments. The number of fleets will increase from the current 46 to 65 by 2026, and to over 75 by 2030. As a longer-term goal, we are targeting 100 vessels.

To achieve the target, we will focus on "maintaining and increasing "K" LINE's share with existing customers" and "capturing share with new customers." Specifically, we will work to secure target projects related to the replacement of existing fleets with state-of-the-art vessels and expansion demand planned by existing customers, as well as the demand in emerging regions of Greater Asia, where demand is expected to grow, and for cargo originating from North America, which is set to become the world's largest exporter.

"K" LINE LNG Carrier Fleet (Including Co-Owned)



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Energy Resource Transport

Liquefied Gas Business



Kei Onishi
Corporate Officer
In charge of Electricity Business,
Liquefied Gas Business



Liquefied CO₂ Carrier, NORTHERN PIONEER
(Image provided by Northern Lights JV DA)



LPG and Ammonia Carrier AXIS RIVER

Strengths

- Accumulated expertise and know-how in liquefied gas transport.
- Stable business management through sharing know-how with partners.

Risks

- Trends in government regulations related to low and zero-carbon in various countries.
- Project delays or reviews due to changes in the socio-economic environment, such as the above trends and inflation.

Opportunities

- Improvement in the business environment due to policy progress and increased social awareness aimed at realizing a low and zero-carbon society.
- Increased demand for further CCS projects.
- Market expansion for liquefied gases (LPG and ammonia) that contribute to decarbonization.

Overview of Fiscal 2024

In the CCS (Carbon dioxide Capture and Storage) field, two of the three liquefied CO₂ transport vessels engaged in the Northern Lights project —the world's first CCS value chain business, which captures, transports, and stores CO₂ —were delivered in 2024 and began operation. These vessels transport liquefied CO₂ from CO₂ capture facilities in Norway to a receiving terminal in Øygarden in western Norway.

Considerations for projects with CCS operators progressed further in various regions around the world, including Malaysia, Australia, and Alaska.

In the LPG transport business, we accumulated operating experience with LPG-fueled LPG carriers, contributing to reductions of environmental impact from vessel operations.

Market Environment and Future Strategy

In the field of liquefied CO₂ carriers, we aim to gain insights and expand our presence through the Northern Lights project and through commercialization studies with various customers. We will focus on European CCS development projects through around 2030 and expand our business in the Asia-Pacific region from 2030 onward.

Even in Japan, the public and private sectors are increasing efforts towards the commercialization of CCS, with the establishment of relevant laws, including governmental support for its spread and expansion and a licensing system for operators. To this end, we will actively contribute from the perspective of maritime transportation of liquefied CO₂.

We will also focus on liquefied gas transport (LPG and ammonia), which is expected to become a growth market as society continues the path of decarbonization.

COLUMN

"K" LINE Enters Bare Boat Charter and Time Charter with Northern Lights JV DA in Norway for Liquefied CO₂ transport vessels.

"K" LINE and Northern Lights JV DA in Norway have signed Bare Boat Charter and Time Charter contracts for three 7,500 m² liquefied CO₂ transport vessels. Of these, two vessels were delivered in 2024 and engaged in the world's first full-scale CCS project. The London-based subsidiary "K" LINE ENERGY SHIPPING (UK) LIMITED undertakes the ship management of three vessels transporting liquefied CO₂ from industrial emitters, including the Heidelberg Materials and Hafslund Oslo Celsio carbon capture facilities, to the Northern Lights CO₂ receiving terminal in Øygarden, Norway. We aim to become a front runner in the industry by leveraging the track record and know-how from the world's first Northern Lights project.

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Energy Resource Transport

Electricity Business



Kei Onishi
Corporate Officer
In charge of Electricity Business,
Liquified Gas Business



Thermal Coal Carrier CORONA ACE



Thermal Coal Carrier CORONA CITRUS

Strengths

- Coal carrier fleet composed of vessels optimally designed for coal transport to domestic power plants, where operating conditions and environmental regulations are strict, with high-level vessel management, and the capability to respond to customer requests using this fleet.
- Strong customer base of power utility companies throughout Japan.

Risks

- A sharp decline in coal demand due to the transition to a decarbonized society.
- Further fleet concentration during periods of peak power demand as coal-fired power plants increasingly serve as Middle-Load power source, and adjustments during off-peak periods. Long-term vessel delays caused by sudden fluctuations in coal demand.
- A rise in new shipbuilding costs due to soaring energy, labor, and material costs.

Opportunities

- While long-term coal demand is expected to decline, if technological innovation and cost reductions do not progress as expected, substantial coal transport demand may remain. Conversely, if the existing coal carrier fleet ages, vessel supply may become insufficient, tightening the vessel supply-demand balance.
- An expansion of new transport demand driven by the introduction of alternative fuels such as ammonia and hydrogen, as well as CCUS (Carbon Capture, Utilization, and Storage).

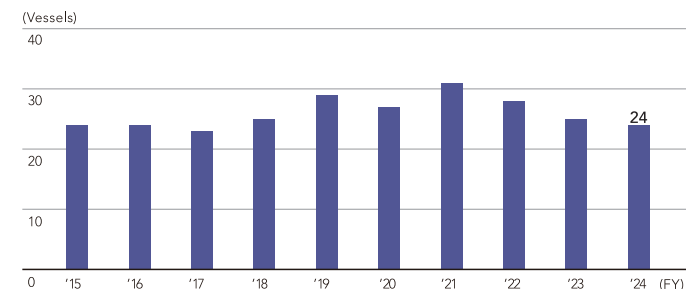
Overview of Fiscal 2024

With continued limited restarts of nuclear power plants in Japan, coal-fired power plants remained an important part of electricity generation on par with LNG-fired power plants. On the other hand, as the introduction of renewable energy sources such as solar and wind power expanded, with significant fluctuations in supply volume, coal-fired power plants increasingly served as Middle-Load power source to adjust for renewable fluctuations, resulting in significant variability in plant utilization rates. As flexibility in procuring power generation fuel became increasingly important in responding to such variability, we contributed to a stable power supply by leveraging our fleet scale to flexibly respond to the needs of power companies. Furthermore, by setting transport contracts on a medium- to long-term basis, we reduced exposure to shipping market volatility and contributed to our stable earnings.

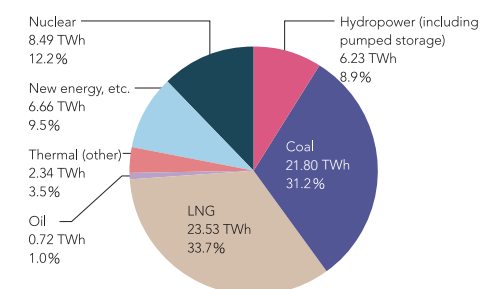
Market Environment and Future Strategy

In the 7th Strategic Energy Plan approved by the Cabinet in February 2025, thermal power generation was once again recognized as playing an important role in stable power supply, despite the challenge of greenhouse gas emissions. In the context of a carbon-free society, although coal-fired power generation is being phased out, starting with inefficient power plants, we believe coal will continue to be used at high-efficiency power plants in order to ensure a reliable supply of electricity, while efforts are made to cut greenhouse gas emissions. We will maintain high-quality transport services that meet the coal transport needs of power utility companies, promote the introduction of new environmentally friendly vessels, and also work to reduce environmental impact through the use of technologies such as wind-assisted propulsion systems. In the future, the introduction of carbon-neutral fuels such as ammonia and hydrogen for power generation, as well as CCUS (Carbon Capture, Utilization, and Storage), is expected to progress, we will also respond to transport demand in these areas.

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



Composition of Power Generation Output



Source: Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry, FY2024 Statistical Tables

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Energy Resource Transport

Crude Oil and Product Business



Hisashi Nakayama
Managing Corporate Officer
In charge of Crude Oil, Products,
and Energy Business Strategy



Tanker KISOGAWA



FPSO John Agyekum Kufuor
(Image provided by Yinson Holdings Berhad)

Strengths

- Robust maritime transport demand for crude oil.
- Customer base engaged in large-scale, stable oil-related business.
- Seamanship enabling the continued provision of safe operations.

Risks

- Decline in maritime transport due to heightened geopolitical risks, such as a blockade of Hormuz.
- Decline in maritime transport demand due to expanded OPEC production cuts.
- Slowdown in maritime transport demand growth due to delays in oil and natural gas exploration investments.
- Decline in demand for crude oil due to a global economic downturn.
- Reduction in demand for crude oil due to the accelerated transition to renewable energy.

Opportunities

- Increase in ton-miles and vessel demand due to heightened geopolitical risks.
- Growth in maritime transport demand due to increased U.S. shale production.

Overview of Fiscal 2024

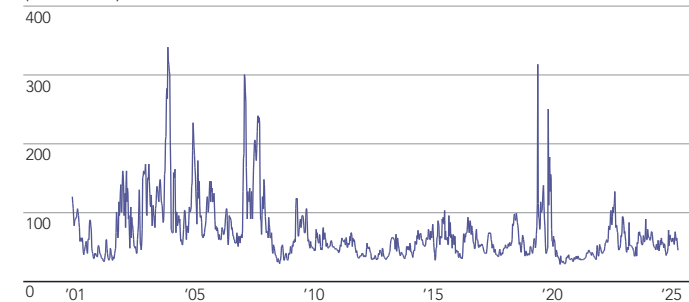
Under the safe operation of very large crude carriers (VLCCs), we worked on the renewal of medium- and long-term charter contracts, achieving stable earnings, while contributing to the stable supply of crude oil. Our subsidiary in Singapore, which operates AFRAMAX crude oil carriers, also generates earnings while contributing to the stable supply of crude oil centered around contracts of affreightment (COA) under safe operations.

In the floating production storage and offloading system (FPSO) business, crude oil production continued offshore Ghana and Brazil under long-term charter contracts, maintaining high utilization rates and stable earnings. Similarly, in the drillship business, operations proceeded smoothly in Brazil's pre-salt layer zone, contributing to stable earnings.

In the fuel procurement for "K" LINE vessels, in addition to supplying conventional heavy oil and lubricants, we advanced the stable procurement of next-generation fuels, including LNG and biofuels, and conducted trial use of bio-LNG. Looking ahead, we will continue to explore the future introduction of next-generation fuels such as ammonia, methanol, and synthetic fuels.

Tanker Freight Index (World Scale)

(World scale)



Source: Clarksons

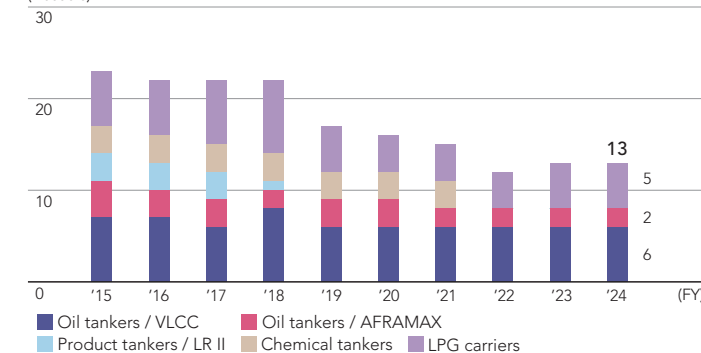
Market Environment and Future Strategy

Demand for transporting crude oil is likely to remain robust. Amid this stable cargo movement, while ensuring safe operations, we view supporting the transition to environmentally compliant vessels for VLCCs and AFRAMAX crude carriers as a new business opportunity.

The global efforts toward low-carbon and carbon-free are changing the demand structure for energy. In collaboration with oil-related customers conducting business on a large scale, we will continue to support today's energy supply while also preparing for the maritime transport of next-generation energy. We will work to capture future demand for new energy transport and utilize it as vessel fuel.

"K" LINE Tanker Fleet Scale

(Vessels)



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Energy Resource Transport

Energy Business



Hisashi Nakayama
Managing Corporate Officer
In charge of Crude Oil, Products,
and Energy Business Strategy



Geo-Survey Vessel EK HAYATE



LNG Bunkering Vessel KAGUYA
(Image provided by Kawasaki Heavy Industries, Ltd.)

Overview of Fiscal 2024

In the fuel supply business, we supplied LNG fuel for LNG-fueled car carriers in the Chubu region, and in Singapore, through the ship management of FueLNG's LNG bunkering vessel "FUELNG BELLINA," we were also engaged in LNG fuel supply. With the global increase in LNG-fueled vessels, supply opportunities have grown year by year, contributing to the stable supply of LNG as a clean energy source.

In the hydrogen business, we invested in JSE Ocean, LTD., a subsidiary of Japan Suiso Energy, Ltd. (JSE). Through JSE Ocean, we cooperated in establishing maritime transport in the commercial-scale international hydrogen supply chain.

In the offshore wind power support vessel, centered on our Group company "K" Line Wind Service, Ltd. (KWS), we worked on both domestic and international projects.

Market Environment and Future Strategy

To steadily address decarbonization of both the Company and society, while continuing our LNG fuel supply business, we will leverage this experience to actively engage in the supply chain for next-generation fuels, including establishing ammonia bunkering bases and participating in related businesses.

In the hydrogen business, based on Japan's Basic Hydrogen Strategy, we are working on the demonstration of liquefied hydrogen transport through JSE Ocean, aiming to secure transport technology ahead of the world.

In the offshore wind power support vessel, starting with marine surveys by the geo-survey vessel "EK HAYATE" launched last year, we will strengthen initiatives such as securing long-term contracts in construction and maintenance fields, and expanding into the field of support vessels for floating offshore wind power, where we can leverage the strengths of a shipping company. In addition, in collaboration with our Group companies, each with its own strengths, we aim to expand profit opportunities and achieve Groupwide growth, leveraging the development of the offshore wind power industry.

COLUMN

Offshore wind project support vessel business

"K" Line Wind Service (KWS), a joint venture between "K" LINE and Kawasaki Kinkai Kisen Kaisha, Ltd., and EGS Survey (EGS) have established a joint venture company, EK Geotechnical Survey LLC (EKGS) to service the offshore geo-survey sector. EKGS is determined to provide various offshore survey services to meet growing demand with the development of offshore wind power in Japan. In September 2024, the geo-survey vessel EK HAYATE, owned by EKGS, entered into service as a Japanese-flagged vessel capable of providing offshore drilling, sampling and in-situ testing. "K" LINE will contribute to the development of offshore wind power industry in Japan and internationally in pursuit of a carbon-neutral society.

Strengths

- Experience in LNG fuel supply business in Japan (Chubu region, supply vessel "Kaguya") and Singapore (supply vessel "FUELNG BELLINA").
- Involvement in the world's first maritime hydrogen transport business.
- Knowledge and track record in offshore support vessel operations as the foundation for the offshore wind power support vessel business.

Risks

- Rising costs stemming from global inflation, expanded geopolitical risks, trade issues, and other socio-economic changes, as well as the cooling of new investment related to next-generation fuels, and project delays or reviews.
- Trends in each national institutional design (policies and rules) related to low and zero-carbon.
- Delays in transitioning to next-generation fuels due to the above impacts.

Opportunities

- Improvement of the business environment through policy progress and increased social awareness aimed at realizing a low and zero-carbon society.
- Heightened global momentum toward the introduction of next-generation fuels and market expansion, associated with strengthening and materialization of GHG emission regulations by the IMO.
- Acceleration of fuel transition through technological innovation and development.

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Product Logistics

Car Carrier Business



Haruhiko Sugimoto
Managing Corporate Officer
Responsible for Product Logistics Business Unit (Car Carriers)



LNG-fueled Car Carrier POSEIDON HIGHWAY



LNG-fueled Car Carrier OCEANUS HIGHWAY

Strengths

- High-quality shipping services realized through safe and optimal operation.
- Solid customer base and partnerships built through long-standing trust relationships.
- Global trade network supported by overseas offices and global networks.
- Fleet scale of environmentally friendly vessels in anticipation of future environmental regulations and decarbonization of transport sectors.

Risks

- Constraints on safe operations and disruption of vessel supply-demand balance due to heightened geopolitical risks.
- Concerns about global economic slowdown triggered by U.S. tariff policies, global trade frictions, decoupling, and accelerating inflation.
- The potential changes in transport routes and patterns due to the advancement of local BEV production.

Opportunities

- The promotion of customers' low-carbon and decarbonization through the development of green vessels and the creation of new business models.
- Expansion of business scale by capturing the increasing demand in new growth markets, such as exports from China, India, and Mexico.
- Capturing high and heavy cargoes by improving transport technology and vessel capacity in car carriers.

Overview of Fiscal 2024

The global automobile sales market recovered, as semiconductor and auto parts supply shortages were largely resolved, with sales reaching approximately 88 million units, up about 2% year on year. Global ocean cargo movement for the "deep sea" reached about 16 million vehicles. Within this context, the number of vehicles transported by the "K" LINE Group, including intra-European transport, increased by about 3%, from 3.25 million vehicles in the previous fiscal year to 3.36 million vehicles. In addition, we continued to improve the efficiency of fleet allocation and operation, while restoring freight rates and optimizing cargo portfolio. As a result of these efforts and initiatives to improve our earnings capacity and cost-competitiveness, both sales and profits increased year on year. In line with realizing carbon neutrality, we continued to introduce new environmentally friendly vessels as planned, with seven LNG-fueled vessels delivered by the end of FY2024.

Market Environment and Future Strategy

In the short term, while there are concerns about declining demand for

automobiles due to global trade friction and decoupling, production and shipments are fundamentally expected to remain firm. While the pace of growth in battery electric vehicle (BEV) sales has slowed slightly recently, the global share of BEV sales is expected to reach approximately 36% by 2030. The expansion of BEV sales may affect both the reduction of maritime transport demand due to local production and the creation of new transport demand. However, in the base scenario, global maritime transport demand is expected to grow by approximately 7% from 2024 to 2030.

Under these circumstances, we will implement three key measures—environmental considerations, trade network restructuring, and cargo portfolio optimization—to achieve business sustainability and growth, as well as customer satisfaction. In particular, regarding environmental considerations, by 2028, we plan to operate 17 LNG-fueled new ships, while also accelerating consideration of introducing zero-emission vessels in parallel. Going forward, while responding to global environmental regulations and customer decarbonization needs, we plan to enhance loading capacity and strengthen fleet competitiveness through measures such as upsizing vessels.

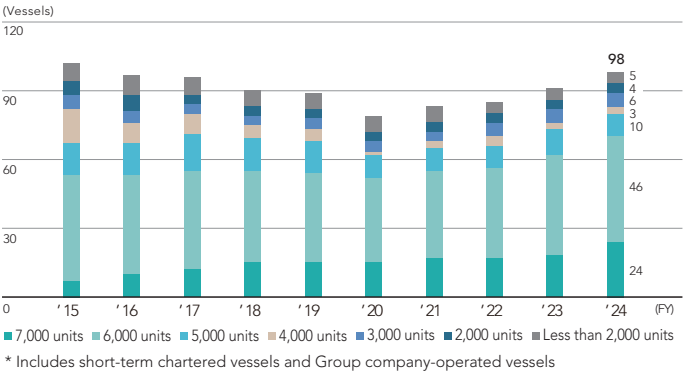
Car Carrier Fleet Ranking

(As of May 2025)

Ranking	Operator	Vessels	Vessels Share	Capacity (units)	Share of capacity
1	WWO AS	114	15.0%	779,912	16.9%
2	NYK	113	14.9%	701,006	15.2%
3	MOL	94	12.4%	570,959	12.4%
4	"K" LINE	87	11.4%	535,175	11.6%
5	GLOVIS	78	10.3%	516,240	11.2%
6	GRIMALDI	58	7.6%	284,668	6.2%
7	HOEGH	41	5.4%	292,615	6.3%
8	COSCO	19	2.5%	125,180	2.7%
9	ZIM	16	2.1%	81,340	1.8%
10	TOYOFUJI	14	1.8%	62,860	1.4%
	Others	126	16.6%	665,023	14.4%
	Total	760	100%	4,614,978	100%

Based on Hoesung Shipping "AS Year Report"

"K" LINE Car Carrier Fleet



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Product Logistics

Logistics and Port Business



Keiji Kubo

Senior Managing Corporate Officer
Responsible for Product
Logistics Business Unit (Logistics,
Port, Short Sea and Coastal
Business and Affiliated Business),
Containerships Business Unit



Hofu Steel Center
(Image provided by: Seagate Corporation)



Electric Tugboat
(Image provided by: Daito Corporation)

Overview of Fiscal 2024

In the international logistics business, in the forwarding operation, revenue increased year on year due to the recovery of semiconductor cargo volumes, which had declined in the previous fiscal year, as well as higher shipping freight rates driven by the normalization of the Cape of Good Hope route and concerns about strikes on the U.S. East Coast.

In the automobile logistics business, new car sales volumes, which affect volumes handled at Australian ports, remained high, and the impact of reduced port calls due to quarantine issues that had persisted since the second quarter improved, resulting in a recovery of volumes handled beginning in early 2025.

In the domestic logistics and port business, total handling volume across our five major domestic container terminals remained stable, exceeding the level of the same period of the previous year.

In the tugboat business, the number of operations for containerships and car carriers remained firm, and warehouse business volumes also continued at stable levels.

Market Environment and Future Strategy

In the international logistics business, through the holding company jointly established with Kamigumi Co., Ltd. on April 1, 2025, we will leverage the abundant logistics know-how and sales assets of both companies. We aim to strengthen the functions of contract logistics, not only in "K" Line Logistics' forwarding business, and provide high-quality, diverse logistics services, aiming for further growth.

In the tugboat and warehouse businesses, we are working to continue improving profitability and expanding our customer base. We also plan to build and deploy electric tugboats at Yokohama Port, in line with environmental considerations.

In the domestic logistics and port business, we are preparing to move the container terminal at Kobe Port from Rokko Island to Port Island to enhance profitability and accommodate larger vessels.

Strengths

- Offering optimal solutions for the changing logistics needs of our customers around the world by leveraging our global network and abundant knowledge and experience.
- Moving the container terminal at Kobe Port from Rokko Island to Port Island, which can accommodate larger vessels.
- Introduction of fuel-efficient near-zero-emission rubber-tired gantry cranes (RTGs) at the Tokyo Port container terminal.

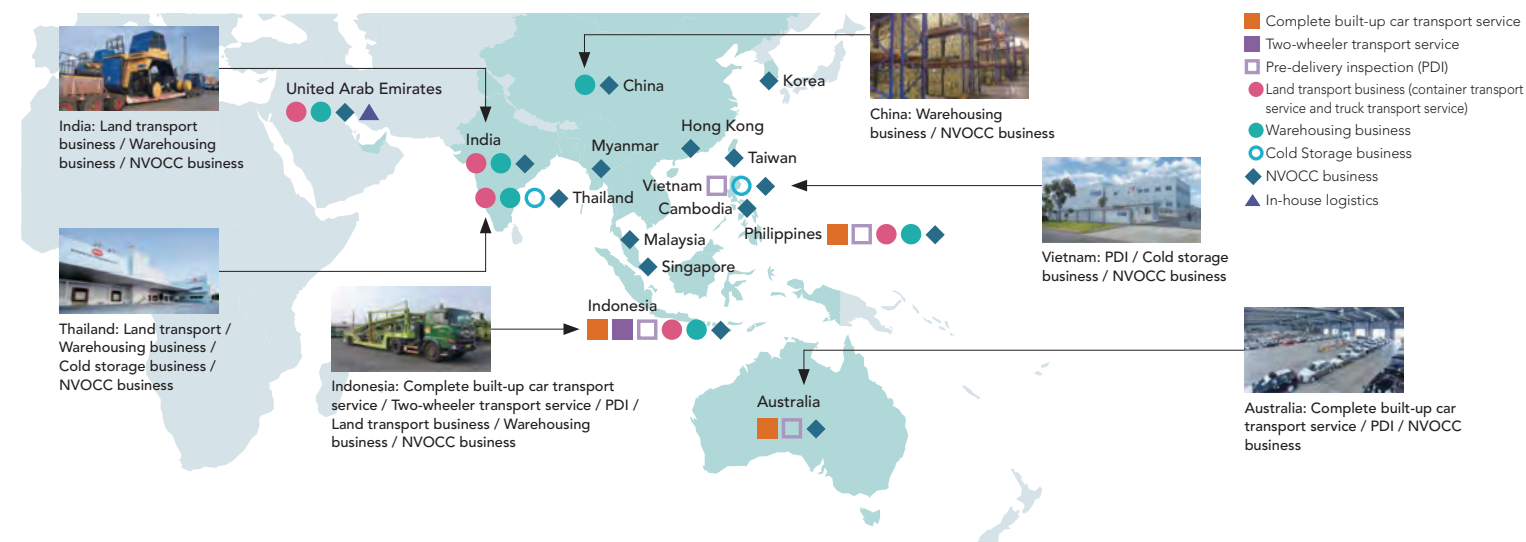
Risks

- Cost increases due to environmental measures requested by society and the passing of these costs.
- Performance fluctuations caused by supply chain disruptions due to instability in regions like the Gulf of Aden or U.S. tariff policies.
- Changes in behavior of export/import companies due to prolonged inflation and yen depreciation, and economic downturn.

Opportunities

- Entry into new logistics businesses related to carbon neutrality, such as offshore wind power generation.
- Modal shift of domestic logistics cargo to coastal shipping triggered by the "2024 problem."
- Increased demand in the automobile logistics business, driven by growth in emerging markets and expansion of the electric vehicle market.

"K" LINE Group's Locally Oriented Comprehensive Logistics Services in Asia



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Product Logistics

Short Sea and Coastal Business



Keiji Kubo

Senior Managing Corporate Officer
Responsible for Product
Logistics Business Unit (Logistics,
Port, Short Sea and Coastal
Business and Affiliated Business),
Containerships Business Unit



RORO vessel operated by Kawasaki Kinkai Kisen Kaisha, Ltd.
HOKKAIDO MARU



Ferry operated by Kawasaki Kinkai Kisen Kaisha, Ltd.
SILVER TIARA

Strengths

- Proactive initiatives in renewable energy, including maritime transport of biomass fuel as well as investment in biomass power plants.
- A structure capable of responding to diverse transport needs and modes, from international and short-sea to coastal shipping.
- Stable earnings secured through competitive ferry routes and liner and tramp services based on close customer relationships.
- Customer contact through B-to-C via ferry transport.
- Active initiatives addressing the demands arising from offshore wind power generation and offshore support vessel (OSV) operations.

Risks

- In the short sea business, we will continue to properly manage exposure to respond to market fluctuations, while also working on improving operational efficiency and cost reduction.
- In the coastal business, continued efforts are required to address changes in transport modes and shortage of crew members driven by changes in domestic industrial structure, labor shortages, and population decline.
- Appropriate responses are required to address decrease in transport demand for key cargoes such as thermal power plants and steel manufacturers' transition to electric arc furnaces, in line with customer decarbonization and environmental considerations.
- In the OSV business, while delays in the commercialization of offshore wind power generation are expected, we will engage broadly in surrounding businesses.

Opportunities

- In the short sea business, we will continue to maintain an appropriate scaled fleet in response to biomass fuel transport demand trends, while also expanding business areas in line with changes in transport demand driven by environmental measures and global affairs.
- In the coastal business, we will respond to new transport demand driven by strengthened environmental regulations and stricter working hour regulations for truck drivers, as well as increases in parcel deliveries from the expansion of the e-commerce market and customer environmental considerations.

Overview of Fiscal 2024

In the short sea business, steel transport volumes exceeded the previous year due to the acquisition of new contracts. Biomass fuel transport volumes increased significantly due to rising demand for wood pellets associated with the commencement of operations at large-scale power plants. On the other hand, although bulk transport volumes declined, overall short sea transport volumes increased.

In the coastal business of ferry transport, truck volumes declined year on year, but passenger car and passenger transport remained firm at the previous year's level. On our liner shipping route to Kushiro, transport volumes increased year on year due to a good harvest. On our Tomakomai route, transport volumes also increased year on year due to redevelopment projects and frozen food cargoes. On our Kyushu route, transport volumes declined due to a reduction in the number of sailings, but utilization improved due to securing cargo on sailings departing from Oita. Tramp shipping volumes increased year on year.

In the OSV business, the number of rescue and spot marine survey support projects declined, resulting in lower utilization year on year.

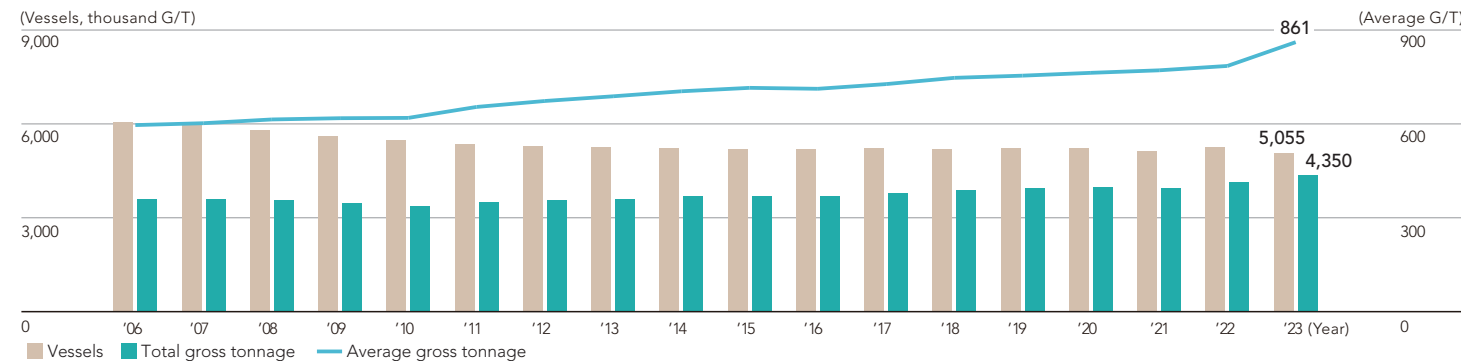
Market Environment and Future Strategy

In the short sea business, despite risks of market fluctuations depending on global affairs, we expect to secure stable earnings backed by long-term contracts for biomass fuel transport, with transport volumes exceeding the previous year.

In the coastal business, ferry transport volumes are expected to be on par with the previous year. For our liner shipping route to Kushiro and Tomakomai, while the downward trend in paper-related cargo volumes continues, we aim to improve earnings by securing redevelopment-related and frozen food cargoes, raising freight rates, and improving load ratios. In tramp shipping, while demand for steel-related cargo is expected to remain sluggish, overall transport volumes are expected to be on par with the previous year.

In the OSV business, through Offshore Operation Co., Ltd. and "K" Line Wind Service, Ltd. (KWS), we will continue efforts to secure new projects and earnings.

Number of Domestic Vessels and Upsizing of Ships



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

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Product Logistics

Containership Business



Keiji Kubo

Senior Managing Corporate Officer
Responsible for Product
Logistics Business Unit (Logistics,
Port, Short Sea and Coastal
Business and Affiliated Business),
Containerships Business Unit



Container Ship ONE HANOI



Container Ship ONE MINATO

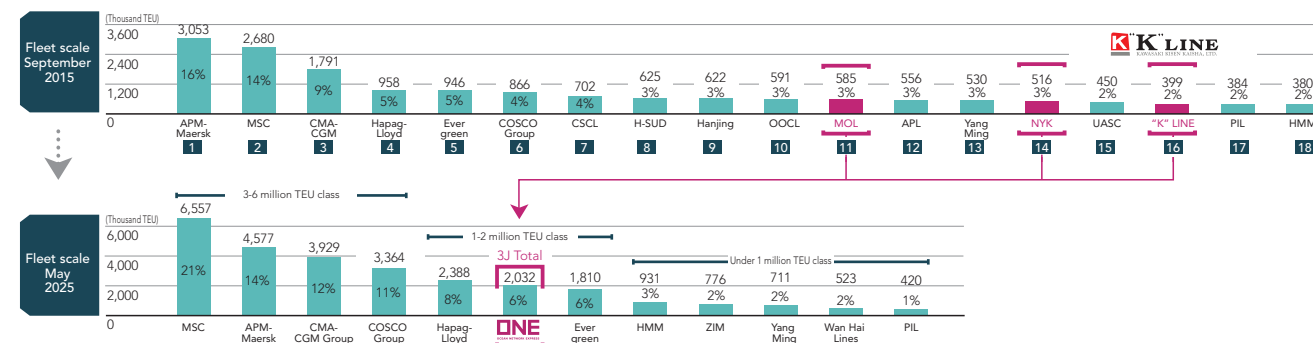
Overview of Fiscal 2024

In 2024, the business environment for OCEAN NETWORK EXPRESS PTE. LTD (ONE) saw freight rates decline after the Lunar New Year due to delayed recovery in demand and a sense of vessel oversupply. However, robust cargo movements throughout the year supported stable freight market conditions. In the first half, strong consumer demand driven by steady personal consumption in North America and recovery in consumption in Europe, supported by easing inflation, combined with rerouting around the Cape of Good Hope in response to Middle East instability and worsening port congestion, tightened vessel supply-demand balance and boosted short-term freight rates. In the third quarter, as consumption slowed and demand decreased with the arrival of the slack season, along with increased supply pressure from new vessel deliveries, short-term freight rates remained low, and this declining trend continued through the fourth quarter, further affected by the Lunar New Year in Asia. By flexibly managing vessel capacity and transport equipment in line with cargo movements, ONE worked to maximize operational efficiency, achieving significant year-on-year increases in both revenue and profit.

Market Environment and Future Strategy

Within just five years since its establishment, ONE has achieved world-class profitability, and in March 2024, announced its medium-term management plan ONE2030 as Phase 2 of its growth strategy toward becoming one of the world's leading container shipping companies. This plan is built on five pillars: Green Strategy, Digital Strategy, Talent Strategy, Financial Strategy, and Global Strategy, aiming to achieve sustainable growth. Currently, geopolitical risks, including U.S. tariff policies, the worsening situation in the Red Sea, and the prolonged war in Ukraine, as well as the impact of large-scale completion of new ships, are creating uncertainty in the market. ONE will continue to closely monitor changes in the environment, ensuring agile and efficient operations while supporting customers' transport needs. As a shareholder, we will continue to support and strengthen ONE's business, playing a crucial role in stabilizing our earnings base. We will continue to strengthen our support for ONE's business through management with a focus on capital efficiency, financing, and ROE, as well as through talent development and governance enhancements.

Change in Number of Containerships by Company and Capacity Scale



Source: Compiled by "K" LINE, based on Alphaliner

Strengths

- Extensive and global customer network.
- Stable and reliable services delivered through an extensive route network.
- Provision of high-quality, competitive services capable of responding quickly to changes in the trade environment.
- Diverse values, knowledge, and know-how of the three Japanese shipping companies brought together in ONE.

Risks

- Impact on international trade from the worsening situation in the Red Sea and the prolonged war in Ukraine.
- Impact on the global economy of U.S. tariff policies under the new administration.
- Slowdown in China's economy and the impact of tariff increases due to U.S.-China trade friction.
- Increase in vessel supply due to the large-scale completion of new ships.
- Potential supply chain disruptions due to labor disputes on the U.S. East Coast and in Europe.

Opportunities

- Business opportunities in economically developing regions such as India, South America, Africa, and Asia.
- Matching customer needs with advanced initiatives towards achieving net-zero decarbonization.
- Further operational efficiency through the promotion of digitalization.
- Opportunities to build value chains supporting the containership business, such as container terminals.

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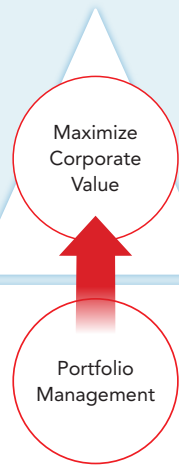
How will we strengthen our functional strategies and HR & organization?

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 our growth strategy with emissions reduction and decarbonization as business opportunities

Growth strategy using emissions reduction and decarbonization as opportunities



Background and Key Points

The environmental goals of society and "K" LINE along with 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 our growth strategy with portfolio management and functional strategy

Section 5

How will we strengthen our functional strategies and HR & organization?

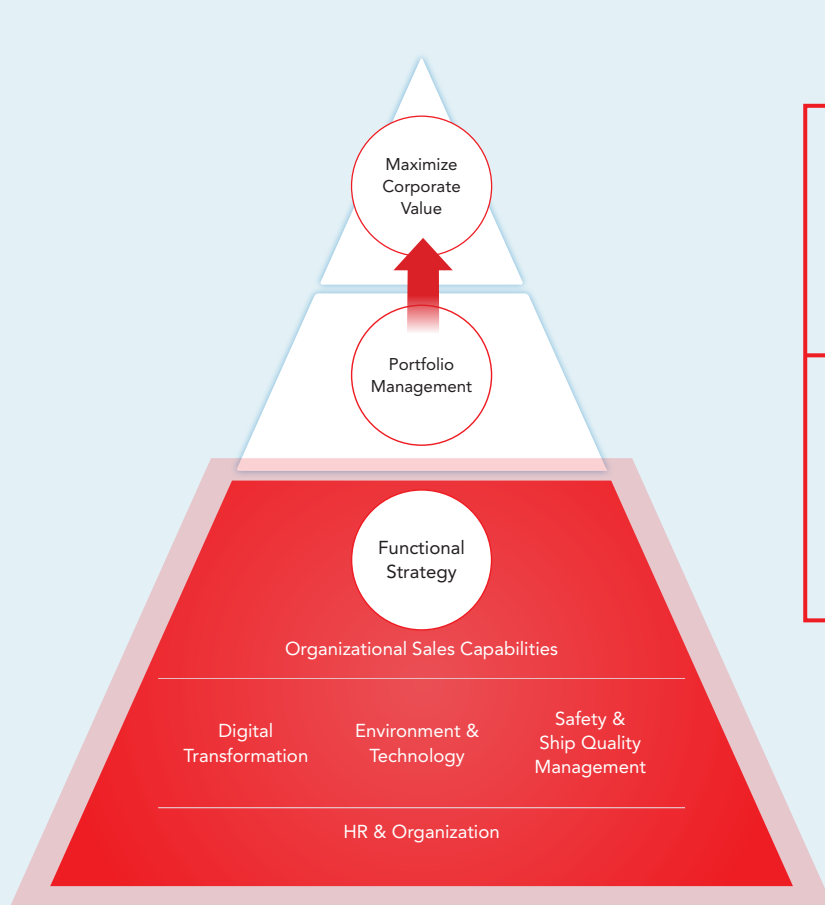
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Functional Strategy

3 Functions + HR & Organization policies

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



We integrate environmental measures and technological advancement initiatives into a unified strategy

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



We pursue overall optimization of our maritime and marine engineering organizations, while strengthening the recruitment and development of talented seafarers and marine professionals who support the organizations

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



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

We strengthen our own competitiveness while creating added value for customers



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

We strengthen and secure our capabilities and resources to be chosen by customers and partners

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Promotion of Innovation

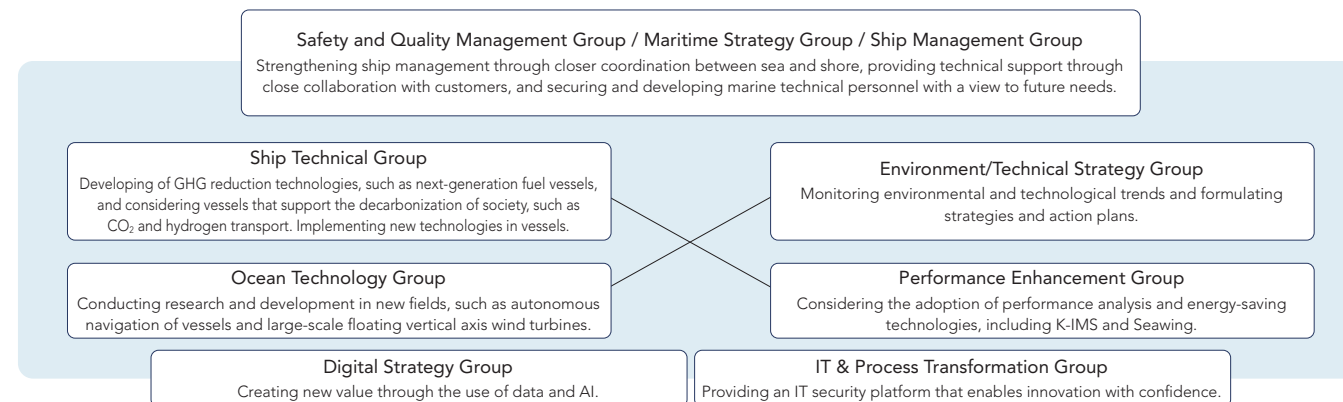
The "K" LINE Group is strengthening three key functions: Safety & Ship Quality Management, Enhancement of Environment & Technology, and Digital Transformation, and integrating them with our businesses to expand the areas where these functions can be applied. In Safety & Ship Quality Management, we are further enhancing our high level of maritime and technical expertise through the recruitment, development, and reinforcement of seafarers. By refining these maritime and technical capabilities, we will expand into areas such as operating environmentally friendly vessels and handling high-difficulty cargoes, including new fuels. In Enhancement of Environment & Technology, while thoroughly working to reduce energy consumption, we are introducing LNG-fueled vessels and are now studying the introduction of next-generation zero-emission vessels following LNG. We anticipate that demand for decarbonization from society and customers will continue to increase over the long term. By contributing to the development of new fuel supply chains, we aim to provide the added value that our customers seek. In digital transformation (DX), we are pursuing added value creation by advancing both the use of data unique to the shipping industry—such as for vessel operations and cargo stowage—and GHG reduction management. Furthermore, by fully promoting digitalization and efficiency through the use of AI and other tools, we aim to expand and create new business value, enhance competitiveness, and further advance data-driven management.

Promotion System

To achieve sustainable business growth, "K" LINE is strengthening three functions: Safety & Ship Quality Management, Enhancement of Environment & Technology, and Digital Transformation. In Enhancement of Environment & Technology, the Environment/Technical Strategy Group, Ship Technical Group, Ocean Technology Group, and Performance Enhancement Group are taking the lead in research, development, and operations. The Environment/Technical Strategy Group monitors trends in environmental and technological fields and refines our strategies accordingly. The Ship Technical Group is engaged in research and development of marine transportation services using alternative fuels such as ammonia and hydrogen, as well as CO₂ capture technologies. In this April, we also established the Front Engineering Team, which is developing services to support GHG reduction, such as CO₂ and hydrogen transport. The Ocean Technology Group is focusing on uncharted areas, including the development of autonomous vessels, large-scale floating vertical axis wind turbines, and building

CO₂ value chains. The Performance Enhancement Group is working to improve energy efficiency in operations using vessel operation data and AI analysis technology. These initiatives are made possible by "K" LINE's advanced maritime and technical expertise and contribute to the realization of a sustainable society. These groups work in collaboration with the Safety and Quality Management Group, Maritime Strategy Group, and Ship Management Group (responsible for Safety & Ship Quality Management), as well as the Digital Strategy Group and IT & Process Transformation Group (responsible for DX), to drive innovation that enhances corporate value. By utilizing digital technology and data analysis, we are able to improve operational efficiency and respond flexibly to customer needs, strengthening our competitiveness. We will continue to engage in the latest technology and research and development to flexibly adapt to changing market environments and achieve sustainable growth.

Contributing to the realization of a sustainable society



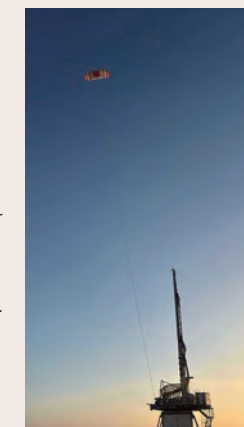
TOPICS

"Seawing" Automated Kite System

The automated kite system "Seawing" is a wind assisted propulsion system that utilizes wind force to gain traction by deploying a large kite that is attached to the bow of a vessel. Seawing aims to reduce GHG emissions associated with ship operation by capturing strong, stable winds at an altitude of about 300 meters and utilizing them for propulsion. The system is fully automated from deployment and flight management to storage of the kite after use. Another feature is the Seawing's high flexibility in terms of the types of vessels it can be installed on, which even extends to retrofitting onto existing ships.

Seawing began with onshore and ship-based trials of small kites and is currently undergoing onshore testing.

Future plans include onshore and ship-based trials with large kites, with about two years of further testing required to verify safety and towing power before commercialization.



Onshore testing

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Advancement of Environmental Technologies

Objective of the "K" LINE Group

Under our corporate principle of helping to enrich the lives of people as an integrated logistics company that focuses on marine transportation, we are taking on the mission of "Blue Seas for the Future." Together with our customers and partners, we are enhancing environmental expertise and solutions to remain a trusted partner to all stakeholders while supporting global social infrastructure. The "K" LINE Group aims to establish environmental conservation as a sustainable competitive advantage in our business, alongside earnings growth, thereby achieving sustainable growth and enhancing corporate value.

"K" LINE Environmental Vision 2050

In order to strengthen our initiatives for climate change, in November 2021, we revised the 2050 targets in the "K" LINE Environmental Vision 2050, our long-term environmental guideline. We set an even higher target for achieving net-zero greenhouse gas (GHG) emissions by 2050.

Challenge of achieving net-zero GHG emissions by 2050

🌐 "K" LINE Environmental Vision 2050: Long-Term Environmental Guidelines for 2050
<https://www.kline.co.jp/en/sustainability/environment/management.html#002>

Low-carbon and carbon-free initiatives at "K" LINE

Take on the challenge of net-zero GHG emissions
 2030 interim milestones
 Improve CO₂ emission efficiency by 50% compared with 2008

Support the shift to a low-carbon and carbon-free society

Be a transporter and supplier of new energy

Reduce "K" LINE's impact on the sea and air to zero

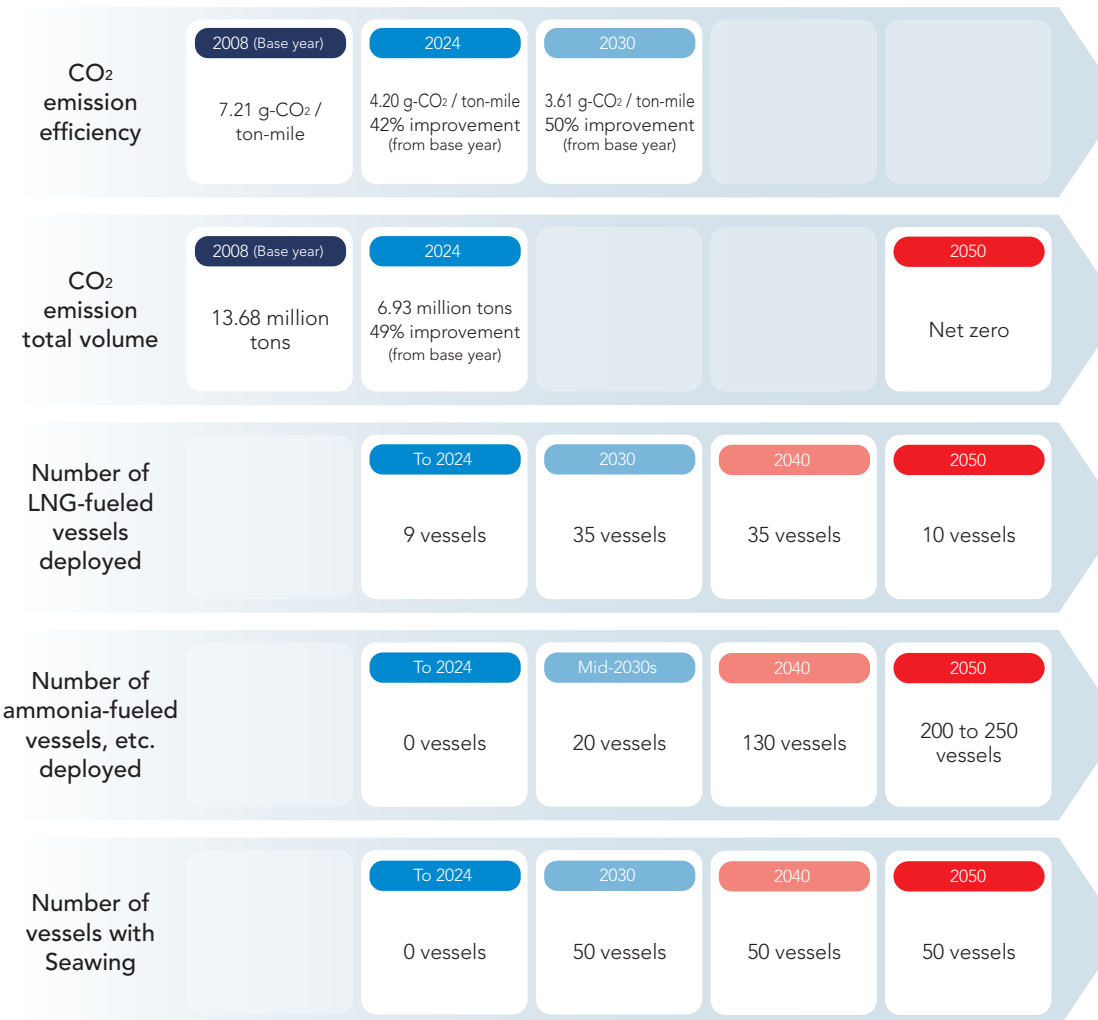
Zero oil spills

Support the environmental activities of society

Be the industry leader in ecosystem protection

"K" LINE Low-Carbon and Carbon-Free Targets and Progress

We are examining specific issues, such as vessel fleet management, with an eye on 2050, while verifying road maps and progress toward the attainment of 2030 medium-term milestones in the "K" LINE Environmental Vision 2050.



Challenge of achieving net-zero GHG emissions by 2050

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Summary of Low-Carbon and Carbon-Free Initiatives

The "K" LINE Group is taking steps to reduce GHG emissions in order to achieve low-carbon and carbon-free itself and throughout society and will invest a total of ¥330.0 billion by 2026 to establish competitive advantages while meeting needs for low-carbon and carbon-free operations. We keep continuing to work on both pursuing new technologies and strengthening response from study and demonstration to implementation.

Low-Carbon and Carbon-Free Initiatives at "K" LINE

Use of alternative fuels

- Expanded introduction of LNG- / LPG-fueled vessels**
 - During the 2020s, we are expanding the introduction of LNG- / LPG-fueled vessels, and are planning to have approximately 35 such vessels deployed by 2030
- Introduction of zero-emission vessels, including ammonia-fueled vessels, and carbon-neutral fuels such as biofuels**
 - Planning to have approximately 20 such vessels deployed by the mid-2030s
 - Currently considering the introduction of zero-emission fuels such as ammonia / hydrogen as well as synthetic and other carbon-neutral fuels
 - Operated pilot voyage using B100 biofuel (marine biofuel made of 100% biodiesel) in May 2024
 - The LNG-fueled car carrier "OCEANUS HIGHWAY" became the first in the "K" LINE Group to operate using bio-LNG fuel in June 2025

Supporting the Shift to a Low-Carbon and Carbon-Free Society

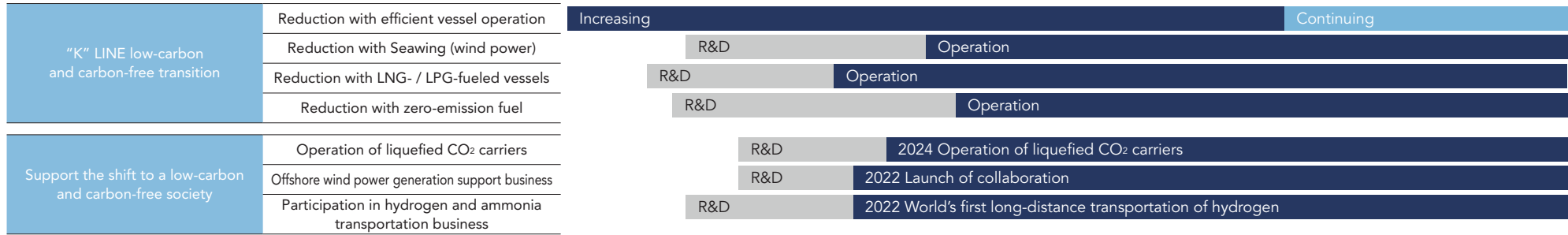
Liquefied CO₂ Transportation Business

In the field of liquefied CO₂ carriers involved in carbon dioxide capture and storage (CCS)—a concept for capturing and storing CO₂ emitted during the use of hydrocarbons excavated from under the ground—"K" LINE has signed bareboat charter contracts and time charter contracts for the world's first full-scale commercial transport for CCS that is launching in Europe (the Northern Lights project).
Northern Lights has ordered a fleet of four vessels, three of which will be managed by The "K" LINE Group. Northern Lights is dedicated to systematizing its know-how for medium-temperature, medium-pressure transportation. Additionally, we have conducted studies for constructing CCS value chains with leading domestic and international companies.

		Investment amount (2022 to 2026)		GHG emissions reduction effect	KPIs for measuring progress
"K" LINE low-carbon and carbon-free transition	Fuel conversion (use of clean energy)	LNG- / LPG-fueled vessels	¥246.5 billion	20 to 30% reduction vs. previous vessels	Number of LNG- / LPG-fueled vessels
		Zero-emission vessels		Zero emission	Number of zero-emission vessels
	Environmentally friendly equipment (use of wind power, etc.)	Seawing, etc.	¥14.0 billion	Over 10% reduction vs. previous vessels <small>Note: This depends on vessel type, speed, route and season.</small>	Number of vessels with Seawing
	Development and demonstration of environmental technology	Installation of Kawasaki-Integrated Maritime Solutions (operation efficiency)	¥3.5 billion	3 to 5% or more reduction vs. previous vessels	100%* installation of Kawasaki-Integrated Maritime Solutions on owned / medium- to long-term chartered vessels
		Hybrid EV tug boats, etc.		—	
Support the shift to a low-carbon and carbon-free society	New business that promotes low-carbon achievement	Liquefied CO ₂ transport	¥57.5 billion	—	Consider based on business characteristics (three liquefied CO ₂ vessels are confirmed for operation as of May 2025)
		Support for wind power generation installations, etc.			
Other environmental investments	—	—	¥12.5 billion	—	—

* Kawasaki-Integrated Maritime Solutions will be installed as standard on newly built vessels, and has already been installed on vessels we own that are currently in operation. To expand our fleet of vessels equipped with the system, we will continue, on an ad hoc basis, to add more ships to the list of vessels on which the system is to be installed.
Note: KPIs are based on "K" LINE's assumption on the development of related technology and infrastructure, related regulation, and economics as of today and are subject to change depending on future trends.

Road Map for "K" LINE Low-Carbon and Carbon-Free Initiatives



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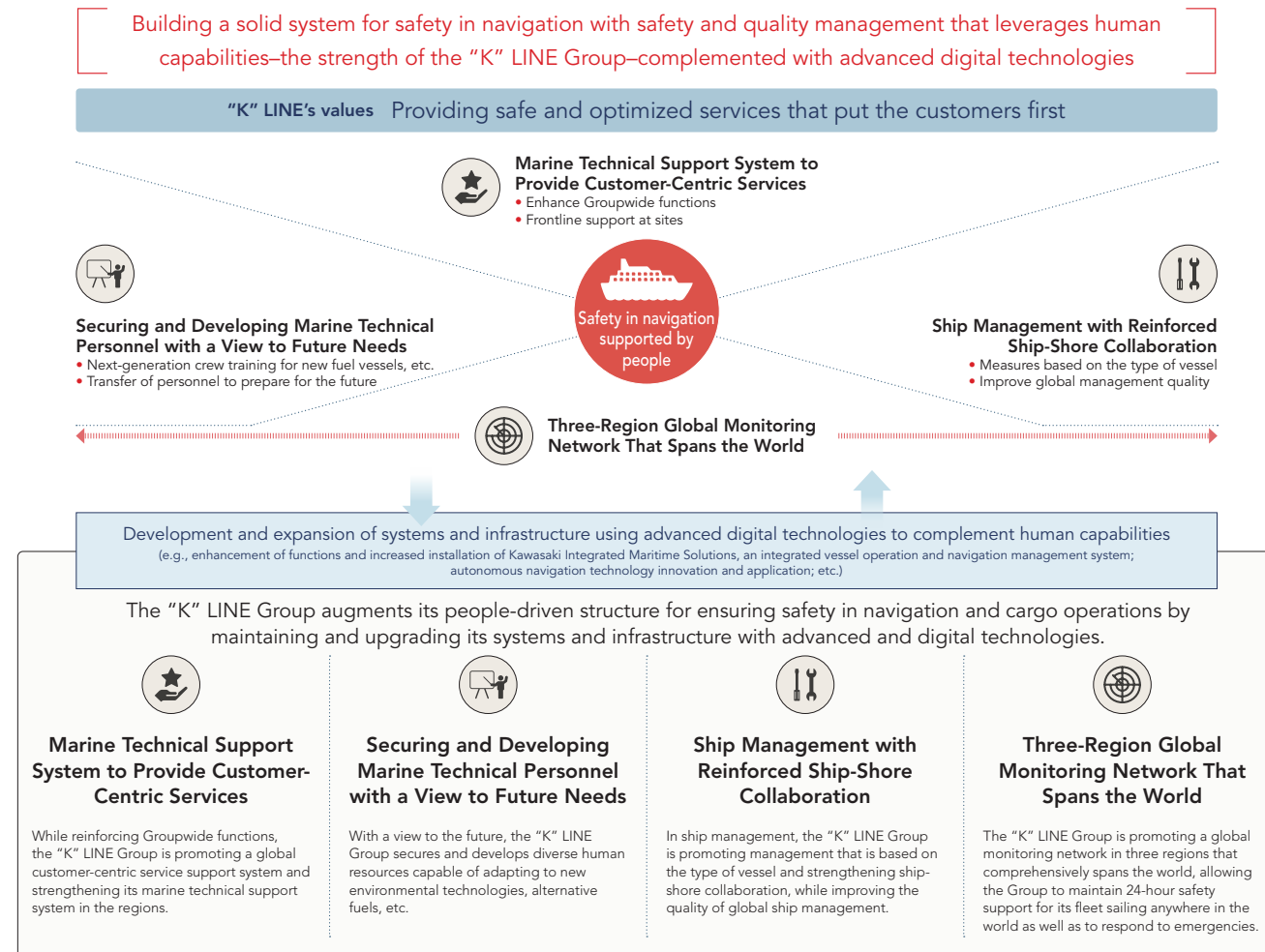
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Safety & Ship Quality Management

We believe that the most crucial factor for safety in navigation is human capabilities. To achieve safety in navigation, it is essential to leverage human capabilities by securing and developing competitive human resources, establishing a customer-oriented maritime support and creating a global safety management structure. Moreover, to enhance safety and transportation quality, it is necessary to supplement human capabilities with advanced technology which makes the experience and knowledge more visible. By strengthening our safety and quality management structure with the dual support of human capabilities and technology, we will continue to provide safe and optimal services with a customer-first approach.

Safety in Navigation and Cargo Operations Based on "Human Capabilities"



Cutting-Edge Digital Technologies That Complement the Power of People

K-Assist Project

The K-Assist Project is a technology development project related to automated ship operation. It covers support for lookout and ship navigation, as well as support for engine plant operations. The "K" LINE Group is advancing developments that will lead to their practical realization in the future by incorporating knowledge and technologies from not only the marine transportation and shipbuilding industries, but also other industries. In order to realize advanced safety and quality that the "power of people" alone cannot achieve, we are actively utilizing AI and other cutting-edge technologies while advancing IT/DX on ships.

Optimum Weather Routing System

The KAWASAKI Integrated Maritime Solutions Navigating System for Optimal Navigation, "NAVI," installed on our vessels, enhances route proposal accuracy by utilizing proprietary ship engineering models, achieving an average fuel saving effect of approximately 3%. It also provides instant route recommendations for balanced operation efficiency and safety in various situations.

Optical Fire Detection System for Vessels

In recent years, major fires resulting in total cargo loss have occurred on car carriers, rekindling the importance of detecting fires at an early stage and enabling initial firefighting efforts. We are developing a new fire detection system for vessels that applies optical technology to help minimize damage from car carrier fires. This system detects fires more quickly and accurately than conventional detectors, promoting safe vessel operations.

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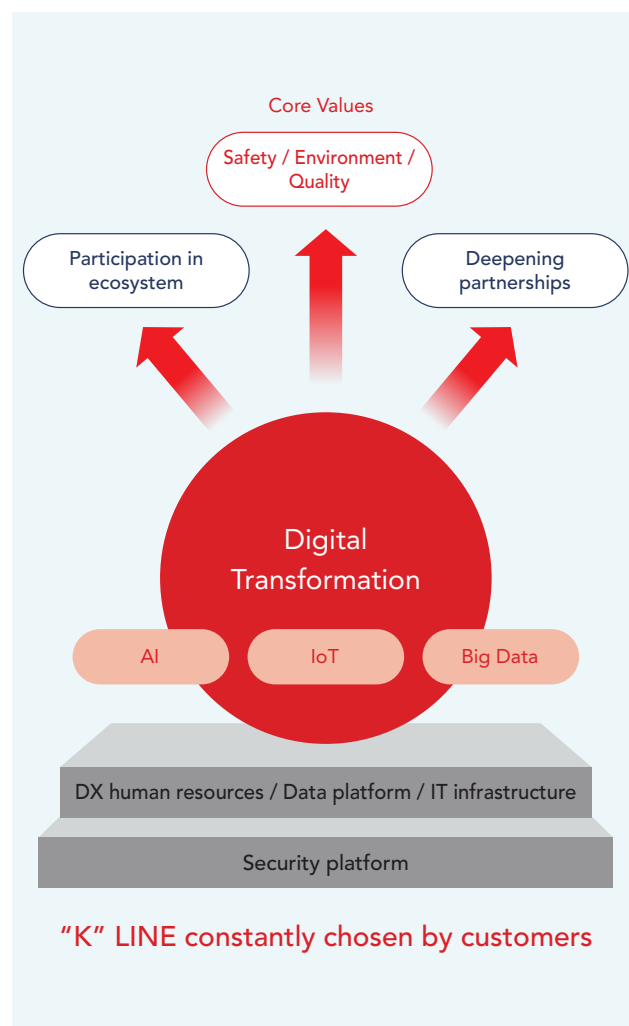
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Digital Transformation (DX)

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

Objectives through DX



Five Perspectives: Specific Initiatives

	STAGE 1	STAGE 2	STAGE 3
	Digitalization of business processes	Improvement and homogenization of service quality	Creation of new value
DX ashore	We are promoting thorough digitalization for data utilization, enhancing the visibility of information such as cargo details and CO ₂ emissions, and advancing the development of a resilient IT environment for DX initiatives.	In addition to providing support for optimal sea routing of individual vessels, we aim to improve the customer experience through more advanced and homogeneous quality in services by leveraging digital technology, while promoting low-carbon and carbon-free efforts by optimizing vessel allocation across the entire fleet.	We aim to further deepen customer partnerships by acquiring the flexibility to respond to customer demands and social needs, while utilizing data and digital technologies to create and deliver new value that did not previously exist.
	Digitalization of vessels	Establishment of DX at sea	System advancement
DX at sea	We are advancing digitalization of onboard operations and the collection and utilization of vessel data not only to improve operational efficiency on board and reduce the burden on crew members but also as a basis for generating new added value and improved transportation quality.	With the goal of establishing autonomous control technology, we are further improving safety in navigation by using cutting-edge technologies, such as sensing technology, digital twins, and ship AI. We are also working on creating an environment where advanced data analysis can be performed onboard as well.	We aim to create autonomous vessels in the future while reducing the burden on crew members and maintaining safety in navigation by integrating accumulated expertise in safety in navigation over the years with advanced digital technologies, such as failure prediction and diagnostic technologies.
	Standardization of business processes and development of data utilization platform	Internal and external system linkage and data-driven decision-making	Participation in cross-organizational ecosystem
DX of data	We are completing the digitalization of business operations based on data utilization while also promoting the development and utilization of a data integration platform, leveraging the latest technologies such as generative AI.	We aim to establish a system that enables data-driven, rapid decision-making, from management to the front lines, by building a framework for acquiring, analyzing, and utilizing not only our own data but also open-source data and data from other companies.	The "K" LINE Group aims to further deepen partnerships and create new value for society and the maritime industry by participating in a cross-organizational ecosystem that connects various internal and external partners and customers through inter-company data collaboration and utilization.
	DX human resources development	DX promotion system	Group and partnerships
DX of human resources	"K" LINE is implementing a digital talent training program aimed at acquiring the skills and knowledge necessary for DX talent in our shipping company. We have also launched programs for managers.	We promote DX through a three-pronged approach: a top-down, cross-organizational DX leadership structure driven by executives; manager-led digital strategy sessions; and bottom-up initiatives that originate from frontline staff.	"K" LINE is accelerating DX by sharing best practices and expertise across the Group. For expertise not available within the Group, we are actively collaborating with external partners.
	Organization	Technology	People and culture
Security that supports DX	We have updated the security roadmap established in 2021 and formulated a Security Roadmap 2.0. Security measures need to be implemented not just within the Company but the Group. We have therefore clarified responsibilities and roles across the Group and are building a security system that can respond accurately to cyber incidents.	We are introducing measures that incorporate the latest technologies, including enhanced security for endpoints such as PCs and servers, as well as communication networks. This includes implementing multi-factor authentication and monitoring systems, as well as introducing risk mitigation measures to enhance server security.	We are advancing global cybersecurity incident response training and other initiatives. Through security training and awareness activities, we are fostering a security-first culture and promoting DX under a safe, secure, stable, and resilient IT foundation.

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Message from the CHRO

Human Resource Strategy Supporting Core Business and Functional Strategies.
"K" LINE promotes the active participation of diverse personnel to achieve sustainable growth.

Shinya Tamaki

Managing Corporate Officer
 Responsible for General Affairs, Human Resources,
 Legal, Corporate Legal Risk & Compliance Unit, In
 charge of Human Resources, CHRO

The shipping industry is undergoing significant changes, including sudden shifts in social conditions, advancements in technology, and progress toward decarbonization. In these circumstances, the most important foundation for "K" LINE to pioneer the future and achieve sustainable growth lies in its people. The passion and challenge of each employee is our driving force.

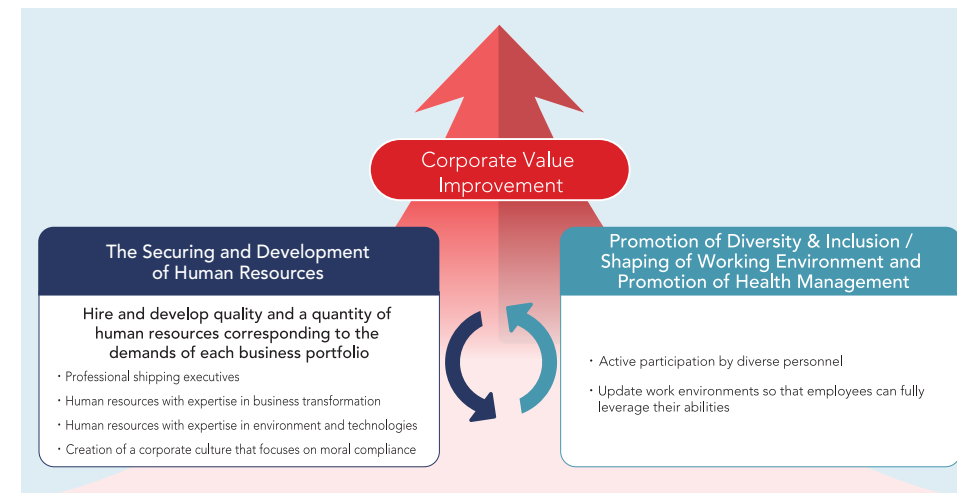
Implementing the business portfolio and functional strategies set forth in our medium-term management plan requires support through the power of people. Accordingly, we are strengthening development measures to maximize and grow each individual's potential. We view employee health as the foundation for all our initiatives and are promoting health management while also focusing on creating a highly psychologically safe environment where employees can take on challenges with confidence and fully demonstrate their abilities. Employees who think independently, take on challenges with creative ideas, and create new value through mutual cooperation—this corporate culture is the source of our competitiveness. We believe that nurturing this spirit fosters a connection between individual growth and organizational growth. We also believe that by accepting diverse values and respecting each other, everyone can fully demonstrate their abilities, thereby enhancing the creativity and competitiveness of the entire organization. Regardless of gender, nationality, age, or experience, we provide opportunities for all employees to maximize their individuality and play an active role in building the foundation for creating new values.

Due to the characteristics of the shipping business, such as the balance of supply and demand in the market, price fluctuation cycles, the period from ordering new vessels to delivery, and vessel service life, a medium- to long-term perspective is essential. To ensure our organization can achieve this, we emphasize carefully engaging with each employee and developing human resources with this medium- to long-term perspective. We provide training and development programs tailored to individual career plans, offering support at each stage of growth. Particularly for onshore employees, we recognize the importance of understanding the field of work. We emphasize not only office work, but also experiencing firsthand the environments and challenges faced in the field. That is why we were quick to resume onboard training, which had been temporarily suspended during the pandemic. By experiencing shipboard operations, being immersed in the workplace atmosphere,

and directly hearing employees' voices, we believe that connecting awareness between the field and headquarters enables more effective human resource development.

Precisely because this is an era of rapid change, we will never hesitate to place our investment in our people. The growth of each individual employee leads to the development of the Company, and further to sustainable contributions to society. "K" LINE will continue to support the growth of its employees and remain a company that creates the future together with them.

Overview



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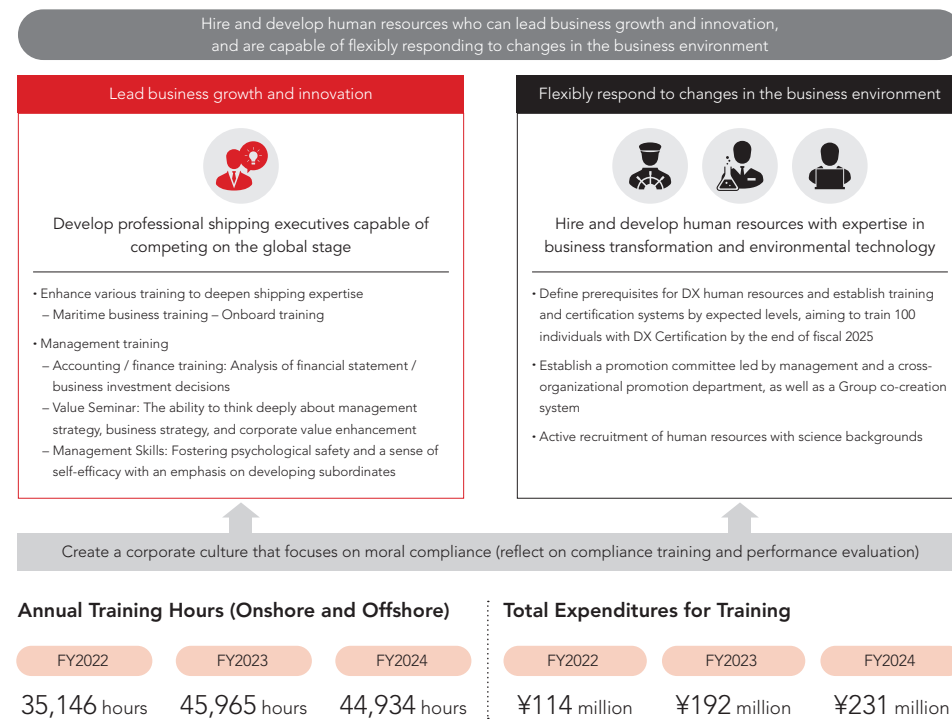
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HR & Organization

The Securing and Development of Human Resources

As a globally trusted company, "K" LINE engages in the quantitative and qualitative acquisition and development of human resources in line with the needs of each business portfolio, as set forth in its medium-term management plan to improve corporate value, social value, and economic value. In terms of talent acquisition, we hire mid-career professionals throughout the year in addition to recruiting new college graduates. The personnel we hire are assigned to the three core growth-driving businesses and are also evenly distributed to the corporate divisions that support our business foundation. We approach personnel training from two perspectives: nurturing professional shipping executives who will lead the sustainable growth and transformation of the business while valuing a culture that emphasizes morals and compliance, and developing business transformation personnel as well as environmental and engineering talent who can flexibly respond to changes in the business environment.



[See website for details]
https://www.kline.co.jp/en/sustainability/social/human_resource.html#003

Shaping of Working Environment and Promotion of Health Management

Philosophy and Policy

As a logistics company rooted in the shipping industry, the "K" LINE Group engages in business activities based on its corporate principle of helping make the lives of people more affluent. The provision of safe and optimal services is essential to fulfilling this corporate principle, and this in turn cannot be possible unless individuals involved in the business maintain their physical and mental health and maximize their capabilities at all times. In addition, under the Respect for Human Rights, outlined in the Charter of Conduct for the "K" LINE Group, which is the code of conduct observed across the entire Group, it stipulates that "The "K" LINE Group will consistently respect the human rights of all stakeholders involved in its business activities. The "K" LINE Group will strive to develop and improve safe and pleasant work environment for its employees to provide them with comfortable and affluent lives." Adhering to our morals and complying with laws and regulations are essential to realizing these goals, so we have incorporated them into our personnel training and evaluation systems, with the intention of cultivating a culture that prioritizes morality and compliance.

Shaping of Working Environment

Our Actions for Enabling Work–Life Balance

We have been very successful in establishing an excellent relationship with our labor union, and we are jointly seeking opportunities to realize a better work environment and implement measures to enable a work–life balance. In addition to infertility treatment leave, maternity leave, and childcare leave, we have introduced childcare leave for fathers, enabling them to take leave of up to 10 consecutive working days to care for their children. Furthermore, we have established various systems, such as teleworking, shorter working hours, and flextime, to promote our employees' work–life balance.

Examples of support systems implemented by the Company

Flexible workstyle

- Flexible working hours
- Reduced working-hour program
- Teleworking system

Support for life events

- Administrative leave for accompanying a spouse on an overseas or domestic assignment
- Childcare leave for fathers
- Leave for advanced infertility treatment
- Refreshment leave

[See website for details]
https://www.kline.co.jp/en/sustainability/social/labor_health.html

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HR & Organization

Promotion of Health Management

- Implementation of health promotion events

To promote employee health management and raise health awareness, we regularly hold health measurement events and walking events.

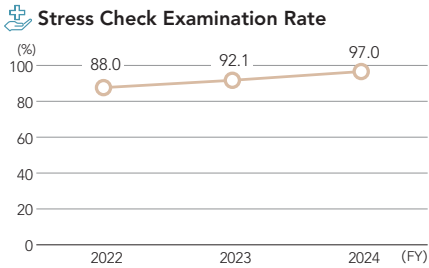
At the health measurement events, in addition to measurements such as estimated vegetable intake and vascular age, a nutrition consultation corner has been set up where participants can receive advice on health-conscious meal planning and nutrition-based consultations. By holding these events at the in-house café lounge, we also encourage employee communication, while providing participants with health-related items such as vegetable smoothies as prizes, supporting both physical and mental well-being.

The walking event is held annually for employees insured under the Kawasaki Kisen Health Insurance Society and their families. It is an initiative that allows participants to build exercise habits in a fun way, encouraging each other with friends from the Company or colleagues from the same department, and challenging themselves together with their families to achieve average step-count goals. The event is easy for everyone to join: with just one smartphone app, step counts can be measured, and those who achieve the target average step count are entered into a prize drawing. The app also offers convenient functions for health promotion, such as sleep measurement and meal recording, and we regularly provide information on these features.



- Stress check and follow-up

We conduct an annual stress check. Employees respond via a dedicated platform, where psychological stress and workload are assessed along with presenteeism (working while having a physical or mental health issue and being less productive). Employees determined to be under high stress are offered the opportunity to meet with an occupational physician. We have also established external consultation services where employees can seek advice from clinical psychologists and industrial counselors, and we provide guidance on their use. We support employees' mental health and strive to create a healthy workplace environment.



Targets for Human Resource Management

Based on the belief that maintaining both mental and physical health is essential for employees to fully exercise their abilities, we promote measures to prevent overwork and encourage employees to take leave.

At the same time, we actively engage in employee development, setting target values for training, the rate of male employees taking childcare leave, and the percentage of female managers, in order to provide an environment where all employees can thrive.

Average Monthly Overtime Working Hours

2022	2023	2024	2027 (Targets)
6.8 hours	7.4 hours	7.5 hours	Under 30 hours

At least 12 days of leave taken (including annual paid leave and up to 7 days per year of Company-provided leave in excess of statutory requirements)

2022	2023	2024	2027 (Targets)
14.7 days	15.0 days	15.4 days	12 days or more

Cumulative training cost per year (per employee)

2022	2023	2024	2025 (Targets)
¥97,000	¥171,000	¥208,000	¥322,000

Ratio of male employees taking childcare leave

2022	2023	2024	2027 (Targets)
88.5%	77.8%	81.9%	50% or more

Female employees comprising of managerial positions

2022	2023	2024	2027 (Targets)
7.35%	6.77%	7.41%	15.0%

[See website for details]
https://www.kline.co.jp/en/sustainability/social/diversity_inclusion/main/01/teaserItems1/0/linkList/0/link/Action%20Plan%20to%20Promote%20the%20Active%20Participation%20of%20Women%20and%20Support%20Raising%20of%20the%20Next%20Generation%20Children.pdf

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Promotion of Diversity & Inclusion

Onshore Initiatives

Philosophy and Policy

In addition to actively hiring mid-career professionals, "K" LINE is committed to recruiting new graduates, irrespective of nationality, educational background, gender, and job type (administrative or technical), in a bid to secure personnel with a diverse range of values. Furthermore, we are taking various measures to promote diversity and inclusion (D&I), such as encouraging men to participate in childcare; enhancing support systems for women before, during, and after maternity leave; making mid-career hiring available throughout the year; fostering and strengthening collaboration between onshore and offshore employees; and cultivating a sense of unity and integration with foreign national staff through the "K" LINE UNIVERSITY.



Nick Wawrzyniak
Assistant Manager
Vessel Operations Department
"K" Line European Sea Highway
Services GmbH

I had the pleasure to participate in "K" LINE UNIVERSITY 2024 which was under the motto "Leadership." It was a great experience to understand different perspectives and get a better understanding of "K" LINE's business worldwide with colleagues from all over the world.

The group work sessions were particularly valuable. They encouraged us to share diverse perspectives and best practices from our respective regions, leading to insightful discussions about leadership and different ways of working.

Not only the group work sessions but also the presentations from "K" LINE staff were innovative and inspiring, reinforcing our shared mission and goals. It was very interesting for me as I could learn a lot about other business units besides the car carrier sector.

Furthermore, we visited the shipyard in Toyohashi. The journey on the Shinkansen was a fantastic experience, allowing us to appreciate Japan's efficiency and modernity. At the shipyard, we could see two new "K" LINE vessels which are scheduled to be launched soon. It was the first time for me to visit a shipyard and to embark on a vessel that is still under construction, which was fascinating to see.

Last but not least, I also had a wonderful time connecting with the other participants through dinners and conversations. I can say that for me "K" LINE UNIVERSITY 2024 was a great success.



Nissa Ardiana
Department Manager
Pure Car Carrier (PCC)
" PT. "K" Line (Indonesia)

Through the "K" LINE UNIVERSITY 2024, we understood more about "K" LINE's medium-term management plan, which was shared by top management of the "K" LINE during divisions' presentations. We also recognized where we are, how we are doing, and what we can do for the Company.

From the workshop, we understood how the culture in an organization plays a key role, with its diverse values and mutual respect among members. Most importantly, creating 'great places to work', where goals are achieved, people's talents are tapped into, and everyone's contribution is valued, -is at the heart of inspirational and effective leadership.

Although the participants came from a variety of cultural backgrounds, we were bound together by the common values of the "K" LINE. It was a remarkable experience because we could connect and share the same interests with each other in such a short time. Also, everyone was so positive and captivating. I could say loudly that I am a proud to be part of "K" LINE.

Initiatives at Sea

Philosophy and Policy

"K" LINE has a long history and track record in implementing maritime human resource policies that are responsive to the times, with a special focus on D&I among international seafarer. In addition to recruiting that acknowledges and respects differences in gender, nationality, ethnicity, culture, and language, we have established crew training centers around the world to support career development aimed at achieving excellence in skills and abilities for both seafarers and maritime officers. Going forward, we will continue to enhance seafarer and maritime officer satisfaction and performance, while fostering an even stronger safety culture within "K" LINE.



Mark Anthony Mesina
Scholarship Program Manager
"K" Line Maritime Academy
Philippines, Inc.

I became a "K" LINE scholar in 2011, then joined "K" LINE as an engine cadet in 2014 and spent five formative years gaining hands-on experience aboard container vessels. In 2018, I transitioned to the "K" Line Maritime Academy Philippines (KLMAP) under the Scholarship Department, where I currently serve as the Scholarship Program Manager for Filipino Seafarers.

In this role, I oversee the recruitment, selection, and career progression of "K" Line Scholars, ensuring a steady pipeline of qualified and competent Deck and Engine Officers for our fleet. One of the most rewarding aspects of my job is leading the scholarship selection process. It allows me to meet a wide range of applicants—young individuals from various provinces and backgrounds, many of whom come from underprivileged families but share the common goal of becoming successful seafarers.

Since 1991, "K" Line has awarded over 1,250 scholarships, making a meaningful impact on countless lives. Witnessing our scholars progress from cadets to eventually becoming Masters or Chief Engineers is deeply fulfilling. I am passionate about guiding and mentoring them throughout their careers and remain committed to continually enhancing the program. My goal is to help shape the future leaders of the "K" Line fleet—skilled, disciplined, and inspired.



Captain Misa Matsuno
On secondment to
K LINE MARINE & ENERGY PTE. LTD.

I joined "K" LINE in 2008, and after shipboard service, I am now in my second shore assignment, working at K LINE MARINE & ENERGY PTE. LTD. (Singapore) on the training and retention of non-Japanese seafarers. I find great fulfillment in being able to contribute to international human resource development by making use of my previous shore experience and shipboard service.

After my first shipboard assignment, I had the opportunity to meet with a senior female seafarer and the Maritime Human Resources Group, who listened carefully to any difficulties I had during service and addressed them promptly. Through this, I learned the importance of conveying our voices to the Company. Today, the number of female seafarers has exceeded ten, and although progress is gradual, I feel that an environment in which anyone can work comfortably regardless of gender is being established. Improvements to systems and the work environment that reflect voices from the field are underway, and I hope to continue contributing to the creation of a better workplace.

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Sustainability Governance

In its Vision, the "K" LINE Group aims for sustainable growth and greater corporate value by supporting the infrastructure of the global community, as a partner trusted by all its stakeholders. To fulfill this mission, it is important to create social value by contributing to the resolution of societal issues while balancing the Company's economic value. The core philosophy of the "K" LINE Group's sustainability management is to leverage the comprehensive capabilities we have cultivated in the marine transportation industry, while working alongside our partners, to realize initiatives that balance the sustainability of the Company, society, and the environment.

Promotion System

Amid global changes in values and behavior, as well as increasing awareness of the need to reduce the burden of climate change on the environment, the "K" LINE Group considers sustainability management a priority issue for enhancing corporate value over the medium to long term and discusses the issue as necessary at Board of Directors' meetings. To strengthen our management focus on these issues, we have established the Corporate Sustainability Management Committee and the GHG Reduction Strategy Committee, chaired by the representative executive officer, president & CEO.

The Corporate Sustainability Management Committee is enhancing corporate value by reviewing and formulating a promotion system for the "K" LINE Group's sustainability management.

The general managers of each business group, who are heads of the relevant departments responsible for the material issues identified by the Group, are members of the Sustainability Sub-Committee, a subcommittee under the Corporate Sustainability Management Committee.

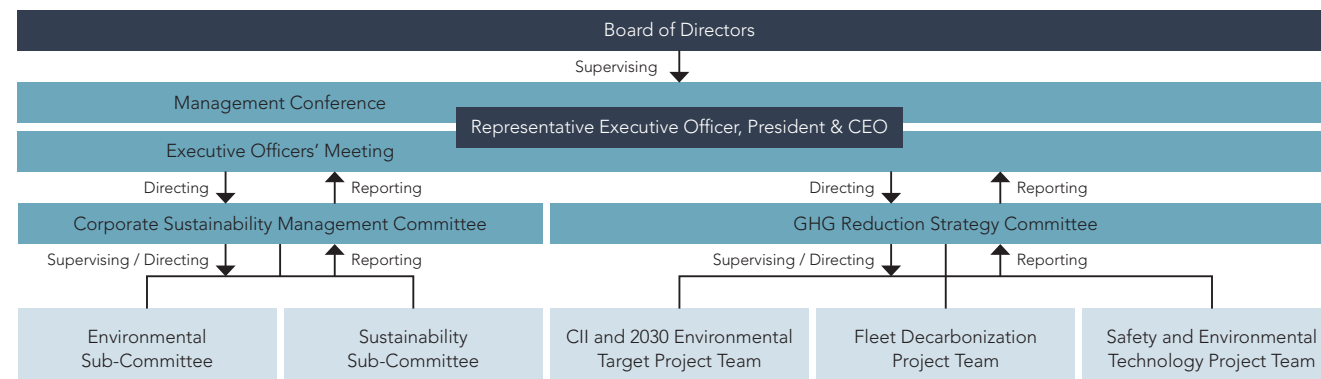
The Environmental Sub-Committee, another sub-committee, is responsible for operating the environmental management system (EMS) formulated in accordance with the "K" LINE Group Environmental Policy and the standards of the International Organization for Standardization (ISO). The subcommittee is also responsible for promoting other environment-related activities.

The GHG Reduction Strategy Committee formulates strategies for reducing GHG emissions, with a focus on fuel conversion for the Group among urgent environmental issues. It also creates and implements comprehensive response strategies, as well as policies related to adopting technologies, such as equipment selection, and preparations for smooth operations.

Under this governance structure, the "K" LINE Group advances effective sustainability management.

(FY2024 Committee Meetings)

- Corporate Sustainability Management Committee: 2 times
- Environmental Sub-Committee: 2 times
- Sustainability Sub-Committee: 2 times
- GHG Reduction Strategy Committee (Next-Generation Fuel Vessel Promotion Task Force): 12 times



Message from the Executive Officer in Charge



Yutaka Akutagawa

Senior Managing Representative Executive Officer: Responsible for CFO Unit (Corporate Planning, Research, Finance, Accounting, Corporate Sustainability, Environment Management, IR and Communication Unit), In charge of Corporate Sustainability, Environment Management, IR and Communication, CFO

For our Group, which supports the infrastructure of global society as a logistics company centered on the shipping business, confronting environmental and social issues such as climate change and contributing to the realization of a sustainable society through business activities is both a social responsibility of the Company and a growth opportunity. Our Group regards the promotion of sustainability management as one of the key issues for enhancing corporate value over the medium to long term. Centered on the Corporate Sustainability Management Committee, chaired by the representative executive officer, president & CEO, we continuously discuss and advance policies and concrete initiatives related to sustainability (environmental, social, and economic sustainability). Through these proactive initiatives toward sustainability, while creating both social and economic value, we strive to pursue growth opportunities and enhance corporate value by embodying one of the values cherished by our Group—"contributing to the global environment and a sustainable society."

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TCFD Framework-Based Information Disclosure

The “K” LINE Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2018 and adopted information disclosure activities based on the TCFD framework in 2019. In June 2020, we reviewed our “K” LINE Environmental Vision 2050, and performed a scenario analysis as proposed by the TCFD. In light of the results of this analysis, we identified issues to be addressed and revised some targets. Furthermore, in November 2021, we recognized global climate change countermeasures as an issue that must be strengthened by the entire international community, and we therefore set a higher challenge of net-zero GHG emissions by 2050. However, conditions are always changing, so to reflect the latest circumstances, we have reviewed our scenario analysis and also expanded our disclosures, with a focus on the analysis of financial impacts.

[TCFD Disclosure Link]
https://www.kline.co.jp/en/sustainability/environment/climate_change.html

Sustainability Governance

Details on Sustainability Governance are provided on page 59. ➡ P.59

Overview of Strategy

Responses to Major Risks and Opportunities

Through internal surveys and interviews with relevant departments, we organized the likelihood, time of occurrence, and financial impact of risks and opportunities related to climate change, and analyzed their degree of importance for our business. After that, we identified each risk and opportunity, considered the implications for the businesses, and determined responses.

Risks and opportunities arising from changes in policies and regulations, reputation change among stakeholders, and changes in technology			Implications for business				
Types (root causes)	Events (qualitative factors)	Specific examples (quantitative factors)	Likelihood	Timing of occurrence	Financial impacts	Degree of importance for our business	Consideration of implications for business and responses (examples)
Changes in policies and regulations	Tougher EEDI and EEXI regulations Introduction of carbon taxes and emission trading, etc.	Transition Risks: Increased carbon tax costs, increased operational costs, and increased shipbuilding costs	High	Short to medium term	Medium	High	Aim to secure environmental superiority by enhancing operational efficiency through digital transformation (DX), expanding the use of LNG-fueled vessels and marine biofuels, and exploring the deployment of alternative fuel vessels using ammonia, methanol, hydrogen, etc. Consider accounting for the costs of carbon taxes and investments in alternative fuel vessels in revenue.
Reputation change among stakeholders	Reputation among customers	Transition Risks / opportunities: Reputation change due to delayed decarbonization efforts	Medium	Short to medium term	High	High	Disclose our various advanced environmental initiatives, including efforts to reduce GHG emissions, in a timely manner in our Integrated Report and on our website to showcase our low-carbon and decarbonization efforts.
Changes in technology	Adoption of new technologies on ships	Opportunities: Demand from decarbonization-related businesses	High	Short to medium term	Medium	High	In January 2024, we established OCEANICWING S.A.S. in France. This company, which has taken over the business of Airseas following its spinoff from Airbus, is focused on further enhancing and accelerating the development and commercialization of Seawing technology. Seawing is a new technology that can be installed on any type of vessel, including retrofitting existing ships, and we are considering deploying it on every kind of vessel.
Changes in market principles	Provision of low-carbon services	Opportunities: Demand from decarbonization-related businesses, increased cargo transportation volume	High	Short to medium term	High	High	Regarding the LCO ₂ Transportation Business, we are taking part in a pilot project in Norway (contract for three vessels for Northern Lights), and two of the vessels are participating in the world's first full-scale CCS value chain project, in 2025. Build expertise and know-how, mainly in Europe.
Chronic or acute climate change including temperature rise, sea level rise, and extreme weather	Disruption of transportation routes, changes in transportation routes, load shifting or seawater exposure of cargo	Physical Risks: Increased risk of vessel damage, increased operational costs, elevated litigation risk, increased compensation payments	Low	Long term	Low	Low	Reduce risk of entering high-wave areas, ship rolling, and load shifting by using Kawasaki-Integrated Maritime Solutions / NAVI to select the optimal route based on weather and sea-condition forecasts. Currently deploying an app for predicting specific rolling motions that could cause load shifting on container ships. Introduce a fleet monitoring system to enhance management for safe operations, such as avoidance of encounters with extreme weather.

Scenario Analysis

To assess the sustainability and resilience of our management strategy with respect to the long-term and uncertain issue of climate change, we consider three scenarios: 2.4°C Scenario, 1.7°C Scenario, and 1.4°C Scenario. We assess the quantitative financial impacts of risks and opportunities stemming from climate change in the event that they should actually materialize, and consider responses to them. Additionally, for physical risks, we analyze them under a scenario with an even higher temperature rise than 2.4°C (3.0°C or more, equivalent to RCP 8.5).

Assumptions for Scenario Analysis

- 2.4°C scenario (STEPS)

This scenario assumes that measures currently being implemented to achieve the goals and objectives set by governments will remain in place, and that current policy stances will be maintained going forward (financial impact assessment: Under 2.5°C scenario).
- 1.7°C scenario (APS)

This scenario takes into account all climate-related commitments of governments, including NDCs and long-term net-zero targets, and assumes that they will be fully achieved by the deadlines that have been set, such that all countries that have pledged to attain net zero will indeed do so (financial impact assessment: Under 2.0°C scenario).
- 1.4°C scenario (NZE)

This scenario assumes that universal access to energy will be available by 2030, that air quality will be significantly improved, and that the key components of the UN's SDGs related to energy will be accomplished, such that net zero will be achieved by 2050 (financial impact assessment: Under 1.5°C scenario).

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TCFD Framework-Based Information Disclosure

Assumptions / conditions for financial impact calculation

Exchange rate To eliminate the impact of currency fluctuations across different decades and scenarios, a uniform exchange rate of 1 USD = 120 JPY was used.

Fleet plan transition Our policy is to shift to alternative fuel vessels regardless of the scenario, thus fleet transition is the same for each scenario.

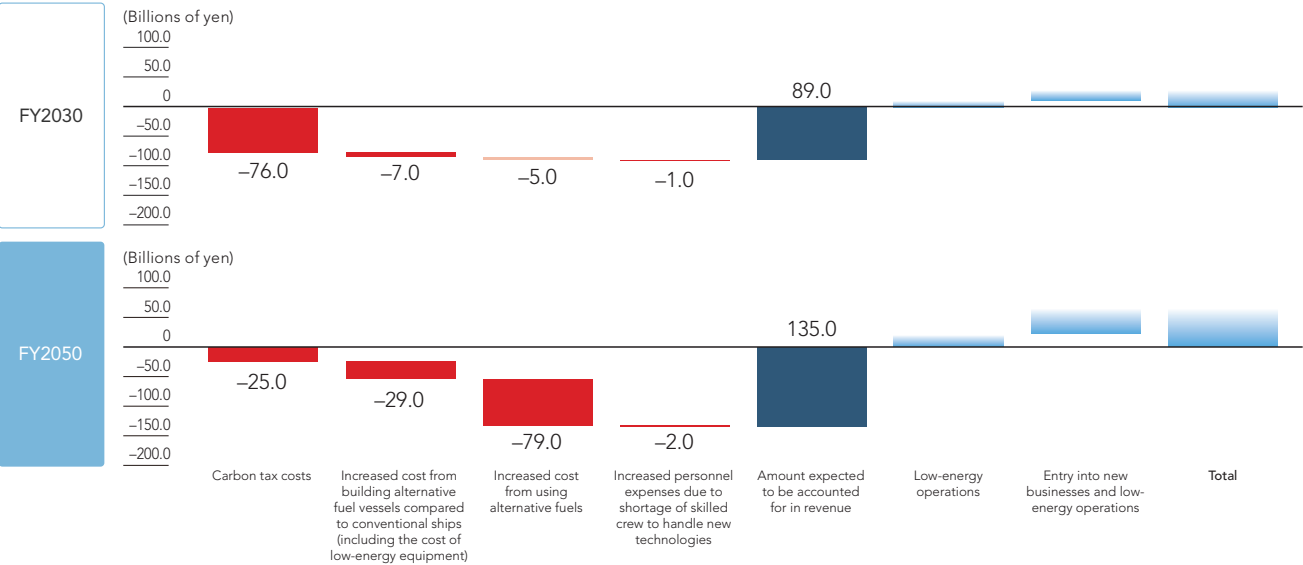
	Scenario	Unit	FY2030	FY2040	FY2050
Carbon price for each scenario	1.4°C (NZE)	USD/tCO ₂	140	205	250
	1.7°C (APS)	USD/tCO ₂	135	175	175
	2.4°C (STEPS)	USD/tCO ₂	42	67	67
	Vessel type by fuel type	Unit	FY2030	FY2040	FY2050
Fleet plan transition	FO	Vessel	187	71	4
	LNG	Vessel	35	35	10
	NH3	Vessel	14	133	234

Results of the Financial Impact Assessment

We identified the following four factors as influences. The results of our estimation of financial impacts reiterated to us that regardless of the temperature scenario, if no action is taken to reduce and eliminate carbon use, negative impacts on our Company will continuously occur over the long term. They also led us to recognize the quantitative impact of increased costs associated with low-carbon and decarbonization measures that

we will incur under every scenario, and we realized that if we are to continue to develop the Company's business and contribute to making people's lives more comfortable, we will need to get society as a whole to bear the increased costs of low-carbon and decarbonization measures that cannot be covered through in-house efforts alone by accounting for them in revenue.

Under 1.5°C Scenario



The "K" LINE Group is taking steps to reduce GHG emissions in order to achieve low-carbon and carbon-free itself and throughout society and will invest a total of ¥330.0 billion by 2026 in fuel

conversion, installation of technology such as Seawing, and transport of liquified CO₂, etc., to establish competitive advantages while meeting needs for low-carbon and carbon-free operations.

Risk Management

We recognize the impact of external changes and the various risks our operations are exposed to, and we have established a risk management system that will enable us to fulfill our corporate social responsibilities even when risks materialize.

[TCFD Disclosure Link (P.30: Risk Management)]
https://www.kline.co.jp/en/sustainability/environment/climate_change.html

Metrics and Targets

As we move closer to 2030, we will be steadily executing an action plan to achieve the medium-term milestone goals set forth in the "K" LINE Environmental Vision 2050. Our new goal for 2050 is to achieve net-zero GHG emissions.

[TCFD Disclosure Link (P.33: Metrics and Targets)]
https://www.kline.co.jp/en/sustainability/environment/climate_change.html

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TNFD Framework-Based Information Disclosure

As our business is dependent on natural capital, mainly from the ocean, not only climate change issues, but also biodiversity conservation efforts, especially in the ocean, are important themes for our business activities. Therefore, in order to assess and address environmental risks and nature-related economic impacts, we have adopted the LEAP approach based on TNFD guidance. By adopting the LEAP approach, we aim to strengthen our risk and opportunity management based on a more comprehensive understanding of climate change and natural capital related to our business, promote coexistence with nature, and proactively work towards building a sustainable future.

This disclosure has been prepared using the LEAP approach and is based on TNFD v1.0. To respond to future changes, we will continue to conduct evaluations and analyses and will consider and implement specific initiatives that contribute to biodiversity conservation.

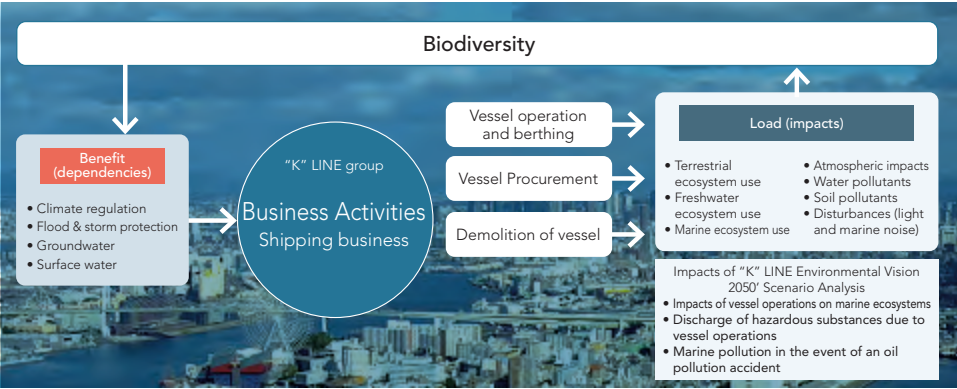
Sustainability Governance

Details on Sustainability Governance are provided on page 59. ➔ P.59

Strategy

Business Activities and Relationship with Nature

Based on the TNFD approach, the analysis focuses on "Locate" (region). Considering the characteristics of the marine transportation business, which covers all marine areas navigated by vessels, we evaluated that marine-centered biodiversity measures without specifying marine areas would be the basic response.



Steps in the LEAP Approach

Source: The TNFD Nature-Related Risk and Opportunity Management and Disclosure Framework Beta 0.4



Our steps to disclosure in accordance with the LEAP approach are as shown above. At the Scoping / Locate steps, considering the footprint of our operations and their relationship to nature, we have

identified regions for analysis in light of the importance of ecological integrity, biodiversity, and water stress (mainly the degree of marine pollution). In the Evaluate step, we used the "ENCORE" tool to analyze our dependency and impact on natural capital in these identified regions. In the Assess / Prepare steps, we identified risks and opportunities, while cross-checking our business activities with the key dependence / impact items identified in each region during the Evaluate step. We then revised our goals and strategies based on this evaluation.

* In the natural capital field, the Natural Capital Finance Alliance, an international financial industry organization, jointly developed this analytical tool for assessing dependency and impacts on nature along with UNEP-WCMC (World Conservation Monitoring Center).

Nature-related dependencies and impacts -1

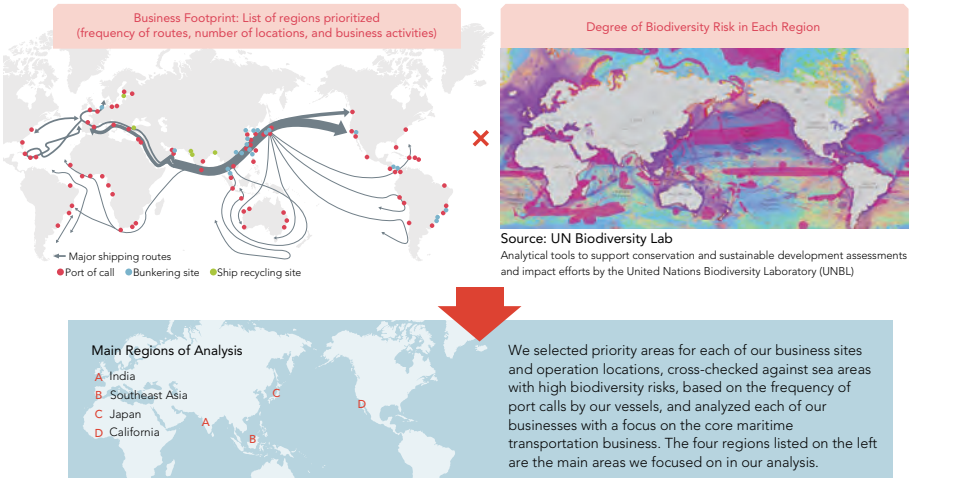
We used ENCORE to create heat maps and screen for nature-related risks and opportunities in our shipping and port operations to understand dependencies and impacts in the sector.

Heatmap on dependence and impact

Sector	Dependence (ecosystem services)							Impact (Key Factors of Impact)					
	Climate control	Protection from floods and storms	Ground water	Surface water	Water quality	Maintaining water flow	Mass stabilization and erosion control	Utilization	Pollution			Obstruction (noise, light)	Solid waste
Marine transport	H	H			L			Marine ecosystem	Freshwater ecosystem	Terrestrial ecosystem	Atmosphere	Soil	Water quality
Ports, ship recycling yards and services	M	M	L	H	L	M	M	H	H	H	H	H	H

H: High Impact M: Middle Impact L: Low Impact

Nature-related dependencies and impacts -2



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TNFD Framework-Based Information Disclosure

Analysis of nature-related risks

In the risk analysis, risks that were considered to have a significant impact were organized in terms of migration risk and physical risk.

As a result, we consolidated and identified four material issues that apply to all priority areas: oil pollution, atmospheric impacts, migration of marine organisms, and impacts on mammals.

Risk classification		Potential Risks and Impact on Business	Impact on Nature	Key Risks
Transition risk	Regulations and Laws	Vessel operations will increase GHG and SOx and NOx emissions, and stricter emissions regulations at the operator level will increase response costs.	Air pollution	Atmospheric impacts
		The discharge of ballast water and the migration of organisms attached to the bottom of the vessel could affect the marine ecosystem of the area, leading to a collapse of the ecosystem of fishery resources and affecting the local fishing industry, which could result in the need for fisheries compensation. It could also create a threat to the conservation of endangered species and could result in lawsuits from the target countries and NGOs.	Biological interference / alteration	Migration of marine organisms
		Increased emissions of SOx and NOx, which cause photochemical smog and acid rain due to vessel operations will damage the Company's social reputation among suppliers and stakeholders.	Air pollution	Atmospheric impacts
	Reputation	Vessel operations can cause collisions with whales and other marine mammals that can be physically harmful to the organisms. In addition, undersea noise can harm communication between marine organisms, cause stress, and adversely affect the ecosystem. In a worst-case scenario, if the noise causes harm or stress to marine organisms, resulting in death, the project may be sued by neighboring countries or NGOs, and public notoriety may be spread.	Disturbance (light, noise)	Effects on mammals
Physical risk	Chronic	The oil pollution associated with dismantling needs to be addressed.	Water and soil contamination	Oil pollution
	Acute	It becomes necessary to provide compensation to fishery-related businesses and neighboring countries due to the occurrence of accidents in marine transportation, which cause oil pollution and affect the marine ecosystem and reduce the catch of fishery resources.	Water and soil contamination	Oil pollution

Risk Management

Sustainability Sub-Committee reports to Corporate Sustainability Management Committee, a higher-level committee, on important matters in the LEAP evaluation. Finally, the representative executive officer, president & CEO, who chairs the Corporate Sustainability Management Committee, submits the report to the Board of Directors for Companywide management.

Metrics and Targets

"K" LINE has identified four material issues, namely oil pollution, atmospheric impacts (GHG, SOx, and NOx), migration of marine organisms, and impacts on mammals, as risks and opportunities related to its businesses that are shared across the selected regions. We have drawn up responses and targets for each of these material issues.

		Targets
Oil pollution	Impacts: Water pollution, Marine ecosystem use	Zero oil pollution accidents Reinforcement of safe operation measures, hull strengthening, human resource development, strengthening of safety measures, strengthening of green ship recycling response, etc.
	Dependence: Climate regulation Impact: Emissions to the atmosphere	Reduction and minimization of impact on the surrounding environment Promote initiatives to prevent air pollution and reduce GHG emissions: slow steaming, use of low-sulfur fuels, introduction of SOx scrubbers, introduction of NOx reduction equipment, etc.
	Impact: Marine ecosystem use	Reduction and minimization of impact on the surrounding environment Ballast water treatment system installation rate 100%, etc.
Impacts on mammals	Impacts: Marine ecosystem use, Disturbances	Reduction and minimization of impact on the surrounding environment Reducing the impacts of vessel operations on marine mammals: participation in California's vessel speed reduction (VSR) program to protect whales

We have been implementing concrete initiatives to preserve biodiversity in each region based on our environmental targets and action plans in the "K" LINE Environmental Vision 2050. Based on a comprehensive understanding of natural capital, we intend to strengthen the management of risks and opportunities through the introduction of the LEAP approach. While promoting coexistence with nature, we are stepping up our efforts to build a sustainable future. Referring to the beta version (version 4) of the framework, "K" LINE reflects in this documentation its current assessments, analysis, and information. In order to respond to future changes, we are constantly evaluating and disclosing information.

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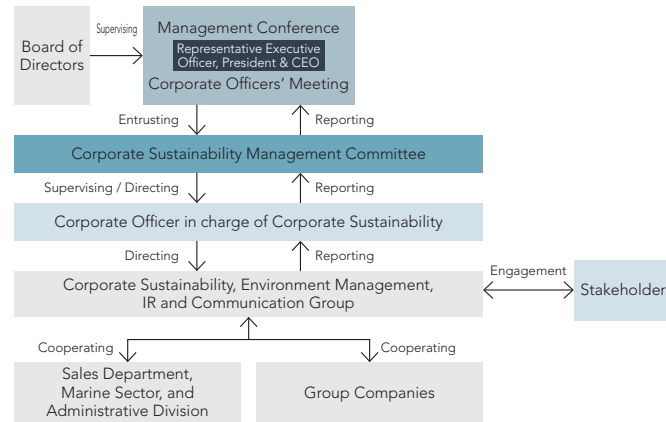
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Respect for Human Rights

The "K" LINE Group stipulates Respect for Human Rights at the start of its Charter of Conduct. The Group is a signatory of the United Nations Global Compact and has expressed its support for the principles related to human rights and labor. The "K" LINE Group Basic Policy on Human Rights was drawn up based on the United Nations' Guiding Principles on Business and Human Rights. Management is committed to conducting human rights due diligence.

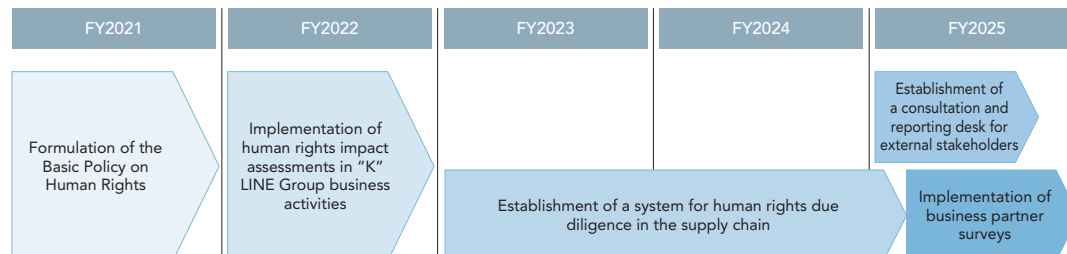
Human Rights Due Diligence System

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

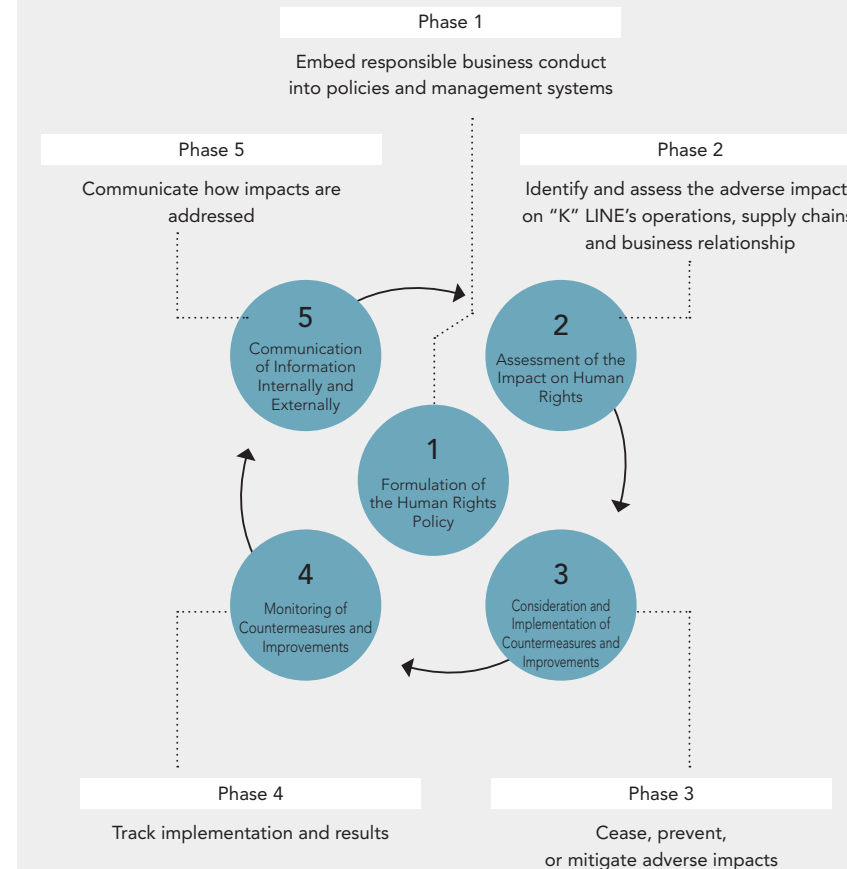


Promoting Human Rights Due Diligence

In March 2022, the Group established the "K" LINE Group Basic Policy on Human Rights and has since advanced initiatives for human rights due diligence. From FY2025, we have also set up a reporting and consultation desk on human rights for external stakeholders, and initiatives in the supply chain are going into high gear.



Big Picture of Human Rights Due Diligence



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Promotion and Reinforcement of Compliance

The Group's Compliance Management System

To provide guidance to the officers and employees of the Company and Group companies in the conduct of their day-to-day duties, we established the "K" LINE Group Global Compliance Policy, with which all officers and employees must comply. The Compliance Committee, which is chaired by the president & CEO, reviews and determines policies to ensure the compliance of the Company and Group companies as well as measures to address any compliance issues. Under the supervision of the chief compliance officer (CCO), we continue to strengthen our compliance management system throughout our organization. In addition, to prevent compliance issues in the Group's domestic and overseas operations and detect and control risks at an early stage, we have established the Hotline Desk and the Global Hotline Desk for internal reporting from officers and employees of the Company and its Group companies. We have also created a "Business Partner Consultation and Reporting Desk" to handle inquiries and reports from our business partners.

Our Efforts to Ensure Compliance with the Anti-Monopoly Act
We ensure that officers and employees comply with the Regulation for Compliance with the Anti-Monopoly Act. To promote awareness of competition laws, we implement continuous training programs and educational activities through a dedicated department. In addition, we conduct regular audits and monitor the implementation of compliance measures. With respect to contacts with competing companies, we strictly enforce rules requiring prior reporting and approval, as well as recording and storing details of each contact.

Our Efforts to Combat Bribery and Corruption
We have implemented the Regulations for Prevention of Bribery and Regulations for Gifts to actively combat bribery. Additionally, to further enhance our efforts in preventing bribery and corruption, we actively participate as a member of the Maritime Anti-Corruption Network (MACN), a global business network working toward the vision of a maritime industry free of corruption.



Our Efforts to Ensure Compliance with Economic Sanctions
In response to the increasing stringency of economic sanctions in various countries, we conduct thorough due diligence to ensure compliance with such sanctions. This includes verifying business relationships and capital ties, particularly in new transactions and dealings with high-risk countries and regions. We also use external specialist services to conduct continuous monitoring of business partners.

Our Efforts to Protect Personal Information
Recognizing the increasing global emphasis on personal information protection laws and their stricter enforcement, we have established a policy requiring all officers and employees to comply. On the technical side, we have implemented measures such as access control and enhanced monitoring systems, while also enforcing strict management of external contractors to reduce the risk of personal information leakage. We also conduct regular education and training programs for our officers and employees to raise awareness of the importance of protecting personal information.

Our Efforts to Enhance Compliance Awareness
We recognize the month of November as "Compliance Month," during which we remind ourselves of the importance of compliance. We share a message from the president to officers and employees of "K" LINE and its Group companies and host a variety of initiatives, including e-learning training on topics such as competition law and anti-corruption, compliance seminars by external lecturers, and training sessions tailored to different organizational levels.

Related data

		FY2022	FY2023	FY2024
Number of reports received via the internal reporting system*	Reports	3	7	6
	Cases	0	0	0
Cost of fines, penalties or settlements in relation to bribery and corruption	Fines, penalties or settlements (thousand yen)	0	0	0
	Number of employees dismissed for misconduct	0	0	0
Number and percentage of participants attending compliance training	Training participants (number of people)	854	902	996
	Participation rate (%)	97	99	100

* The total number of reports submitted through our internal reporting system, including those received by external specialists engaged by the Company. In FY2024, there were no reported cases that had a significant impact requiring public disclosure.

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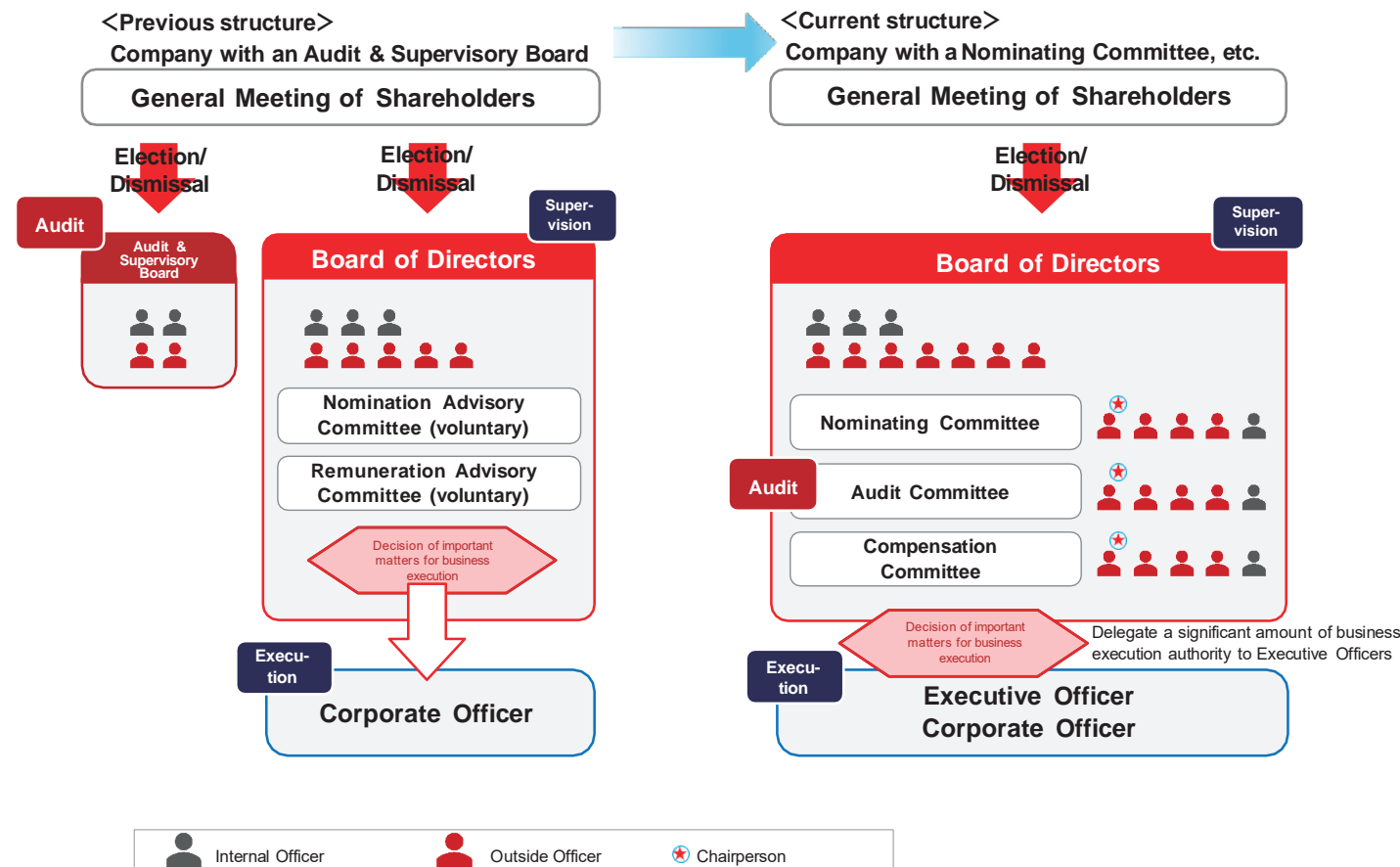
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Structure of Company with a Nominating Committee, etc.

Structure of Company with a Nominating Committee, etc.

With the approval of the Extraordinary General Meeting of Shareholders held on March 28, 2025, we transitioned to a Company with a Nominating Committee, etc. The purpose of this change is to further enhance management transparency and supervisory functions. In recent years, the business environment surrounding companies has become increasingly uncertain, and it is essential to establish a governance system that enables swift and accurate decision-making. Under the previous structure as a Company with an Audit & Supervisory Board, the Board of Directors was responsible for both business execution and supervision. By contrast, under the new structure, as a Company with a Nominating Committee, etc., the Board of Directors is responsible for determining

management policy and supervision, while business execution is delegated to executive officers, thereby clarifying the division of roles. In addition, by establishing the Nominating Committee, Audit Committee, and Compensation Committee, each of which is composed of a majority of outside directors, we ensure objectivity and fairness in the processes of nominating and dismissing directors and determining compensation, thereby strengthening governance. Through this structural change, we aim to meet the trust of all stakeholders, including shareholders, while striving for sustainable enhancement of corporate value. Going forward, as a globally operating company, we will continue to work on building a more advanced governance system.



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Messages from Outside Directors

To enhance the supervisory functions of management, "K" LINE has made the majority of the Board of Directors outside directors to ensure management transparency and to maintain and strengthen management oversight.
Current outside directors shared their candid views on their roles following the transition to a company with a Nominating Committee, etc. in March of this year, and on "K" Line's challenges and strengths toward increasing its corporate value.

Creating Value Through Core Business Accumulation and Innovation

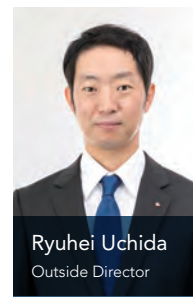


Since my appointment as outside director in June 2019, I have sought to invigorate the Company and enhance shareholder value by bringing diverse perspectives to the table. As part of the Company's transition to a company with a Nominating Committee, etc., I was appointed as chair of the Nominating Committee, so I have come to assume a significant role in management in addition to

supervising business execution. My ability to assess people is based on the experience I have built up through my career. However, human resources should be fundamentally considered as both a stock, referring to how people are combined, and a flow, referring to how people are developed. Business practices in shipping differ greatly depending on the field, so making responsible nominations requires deep human resources planning on how to foster and combine generalists and specialists. To achieve this, I intend to hold even more thorough discussions with the executive officers.

Kyoto, where I live, is also home to the longest-established businesses in all of Japan. These companies, which have survived for centuries, share the philosophy of "do not stray from the core business." A company's strength is built through the accumulation of day-to-day business. Building on those accumulated foundations, Kyoto companies have innovated within their core business: from Kiyomizu ware to ceramics, from gold and silver threads in Nishijin textiles to semiconductor substrates, from sake brewing to biotechnology, and from hanafuda (Japanese playing cards) and playing cards to game consoles. The seeds of the Company's strength will germinate in the rich soil of its accumulated shipping business expertise, but how it develop DX and GX, and what else it should do to supplement that expertise, are the vital issues it must address.

Enhancing Corporate Value Through Customer Responsiveness, Management Execution Capability, and Dialogue



I broadly divide the Company's strengths into three facets: each business divisions' customer responsiveness that earns the trust of clients, disciplined management execution with awareness of investment discipline in "K" LINE's own business, and constructive dialogue that sincerely responds to the voices of the capital markets in the Board of Directors.

Leveraging these strengths, the

Company has built ongoing cooperative relationships with customers that go beyond mere contract renewals. Patient discipline under the philosophy "restraint in times of boom and strategic investment in times of downturn," has allowed it to implement steady and intensive investment in shipping and shareholder returns in line with the policies of the medium-term management plan, unaffected by short-term market conditions or changes in the external environment. Continuing to refine these strengths is the key to building greater trust with its stakeholders.

At the same time, the corporate value cannot avoid exposure to market fluctuations. Amid heightened external uncertainty, "K" LINE must consider how to best reduce potential impacts and, in the event of a market downturn, how to make strategic investments. This is what I expect the focus to be on under the new leadership of President Igarashi. The container shipping business has a significant impact on the Company's exposure to market fluctuations. I expect the Company to actively encourage ONE from the standpoint of a shareholder to enhance its corporate value, acting as the driver of sustainable growth for the Company's overall corporate value.

Sound Governance Supported by Independence and Expertise



Outside directors in a company with a Nominating Committee, etc., play a central role in corporate governance. Specifically, they are expected to restrain arbitrary decisions by management, ensure corporate transparency and fairness, and make strategic management judgments to enhance corporate value. I feel the weight of this responsibility, and I take pride in seeing how the independence and

expertise of outside directors support the soundness of governance.

As chair of the Audit Committee, I bear responsibility for monitoring the appropriateness of internal controls and risk management systems. I will fulfill my duties by overseeing audit activities, coordinating with directors, cooperating with the internal control division and accounting auditors, and operating the committee with independence, objectivity, and expertise, to provide checks and balances in corporate governance. The Company has been entrusted by shareholders with the mission of enhancing sustainable corporate value. In this company with Committees structure, the Board of Directors will engage in strategic discussions to improve stable and sustainable earnings, establish an optimal capital structure, and build a business portfolio that is valued by the market.

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Envisioning Our Future on the Strength of Our Ability to Overcome Contradictions

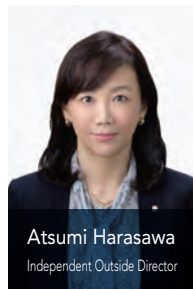


At the election in June 2025, I was appointed as an outside director and a member of the Audit Committee. Together with President Igarashi's new management execution structure, I will use my position as an independent outside director to work alongside management to enhance corporate value.

As an Audit Committee member, I belong to the group that audits the directors and executive officers. Auditing encompasses the concepts of both legality and appropriateness. In recent years, management judgment must take into account not only whether an act is legal but also whether it is socially appropriate. If matters arise where an appropriateness audit carries significant weight, I intend to make an active contribution.

I view corporate management as "the activity of overcoming contradictions," and I believe the Company's strength is the power to overcome contradictions. Today, contradictions arise not only on the single plane of business, but in a multi-dimensional structure comprising other planes as well, such as financial markets and information technology. I am confident that President Igarashi's execution structure has the power to overcome such contradictions.

Strengthening Non-Financial Activities for Sustainable Growth



In a company with a Nominating Committee, etc., the Board of Directors is expected to supervise business execution in a multifaceted and objective manner. As an Audit Committee member, I will verify whether codes of conduct are being properly observed in the course of business execution and will work to ensure and strengthen compliance.

Environmental issues are also one of the areas I pay close attention to. It has been more than thirty years since I wrote my master's thesis on the theme of "Electrochemical Reduction of Carbon Dioxide," and GHG reduction has become a corporate responsibility. In the shipping industry, next-generation fuels such as ammonia and green methanol are drawing attention, but none have reached the stage of practical use. In this context, the Company is also sincerely working on the use of wind power as a measure to reduce energy consumption while ordering vessels designed for next-generation fuels. In the highly volatile shipping industry, non-financial activities are crucial for achieving sustainable growth. By focusing on these, I aim to contribute to enhancing the Company's corporate value.

Before becoming a lawyer, I worked for many years in the maintenance division of an airline. That knowledge and experience will help me contribute to the safety of operations at "K" LINE. In addition, drawing on my experience working in male-dominated workplaces, I intend to actively promote the advancement of women at the Company.

Sustainable Value Creation and the Challenges for the Next Generation



This fiscal year marks a pivotal moment, as we will be evaluated on the results achieved to date in anticipation of the final year of the current medium-term management plan in FY2026. It is also an important year to lay the groundwork for sustainable growth over the next five to ten years. Since March this year, the Company has also transitioned to a company with a Nominating Committee, etc., and has begun further strengthening its governance framework by pursuing greater transparency in management and enhanced supervisory functions. Under President Igarashi, the Company is steadily advancing toward a new stage.

Through our medium-term management plan, we have pursued initiatives aimed at sustainable corporate value enhancement, such as numerical targets for ROE and ROIC, shareholder return policies, and capital policies

that balance capital efficiency and financial soundness. Looking ahead, based on this foundation, the Company must also focus on themes such as helping to build a decarbonized society and promoting DX. It must address these challenges to build our position as a next-generation shipping company.

That said, the Company has long been working on sustainable value creation for the next generation. For example, our participation in the Northern Lights international liquified CO₂ maritime transport and storage project is an active challenge that is opening the door to entirely new business domains.

As an outside director, I will continue to fulfill my expected role and, albeit in a small way, contribute to the Company's evolution and further enhancement of corporate value.

Monitoring the Growth Strategy of a Corporation as a Living Entity with Will



Following the transition to a company with a Nominating Committee, etc., I was appointed outside director and Audit Committee member. I regard a corporation as a living entity with will, which seeks to sustain and grow its business by skillfully using a certain set of management resources (for the Company, human resources, vessels, capital, marine technology, and relationships of trust with business partners) while adapting to a changing external environment. My role is to monitor whether the corporate principle and vision are being reconfirmed and shared at the right times, whether the "K" LINE Spirit is being demonstrated, and whether the selection of business strategies is justified in the current internal and external environment.

I aim to fulfill this role by leveraging approximately five years of my experience as an Audit & Supervisory Board member prior to becoming a director, and my extensive career as a certified public accountant, which includes auditing listed companies, supporting IPOs, overseas assignments, and business restructuring. As an outside director, I will pay attention to whether management engages in the medium- to long-term growth strategy with animal spirits and sound entrepreneurship, whether it makes necessary investments and provides sufficient treatment to officers and employees, and whether it designs financial strategies and shareholder returns with an eye on optimal capital structure and financial soundness. It is by adhering to these principles that the Company will be able to meet the expectations of shareholders, financial institutions, investors, and other capital providers and improve its corporate value. As an Audit Committee member, I also intend to ensure that organizational audits function effectively.

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List of Directors, Executive Officers, and Corporate Officers

* Number of shares owned is as of the end of May 2025.

Directors (As of June 20, 2025)			
<div></div> <div>Yukikazu Myochin Director, Chairperson of the Board Term in office as director: 9 years Number of the Company's shares held: 144,600 shares</div> <div><p>Born in March 1961</p><p>Apr 1984 Joined the Company</p><p>Jan 2010 General Manager of Containerships Business Group</p><p>Apr 2011 Corporate Officer</p><p>Apr 2016 Managing Corporate Officer</p><p>Jun 2016 Director, Managing Corporate Officer</p><p>Apr 2018 Representative Director, Senior Managing Corporate Officer</p><p>Apr 2019 Representative Director, President & CEO</p><p>Mar 2025 Director, Chairperson of the Board (Current)</p></div>	<div></div> <div>Takenori Igarashi Director Representative Executive Officer, President & CEO Term in office as director: 3 months Number of the Company's shares held: 4,900 shares</div> <div><p>Born in March 1967</p><p>Oct 1991 Joined the Company</p><p>Oct 2016 General Manager of Corporate Planning Group</p><p>Apr 2019 Corporate Officer</p><p>Apr 2021 Managing Corporate Officer</p><p>Apr 2021 Senior Managing Corporate Officer</p><p>Mar 2025 Director, Representative Executive Officer, President & CEO (Current)</p></div>	<div></div> <div>Kunihiko Arai Director Term in office as director: 3 months Number of the Company's shares held: 38,500 shares</div> <div><p>Born in November 1959</p><p>Apr 1982 Joined the Company</p><p>Aug 2001 General Manager, "K" LINE PTE LTD, Trade Management Division</p><p>Jul 2012 Representative in Beijing, China (Representative Office closed in December 2012)</p><p>Jul 2012 Managing Director of KLINE (CHINA) LTD. (retired in June 2019)</p><p>Jan 2014 Managing Director of "K" LINE (HONG KONG) LIMITED (retired in January 2019)</p><p>Apr 2015 Managing Corporate Officer of the Company</p><p>Apr 2019 Special Advisor</p><p>Jun 2019 Audit & Supervisory Board Member</p><p>Mar 2025 Director (Current)</p></div>	<div></div> <div>Keiji Yamada Independent & Lead Outside Director Term in office as director: 6 years Number of the Company's shares held: 2,100 shares</div> <div><p>Born in April 1954</p><p>Apr 1977 Joined Ministry of Home Affairs (currently Ministry of Internal Affairs and Communications)</p><p>Jul 1982 Superintendent of Amakusa Tax Office, National Tax Agency</p><p>Jul 1983 Manager of Local Affairs Division, General Affairs Department, Wakayama Prefecture</p><p>Sep 1985 Deputy General Manager of San Francisco Tourism Promotion Office, Japan National Tourist Organization</p><p>Apr 1989 Manager of Finance Division, General Affairs Department, Kochi Prefecture</p><p>Jan 1992 Investigator, Local Administration Division, Local Administration Bureau, Ministry of Home Affairs</p><p>Jul 1992 Counsellor, Cabinet Legislation Bureau</p><p>Jul 1997 Manager, Land Information Division, Land Bureau, National Land Agency (currently Ministry of Land, Infrastructure, Transport and Tourism)</p><p>Aug 1999 Director, General Affairs Department, Kyoto Prefecture</p><p>Jun 2001 Vice-Governor, Kyoto Prefecture</p><p>Apr 2002 Governor, Kyoto Prefecture (retired in April 2018)</p><p>Apr 2011 President, National Governors' Association (retired in April 2018)</p><p>Apr 2018 Vice-President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University</p><p>Jun 2019 Outside Director of the Company (Current)</p><p>Mar 2020 Outside Audit & Supervisory Board Member, HORIBA, Ltd. (Current)</p><p>Apr 2020 Special Advisor to the President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University</p><p>Nov 2020 Outside Director, TOSE CO., LTD. (Current)</p><p>Apr 2021 Trustee, The Educational Corporation of Kyoto Sangyo University, Special Advisor to the President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University</p><p>Jun 2024 President, The Educational Corporation of Kyoto Sangyo University, Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University (Current)</p></div>
<div></div> <div>Ryuhei Uchida Outside Director Term in office as director: 6 years Number of the Company's shares held: 0 shares</div> <div><p>Born in October 1977</p><p>Apr 2002 Joined Mitsubishi Corporation</p><p>Dec 2009 Joined Innovation Network Corporation of Japan, Vice-President of Investment</p><p>Dec 2012 Joined Effissimo Capital Management Pte Ltd., Director (Current)</p><p>Jun 2019 Outside Director of the Company (Current)</p></div>	<div></div> <div>Koji Kotaka Independent & Outside Director Term in office as director: 2 years Number of the Company's shares held: 33,200 shares</div> <div><p>Born in May 1958</p><p>Apr 1987 Joined, Sato and Tsuda Law Office (retired in March 1988)</p><p>Aug 1990 Joined Goldman Sachs Japan Co., Ltd.</p><p>Nov 1998 Managing Director, Goldman Sachs Japan Co., Ltd.</p><p>Nov 2006 Partner, Goldman Sachs Japan Co., Ltd. (retired in November 2008)</p><p>Nov 2009 Counsel, Nishimura & Asahi (retired in December 2010)</p><p>Jan 2011 Representative Attorney, Koji Kotaka & Associates (Current)</p><p>Sep 2012 Senior Advisor, Apollo Global Management LLC (Current)</p><p>Jun 2013 Outside Director, Monex Group, Inc. (retired in June 2018)</p><p>Feb 2016 Outside Director, LINE Corporation (retired in February 2021)</p><p>Mar 2018 Outside Director, Kenedix, Inc. (retired in March 2021)</p><p>Mar 2021 Member of the Management Committee, Kenedix, Inc. (Current)</p><p>May 2022 Senior Advisor, Greenhill & Co., Japan Ltd. (retired in December 2023)</p><p>Jun 2023 Outside Director of the Company (Current)</p></div>	<div></div> <div>Hiroyuki Maki Independent & Outside Director Term in office as director: 2 years Number of the Company's shares held: 0 shares</div> <div><p>Born in November 1980</p><p>Aug 2004 Representative Director, Melco Asset Management Limited (retired in October 2006)</p><p>Nov 2006 Representative Director, Melco Asset Management Pte. Ltd. (retired in September 2007)</p><p>Oct 2007 Representative Director, MAM PTE. LTD (retired in May 2014)</p><p>Jun 2011 Director, MELCO HOLDINGS INC. (currently BUFFALO INC.)</p><p>Jun 2014 President & CEO, MELCO HOLDINGS INC.</p><p>May 2018 President & CEO, BUFFALO INC. (retired in March 2025)</p><p>May 2020 President & CEO, Buffalo IT Solutions Inc. (retired in May 2023)</p><p>Oct 2020 President & CEO, Melco Financial Holdings Inc. (retired in April 2023)</p><p>May 2021 President & CEO, BIOS Corporation (retired in May 2022)</p><p>May 2022 Director, Shimadaya Corporation (retired in June 2025)</p><p>Jun 2022 Outside Director, Saison Information Systems Co., Ltd. (currently Saison Technology Co., Ltd.) (retired in June 2023)</p><p>Jun 2023 Outside Director of the Company (Current)</p><p>Jul 2023 President and CEO, MELCO Group Inc. (Current)</p><p>Apr 2025 President & CEO, BUFFALO INC. (Current)</p></div>	<div></div> <div>Takako Masai Independent & Outside Director Term in office as director: 1 year Number of the Company's shares held: 300 shares</div> <div><p>Born in March 1965</p><p>Nov 1988 Joined Scotiabank, Tokyo</p><p>Jul 1989 Joined the Toronto-Dominion Bank, Tokyo</p><p>Mar 1998 Head of Financial Products Division, Tokyo Branch, Crédit Agricole Indosuez Bank (currently Crédit Agricole CIB)</p><p>May 2007 General Manager, Capital Markets Division, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p><p>Apr 2013 Executive Officer, Head of Markets Research Department, Markets Sub-Group, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p><p>Jul 2015 Executive Officer, General Manager of Markets Research Division, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p><p>Jun 2016 Member of the Policy Board, Bank of Japan (retired in June 2021)</p><p>Jun 2021 Director, SBI Financial and Economic Research Institute Co., Ltd. (Current)</p><p>Jul 2021 Outside Director, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) (retired in June 2023)</p><p>Jul 2021 Outside Director, TOBISHIMA CORPORATION (currently TOBISHIMA HOLDINGS Inc.) (Current)</p><p>Jul 2021 Advisory Board member of Sim Kee Boon Institute for Financial Economics (Current)</p><p>Aug 2021 Representative Director (currently Chairperson), SBI Financial and Economic Research Institute Co., Ltd. (Current)</p><p>Aug 2021 Outside Director, BlackRock Japan Co., Ltd. (retired in August 2023)</p><p>Apr 2022 Guest Professor, Jissen Women's University (retired in March 2025)</p><p>Jun 2024 Outside Director of the Company (Current)</p><p>Jun 2024 Outside Director, Daio Paper Corporation (Current)</p><p>Aug 2024 Outside Director (Audit and Supervisory Committee Member), Bewith, Inc. (Current)</p><p>Dec 2024 Director, TNL Mediagene (retired in June 2025)</p></div>

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List of Directors, Executive Officers, and Corporate Officers

Directors (As of June 20, 2025)



Atsumi Harasawa

Independent & Outside Director
Term in office as director: 3 months
Number of the Company's shares held: 1,700 shares

Born in August 1967
Apr 1992 Joined Japan Airlines Co., Ltd. (resigned in March 2004)
Dec 2009 Registered with Tokyo Bar Association, Joined Sonderhoff & Einsel Law and Patent Office (resigned in June 2014)
Jun 2014 Joined Digital Arts Inc. (resigned in March 2015)
Apr 2015 Joined Yamasaki & Partners (resigned in October 2016)
Nov 2016 Partner, Igarashi Watanabe & Esaka Law Office (Current)
Apr 2018 Outside Auditor, Lawson Bank Preparatory Company, Inc. (currently Lawson Bank, Inc.) (Current)
Jun 2019 Outside Audit & Supervisory Board Member of the Company
Jun 2020 Outside Director, RICOH LEASING COMPANY, LTD. (Current)
Sep 2020 Outside Auditor, GiXo Ltd. (retired in September 2025)
Mar 2025 Outside Director of the Company (Current)

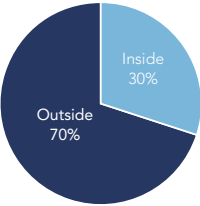


Shinsuke Kubo

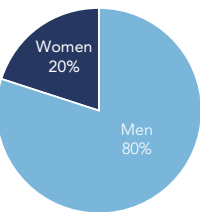
Independent & Outside Director
Term in office as director: 3 months
Number of the Company's shares held: 6,100 shares

Born in March 1956
Apr 1979 Joined Sanwa & Co. (currently Deloitte Touche Tohmatsu LLC)
Mar 1982 Registered as Certified Public Accountant
Jun 1998 Representative Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
Sep 2017 Retired from Deloitte Touche Tohmatsu LLC
Oct 2017 Managing Partner, Shinsuke Kubo CPA Office (Current)
Jan 2018 Representative Director, Japan Enterprise Sustainable Transformation Advisory Co., Ltd. (retired in December 2020)
May 2018 Representative Partner, Kyoei Accounting Office (Current)
Jun 2018 Outside Audit & Supervisory Board Member, Japan Airlines Co., Ltd. (Current)
Jun 2020 Outside Audit & Supervisory Board Member of the Company
Mar 2025 Outside Director (Current)

Ratio of Outside Directors



Ratio of Female Directors



Executive Officers (As of June 20, 2025)

Takenori Igarashi

Representative Executive Officer, President & CEO

Yutaka Akutagawa

Senior Managing Representative Executive Officer
Responsible for CFO Unit (Corporate Planning, Research, Finance, Accounting, Corporate Sustainability, Environment Management, IR and Communication Unit), In charge of Corporate Sustainability, Environment Management, IR and Communication, CFO

* Number of shares owned is as of the end of May 2025.

Corporate Officers (As of August 1, 2025)

Keiji Kubo

Senior Managing Corporate Officer
Responsible for Product Logistics Business Unit (Logistics, Port, Short Sea and Coastal Business and Affiliated Business), Containerships Business Unit

Michitomo Iwashita

Senior Managing Corporate Officer
Responsible for Energy Transportation Business Unit

Masatoshi Taguchi

Senior Managing Corporate Officer
Responsible for Dry Bulk Carriers Unit

Satoshi Kanamori

Senior Managing Corporate Officer
Responsible for Technical Unit, Supervising Liquefied Gas Business, In charge of LNG

Akihiro Fujimaru

Senior Managing Corporate Officer
Responsible for Marine Sector Unit, CSO

Hisashi Nakayama

Managing Corporate Officer
In charge of Crude Oil and Product, Energy Business Strategy

Hiroshi Uchida

Managing Corporate Officer
In charge of Digital Strategy (DX & Data Management), IT & Process Transformation, CDIO

Shingo Ikeda

Managing Corporate Officer
In charge of Ship Technical, Ocean Technology, Environment/Technology Strategy, Performance Enhancement, CTO

Shinya Tamaki

Managing Corporate Officer
Responsible for General Affairs, Human Resources, Legal, Corporate Legal Risk & Compliance Unit, In charge of Human Resources, CHRO

Haruhiko Sugimoto

Managing Corporate Officer
Responsible for Product Logistics Business Unit (Car Carriers)

Fumiyoshi Sato

Corporate Officer
In charge of General Affairs, Legal, Corporate Legal Risk & Compliance, Assistance to Internal Audit, CCO, CAO

Kenichiro Matsui

Corporate Officer
In charge of Bulk Carriers, Dry bulk Planning

Toshikazu Ito

Corporate Officer
In charge of Finance, Accounting

Hideaki Endo

Corporate Officer
In charge of Marine Sector

Kei Onishi

Corporate Officer
In charge of Electricity Business, Liquefied Gas Business

Takeshi Mikami

Corporate Officer
In charge of Coal & Iron Ore Carrier Business, Coal & Iron Ore Carrier Planning & Operation, General Manager of Coal & Iron Ore Carrier Business Group

Atsushi Takenoshita

Corporate Officer
In charge of Corporate Planning, Research, General Manager of Corporate Planning Group

CEO: Chief Executive Officer
CFO: Chief Financial Officer
CSO: Chief Safety Officer
CDIO: Chief Digital Information Officer
CTO: Chief Technical Officer
CHRO: Chief Human Resource Officer
CCO: Chief Compliance Officer
CAO: Chief Administrative Officer

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Director Skill Matrix

Under the principle “As a logistics company rooted in the shipping industry, we help make the lives of people more affluent,” the Company’s Board of Directors is responsible for making important management decisions, supervising execution, and working to enhance corporate value over the medium to long term. We have identified the skills (knowledge, experience, abilities, etc.) required for the Board of Directors based on our materiality (a set of key issues) in our aim to enhance the functions of the Board of Directors with a thoughtful combination of these skills while considering diversity in the composition of the Board members.

Position		Committees			Skills							
		Nominating Committee	Audit Committee	Compensation Committee	Corporate Management & Strategy	Legal & Risk Management	Finance & Accounting	Human Resources & Labor	Safety & Quality	Environment & Technology	Global	Sales & Marketing
Yukikazu Myochin	Chairperson of the Board	○		○	●	●		●	●	●	●	●
Takenori Igarashi	Director, Representative Executive Officer, President & CEO				●	●	●		●	●	●	●
Kunihiko Arai	Director		○ (Full-time)		●	●	●				●	●
Keiji Yamada	Independent & Lead Outside Director	●		○		●		●	●	●	●	
Ryuhei Uchida	Outside Director	○		○	●		●				●	
Koji Kotaka	Independent Outside Director	○	●	○		●	●				●	
Hiroyuki Maki	Independent Outside Director		○		●		●	●		●	●	●
Takako Masai	Independent Outside Director	○		●	●		●				●	●
Atsumi Harasawa	Independent Outside Director		○			●			●	●	●	
Shinsuke Kubo	Independent Outside Director		○		●	●	●				●	

* ● indicates chairperson

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Corporate Governance

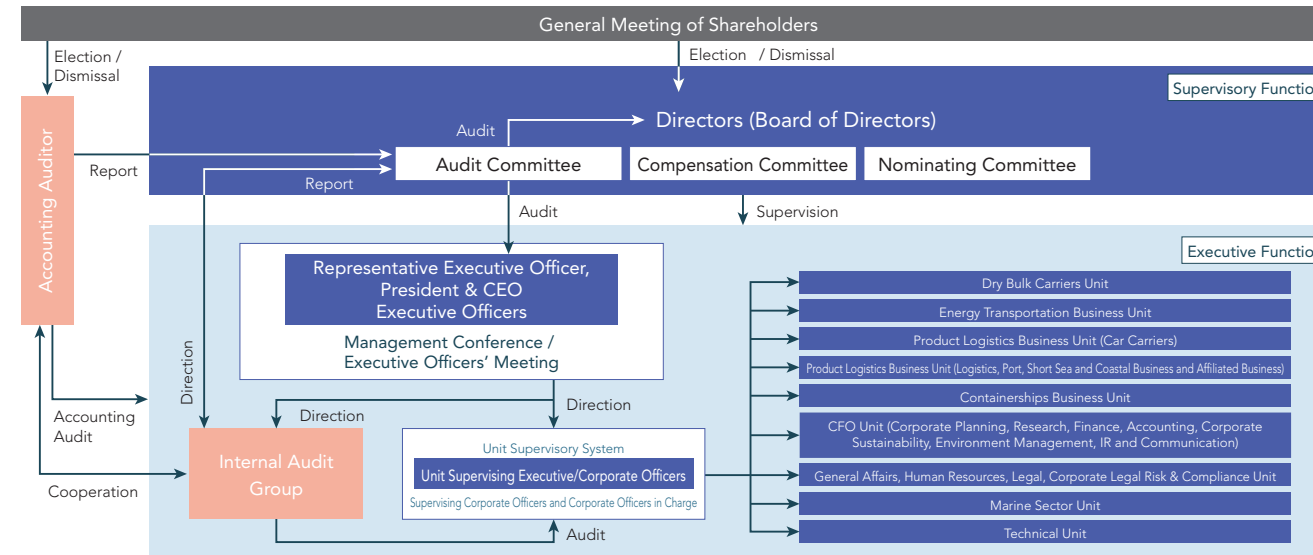
Key Initiatives to Enhance Corporate Governance

"K" LINE is developing and strengthening its corporate governance and risk management structures to fulfill its social responsibility and commitment to its shareholders and stakeholders and to achieve sustainable growth. While thoroughly enforcing its corporate ethics across the entire Group, "K" LINE will continue developing an organic and effective governance framework, strengthening its earning and financial structures, and enhancing its corporate value.

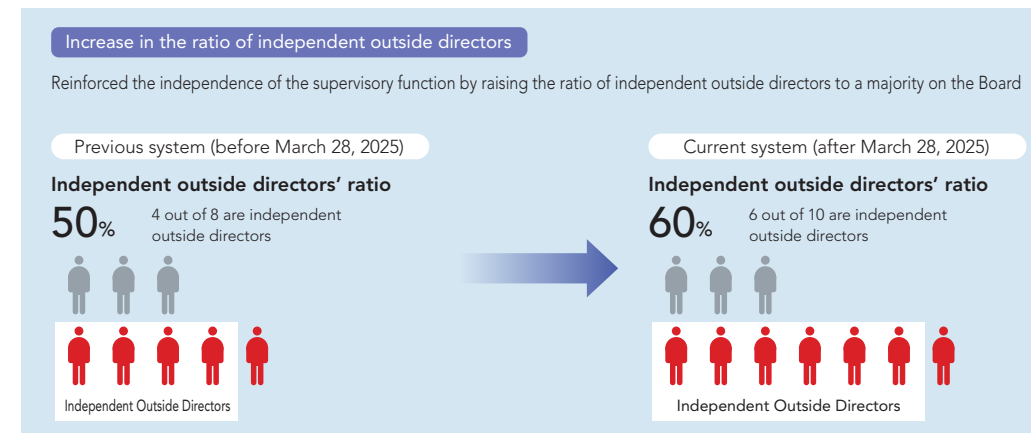


Corporate Governance Structure Diagram

By adopting the organizational structure of a Company with a Nominating Committee, etc., we have clearly separated the supervisory and executive functions, thereby strengthening corporate governance by enabling the Board of Directors to have stronger supervisory functions. (As of June 20, 2025)



Key Points of Corporate Governance



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Specific Agendas Discussed at Meeting of the Board of Directors in Fiscal 2024

- Long-Term Management Vision and Medium-Term Management Plan
- Capital Policy (Business Investment Plan / Shareholders Return Policy, etc.)
- Business Strategy (Businesses with a role driving growth / Expansion of new business domains, etc.)
- Functional Strategy (Human Resources / Organization / Digital Transformation, etc.)
- Corporate Governance (Governance Structure / Board of Directors Effectiveness Evaluation / Officers' Remuneration / Composition of the Board of Directors, etc.)
- Group Governance

Board Effectiveness Evaluation

Based on the belief that effective corporate governance is essential for sustainable growth and enhancement of corporate value over the medium- to long-term, we evaluate and analyze the effectiveness of the Board of Directors each year and disclose the results in a timely and proper manner.

Overview of FY2024 Effectiveness Evaluation

■ Evaluation Method

A self-evaluation of the effectiveness of the Board of Directors in fiscal 2024 was conducted with a follow-up discussion by the Board of Directors based on the results of a questionnaire for all Directors and Audit & Supervisory Board Members.

■ Analysis of evaluation results

The Board of Directors' effectiveness improved, as demonstrated by a year-over-year increase in scores for 70% of the multiple-choice questions. The evaluation showed stable performance in the following key areas, contributing to the effective functioning of the Board of Directors.

- | | |
|--|---|
| ■ Sufficient time for deliberations and open and constructive discussions | ■ Constructive dialogues with shareholders and investors, and feedback for the Board of Directors |
| ■ Improvement of discussions and issues based on issues from the effectiveness evaluation in the previous year | ■ Discussions regarding and settings of performance-based remuneration that gives motivation to increase medium- to long-term corporate value to the maximum extent |
| ■ Discussions regarding potential risks for the entire Group and methods for dealing with them, the crisis management system, etc. | ■ Deliberations on the succession planning for the Chief Executive Officer (CEO) |
| ■ Follow-up on the progress of the management plan | |

On the other hand, it has been recognized that there is room to further deepen discussions regarding matters such as the usage of data and digital technologies, etc. These points will continue to be identified as issues to be addressed to further improve governance.

Review of FY2024 Issues

■ Follow-up on the progress of the management plan

Improvement was observed in the holding of discussions, analysis and follow-up compared to the previous year. While the Company is continuing the measures that have achieved a certain level of recognition during the past year, the Company will appropriately address rising geopolitical risks and recognizes that further follow-up is a continuing issue.

■ Discussions regarding the medium- to long-term capital policy

Regarding specific measures for improvements, there were opinions that serious considerations were given, and the evaluation increased compared to the previous year. Issues also continued to be raised concerning our efforts to improve corporate value over the medium- to long-term, and there was a shared understanding that it is necessary to delve deeper into discussions.

■ Strengthen group governance

For the previously identified issue of strengthening the governance of the container business integration company (OCEAN NETWORK EXPRESS PTE. LTD.), while efforts for improvements were recognized, there were also opinions stating that it is important to show results.

■ Create value that utilizes data and digital technologies

Although the evaluation was similar to the previous one with respect to efforts for discussions on what types of value can be created utilizing data and digital technologies, opinions calling for more proactive initiatives were observed, including the creation of an organization and human resource development for promoting digital transformation, and we recognize that as an issue that requires continuous efforts.

FY2025 Key Issues in Light of the Above

Based on the above analysis and evaluation results, we will continuously work on the following key issues for fiscal 2025 in order to realize a more effective Board.

■ Follow-up on the progress of the management plan

■ Discussions regarding the medium- to long-term capital policy

■ Strengthen group governance

■ Create value that utilizes data and digital technologies

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Nominating Committee

Structure of the Nominating Committee

Chairperson	Keiji Yamada (Independent Outside Director)
Members	Ryuhei Uchida (Outside Director)
	Koji Kotaka (Independent Outside Director)
	Takako Masai (Independent Outside Director)
	Yukikazu Myochin (Director, Chairperson of the Board)

Role of the Nominating Committee

The Nominating Committee consists of a majority of independent outside directors, with the chair also being an independent outside director. The committee establishes criteria for the election and dismissal of directors, determines proposals for the election of directors to be submitted to the General Meeting of Shareholders, and provides recommendations on policies, etc., in response to consultations from the Board of Directors regarding the selection and removal of executive officers and the representative executive officer. In doing so, the committee ensures diversity and expertise in the composition of the Board of Directors, enhances transparency and objectivity in management, and contributes to strengthening the governance system and the sustainable enhancement of corporate value.

Succession Planning

In the CORPORATE GOVERNANCE GUIDELINES, Article 14 states that “the Board of Directors shall cause the Nominating Committee to deliberate on the draft version formulated each fiscal year by the incumbent Representative Executive Officer, President & CEO for the plan for his/her successor, receive the results of said deliberation, and confirm the reasonableness of the draft version.” At the Nominating Committee, which focuses on independent outside directors and has an independent outside director as chairperson, we work to ensure management transparency and objectivity by discussing the succession plan for the next representative executive officer, president & CEO, thereby striving to strengthen the governance structure that contributes to the sustainable enhancement of corporate value.

Audit Committee

Structure of the Audit Committee

Chairperson	Koji Kotaka (Independent Outside Director)
Members	Hiroyuki Maki (Independent Outside Director)
	Atsumi Harasawa (Independent Outside Director)
	Shinsuke Kubo (Independent Outside Director)
	Kunihiko Arai (Director and Standing Member of the Audit Committee)

Role of the Audit Committee

The Audit Committee shares part of the supervisory function of the Board of Directors, and as a statutory body, is responsible for establishing a sound corporate governance system by auditing the legality and appropriateness of the execution of duties by executive officers and directors. The Audit Committee fulfills its responsibilities by conducting appropriate audits on key areas. These include the operational status of internal control systems within the Company and its Group companies, compliance with applicable laws and internal regulations, and the adequacy of risk recognition and decision-making within business execution.

Compensation Committee

Structure of the Compensation Committee

Chairperson	Takako Masai (Independent Outside Director)
Members	Keiji Yamada (Independent Outside Director)
	Ryuhei Uchida (Outside Director)
	Koji Kotaka (Independent Outside Director)
	Yukikazu Myochin (Director, Chairperson of the Board)

Role of the Compensation Committee

The Compensation Committee consists of a majority of independent outside directors, with the chair also being an independent outside director. The policy and content of individual remuneration for directors and executive officers are determined. In addition, in response to consultations from the Board of Directors, recommendations are made regarding policies on the remuneration of corporate officers.

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Revision of the Officers’ Remuneration System

With the transition to a company with a Nominating Committee, etc., on March 28, 2025, short-term and medium- to long-term performance-based remuneration was introduced for the newly established executive officers.

Along with this transition, in order to maintain and secure personnel capable of strengthening governance as a global company, stock compensation not linked to performance was introduced for directors who do not concurrently serve as executive officers. Through this, we aim to further share interests with shareholders.

Officers’ Remuneration System

At the Company, the Compensation Committee deliberates and decides on the design and levels of the remuneration system for directors and executive officers, while the Board of Directors deliberates and decides on those for corporate officers. This remuneration comprises (1) a fixed monthly remuneration (monetary), (2) a fixed remuneration (stocks), (3) short-term performance-based remuneration (monetary), and (4) medium- to long-term performance-based remuneration (stocks). Among these, the medium- to long-term performance-based remuneration (stock) is mainly linked to the Company’s total shareholder return (TSR) with the aim to strengthen incentives for officers to target medium- and long-term growth in corporate value, while aiming to align our values more closely to those of shareholders. An overview of the remuneration system is as follows.

Type of remuneration	Target	Method of determination
(1) Fixed monthly remuneration (monetary)	Directors (excluding those concurrently serving as executive officers) Executive officers (including those concurrently serving as directors) Corporate officers	Determined in accordance with position.
(2) Fixed remuneration (stocks)	Directors (excluding those concurrently serving as executive officers)	Determined by position according to responsibilities
(3) Short-term performance-based remuneration (monetary)	Executive officers (including those concurrently serving as directors) Corporate officers	Linked to achievement of consolidated performance targets and individual performance evaluation in a single fiscal year. Apply negative indicator when serious maritime accident occurs.
(4) Medium- to long-term performance-based remuneration (stocks)	Executive officers (including those concurrently serving as directors) Corporate officers	Linked to our medium- and long-term TSR*1, return on equity (ROE), and ESG indicators (improvements in CO ₂ emissions efficiency)*2 *1. TSR = Percentage increase in our share price over a certain period + Percentage of dividends over a certain period (Total dividends / Initial share price) *2. The composition ratio for TSR indicators: ROE indicators: ESG indicators is set at 90:5:5.

Training for Officers

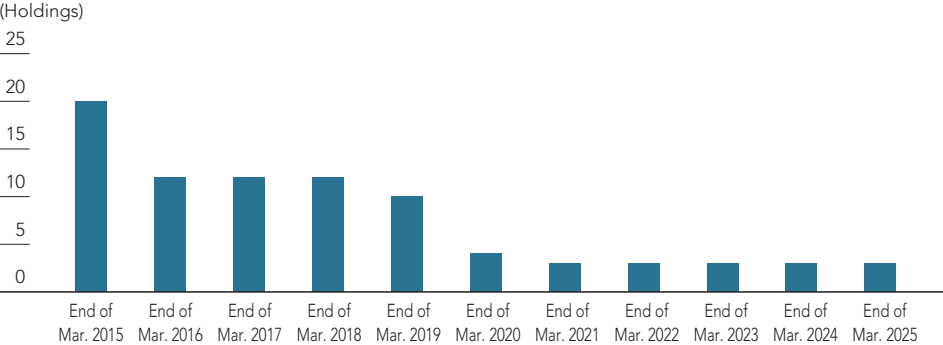
At “K” LINE, newly appointed officers shall receive training that primarily addresses the issues of legal liability and governance under the Companies Act, the Financial Instruments and Exchange Act, competition laws and other relevant acts. When outside directors take office, they are provided with explanations of such matters as the Group’s business, organization, business environments, and management issues. After their appointment, they work to deepen their understanding through explanations of the Board of Directors’ agenda given in advance, participation in management strategy meetings, and explanations of individual projects provided by the department in charge, as well as by on-site inspections of vessels and other assets and overseas facility tours.

Targeted officers	Timing of implementation	Contents
Newly appointed officers	Within three months of appointment	Conduct seminars on legal responsibilities pertaining to the Companies Act and the Financial Instruments and Exchange Act, etc.
All officers	Yearly	Conduct trainings related to compliance in such areas as competition law, insider trading regulations, and anti-bribery
Outside directors	Upon appointment	Receive an explanation 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

Strategic Shareholding Policy

In accordance with “K” LINE CORPORATE GOVERNANCE GUIDELINES, the Board of Directors carefully and comprehensively examines strategic shareholdings of listed shares at least once per year from an independent and objective standpoint to verify the purpose, the necessity of business activities, the mid- to long-term economic rationale based on the capital cost, and appropriateness of individual holdings. In examining economic rationale, the Board will consider liquidating shares if returns from the holdings have fallen below the cost of shareholders’ equity in a given fiscal year. The Company has been reducing strategic shareholdings, and as of March 31, 2025, the number of strategic shareholdings of listed shares was three.

Strategic shareholdings



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Risk Management

Enterprise Risk Management

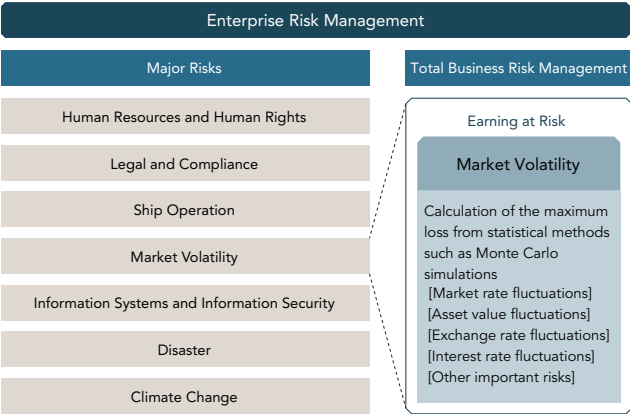
"K" LINE Group has established a risk management system to recognize changes in the external environment and various management risks, and to fulfill its corporate social responsibility even when risks materialize.

In addition to general corporate risks, such as legal compliance and human resource and labor management, the "K" LINE Group prepares for operational risks. These include the safety aspects of operating ships to securely and reliably transport our customers' cargo, as well as various market fluctuations, given that our business is exposed to the impact of the global economy.

Total Business Risk Management

We control the estimated maximum losses within consolidated shareholders' equity and pursue both stability and growth by maintaining the proper size of investments. We measure business risk as the estimated maximum loss for each business utilizing statistical methods such as Monte Carlo simulations.

The risks facing the Company's businesses are varied and diverse. Total business risk management targets any "risk of loss" that would lead to capital impairment. The risks not subject to total business risk management shall be controlled by each business unit, and enterprise risk management shall be managed by the Risk and Crisis Management Committee and its subordinate organizations.



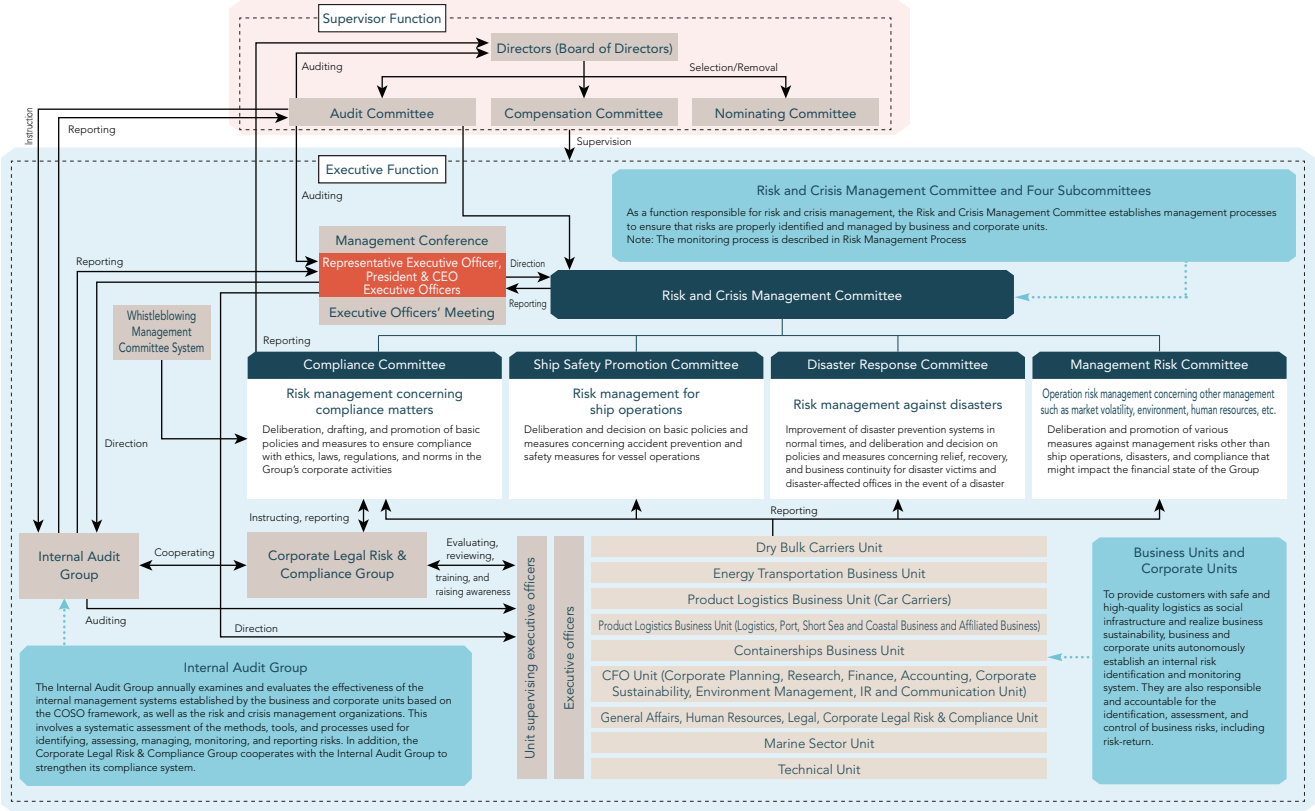
Risk Management System

The main categories recognized by the "K" LINE Group are classified into four categories: risks associated with vessel operations, compliance-related risks, disaster risks, and other management-related risks, and corresponding committees have been established to address the risks in each category. In addition, the Risk and Crisis Management Committee was established to unify these four committees and to supervise overall risk management. The representative executive officer, president & CEO serves as the chair of all these committees, with meetings held quarterly even during normal times to strengthen risk management. The four major risk management committees conduct regular and ongoing training activities to

promote risk management. One example of such activities is the implementation of large-scale accident drills and participation in risk management workshops held by other companies. November of each year is designated "Compliance Month" to thoroughly raise awareness of the importance of compliance.

To promote and strengthen an effective risk management culture throughout the organization, our code of conduct, which is defined for each hierarchical level, includes items on risk management. Human resource evaluation systems have been designed to reflect these standards, which in turn affect salaries and promotions. Senior executives bear the responsibility for implementing Companywide initiatives related to risk management.

Risk Management Structure



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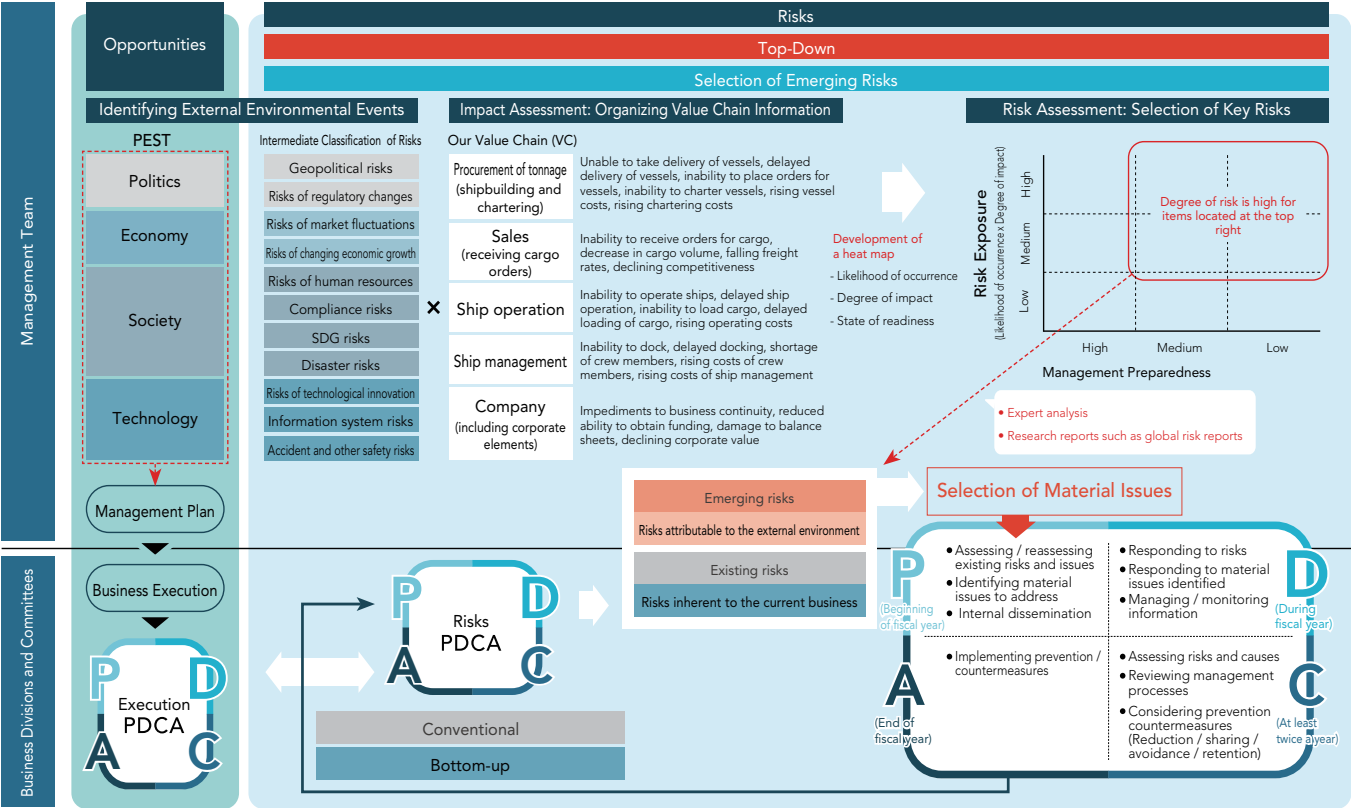
Risk Management Process

To ensure thorough risk management within the Group, we identify Groupwide risks and work to address them through management and monitoring of information. At the end of each fiscal period, we re-evaluate risks, specify and identify comprehensive risks, and determine serious risks to be addressed based on the effectiveness of the risk management system and our key risks. We then utilize a PDCA system to carry out regular reviews within each committee, perform re-assessments, and implement measures accordingly. Under this PDCA structure, we respond to risks in a multi-layered manner by combining a bottom-up approach, where each committee reassesses, discovers, and identifies risks, with a top-down approach that assesses changing megatrends and other emerging risks that have not yet manifested but are of growing importance. Changing megatrends pose not only risks but also opportunities. Working from a PEST analysis* when formulating business strategies for the following fiscal year, we accurately apply our recognition of megatrends to business strategies while assessing and responding to the latest changes in risk trends. In this way, we work to comprehensively address both risks and opportunities.

More specifically, we envision risk scenarios that are the product of different combinations of PEST elements of the value chain in each of our businesses. Once the management team has organized the likelihood of occurrence, degree of impact, and state of readiness for each risk, we create a heat map. We then obtain external insight through expert analysis and research reports, while identifying issues to watch for, and select material issues in conjunction with risk identification based on a bottom-up approach.

Additionally, each business unit provides information on risk management throughout the PDCA cycle. Progress of risks and measures reported by each unit, as well as the serious issues and their countermeasures identified at the beginning of the fiscal year, are communicated internally on a daily basis through Board of Directors' meetings and the Executive Officers' Meeting. Furthermore, we are strengthening our internal framework of monitoring and supporting risk management processes within the Board of Directors.

* PEST analysis is a framework for analyzing the impact on a company from identified threats in the external environment in four categories: politics, economy, society, and technology.



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11-Year Financial Data Kawasaki Kisen Kaisha, Ltd. and consolidated subsidiaries Fiscal Years ended March 31

Evolution of the medium-term management plans

"K" LINE Vision 100
"Synergy for All and Sustainable Growth"
Bridge to the Future

K Value for our Next Century

— Action for Future —

Revival for Greater Strides

FY2020
Management
Plan in Fiscal Year

FY2021
Management
Plan in Fiscal Year

FY2022
Medium-Term Management Plan in Fiscal Year

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
		(Millions of yen)										
Operating results (for the year)	Operating revenues	¥1,352,421	¥1,243,932	¥1,030,191	¥1,162,025	¥836,731	¥735,284	¥625,486	¥756,983	¥942,606	¥957,939	¥1,047,944
	Operating income (loss)	47,988	9,427	(46,037)	7,219	(24,736)	6,840	(21,286)	17,663	78,857	84,154	102,855
	Ordinary income (loss)	48,980	3,338	(52,388)	1,962	(48,933)	7,407	89,498	657,504	690,839	132,728	308,089
	Profit (loss) attributable to owners of the parent	26,818	(51,499)	(139,478)	10,384	(111,188)	5,269	108,695	642,424	694,904	101,989	305,384
Financial position (at year-end)	Total assets	1,223,328	1,115,223	1,045,209	1,036,886	951,261	896,081	974,608	1,574,960	2,052,616	2,109,432	2,210,049
	Net assets	467,440	379,913	245,482	243,094	181,233	200,234	316,162	984,882	1,546,679	1,624,600	1,677,449
	Equity capital	441,531	355,375	219,484	217,010	103,576	101,095	218,193	884,634	1,515,399	1,591,925	1,648,434
	Interest-bearing liabilities	536,846	525,152	550,512	570,584	550,211	543,451	507,005	423,455	351,692	287,782	344,861
	Capital expenditures	89,501	116,592	68,048	101,105	97,911	81,148	45,332	43,442	71,827	85,398	133,441
	Depreciation and amortization	53,526	48,302	47,421	43,410	40,789	44,253	43,869	42,821	42,396	44,550	49,137
	Cash flows from operating activities	101,825	39,635	(43,919)	1,167	(6,808)	(21,797)	33,397	226,460	456,049	202,449	273,173
	Cash flows from investing activities	(11,177)	(29,569)	(24,881)	(22,813)	(35,493)	(20,286)	16,987	(5,848)	(46,745)	(66,332)	(126,133)
	Free cash flows	90,648	10,066	(68,800)	(21,646)	(42,301)	(42,083)	50,384	220,612	409,304	136,117	147,040
	Cash flows from financing activities	(119,253)	(14,835)	26,436	22,239	19,290	16,731	(34,845)	(116,001)	(300,790)	(223,182)	(211,646)
Per share data	Earnings (loss) per share (EPS) (¥)	32	(61)	(165)	12	(132)	6	129	765	857	141	460
	Book-value per share (BPS) (¥)	523	421	260	259	123	120	260	1,054	2,043	2,252	2,610
	Cash dividends applicable to the year (¥)	8	5	—	—	—	—	—	67	133	83	100
	Dividend payout ratio (%)	29.7	—	—	—	—	—	—	8.7	15.6	58.9	21.7
Management index	Ordinary income (loss) on revenue (%)	3.6	0.3	(5.1)	0.2	(5.8)	1.0	14.3	86.9	73.3	13.9	29.4
	Profit (loss) attributable to owners of the parent on revenue (%)	2.0	(4.1)	(13.5)	0.9	(13.3)	0.7	17.4	84.9	73.7	10.6	29.1
	Return on equity (ROE) (%)	6.5	(12.9)	(48.5)	4.8	(69.4)	5.1	68.1	116.5	57.9	6.6	18.8
	Return on assets (ROA) (%)	4.0	0.3	(4.8)	0.2	(4.9)	0.8	9.6	51.6	38.1	6.4	14.3
	Debt equity ratio (DER) (Times)	1.22	1.48	2.51	2.63	5.31	5.38	2.32	0.48	0.23	0.18	0.21
	Equity ratio (%)	36.1	31.9	21.0	20.9	10.9	11.3	22.4	56.2	73.8	75.5	74.6
	Assets turnover (Times)	1.11	1.12	0.99	1.12	0.88	0.82	0.64	0.48	0.46	0.45	0.47
	EBITDA	111,977	24,678	(77,180)	67,567	(50,293)	65,745	167,779	712,219	745,269	185,005	376,449
	EV / EBITDA (Times)	5.63	21.51	(8.70)	9.55	(10.40)	7.72	3.66	1.30	1.01	7.83	3.78
	Price earnings ratio (PER) (Times)	11.29	-	-	22.44	-	14.37	2.18	1.16	1.18	14.31	4.40
	Price book-value ratio (PBR) (Times)	0.69	0.57	1.26	1.07	1.07	0.75	1.08	0.85	0.49	0.90	0.78
	Total shareholders return (TSR) (%)	-	-	-	-	-	-	312.20	1,061.60	1,339.32	2,556.34	2,667.74
	Comparative Indicator: TOPIX Total Return (%)	-	-	-	-	-	-	142.13	144.96	153.38	216.79	213.44
Average during the period	Exchange rate (¥ / US\$)	109	121	109	111	111	109	106	112	135	144	153
	Fuel oil price (US\$ / ton)	541	295	265	349	450	467	363	551	769	620	610

* Rounded down to the nearest millions of yen.
* Adjusted to reflect the October 1, 2017, common stock consolidation (10 to 1), October 1, 2022 and April 1, 2024, stock split (1 to 3) (rounded to the nearest yen).
* 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 FY2018, and applied retroactively to the total assets and return on assets for FY2017 for recalculation.
* 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 FY2021.
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.
* The Company changed the method for converting revenues and expenses of overseas subsidiaries into Japanese yen from the beginning of FY2024, and figures for FY2023 have also been retrospectively restated to reflect this change.
The cumulative effect up to and including FY2022 has been reflected in the net assets at the beginning of FY2023.

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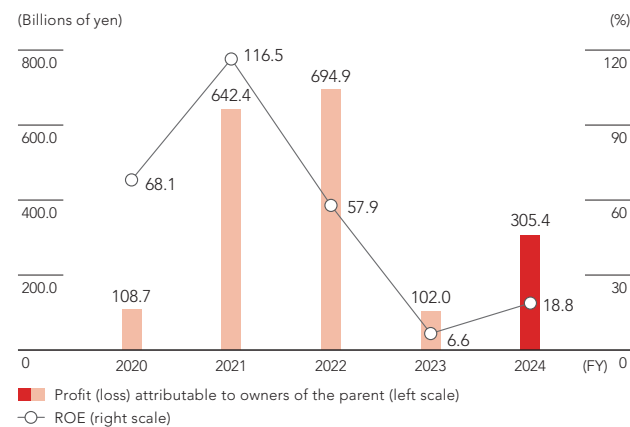
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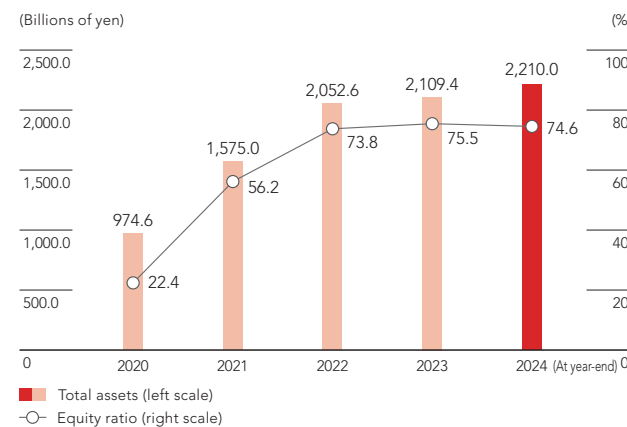
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Financial Highlights

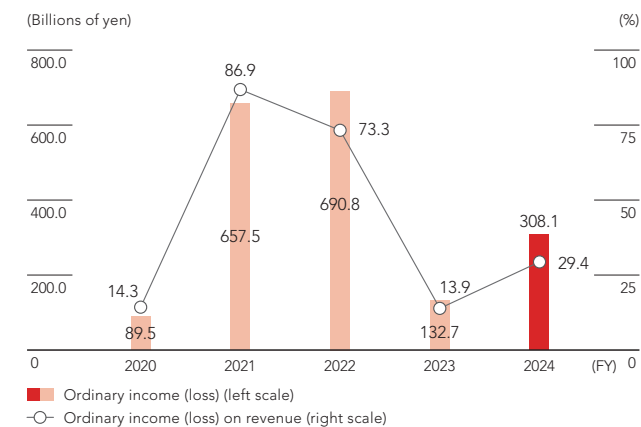
Profit (Loss) Attributable to Owners of the Parent, Return on Equity (ROE)



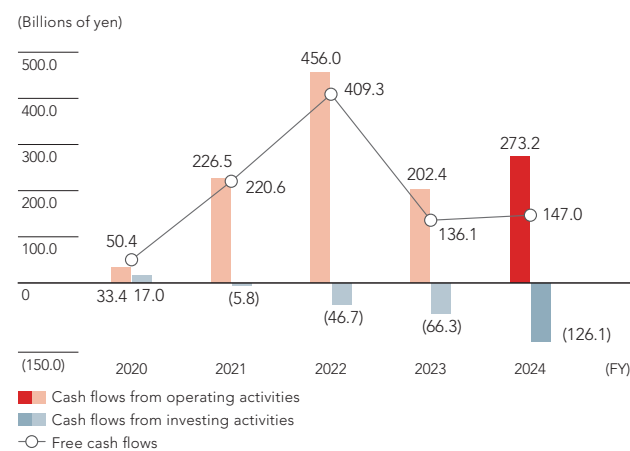
Total Assets, Equity Ratio



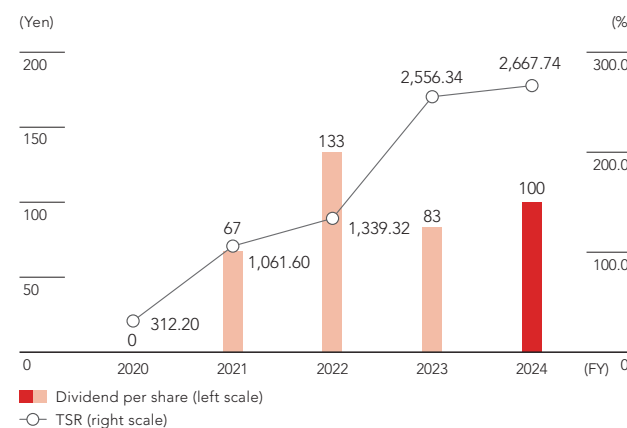
Ordinary Income (Loss), Ordinary Income (Loss) on Revenue



Cash Flows

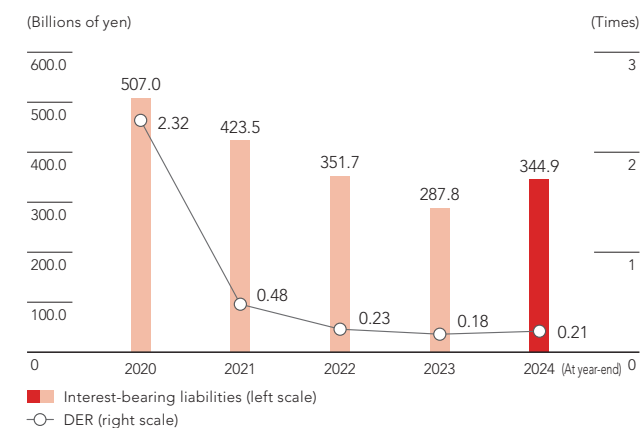


Dividend per Share, Total Shareholder Return (TSR)



* Adjusted to reflect the October 1, 2017, common stock consolidation (10 to 1), October 1, 2022, and April 1, 2024, stock split (1 to 3) (rounded to the nearest yen).

Interest-Bearing Liabilities, Debt Equity Ratio (DER)



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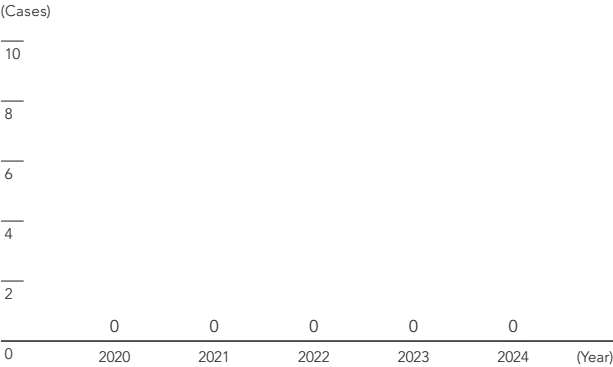
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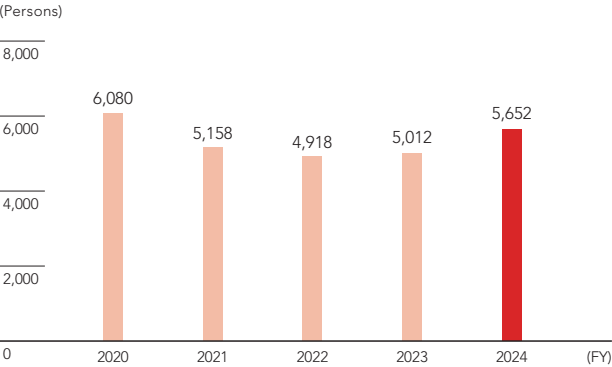
Non-Financial Highlights

Number of Major Accidents*

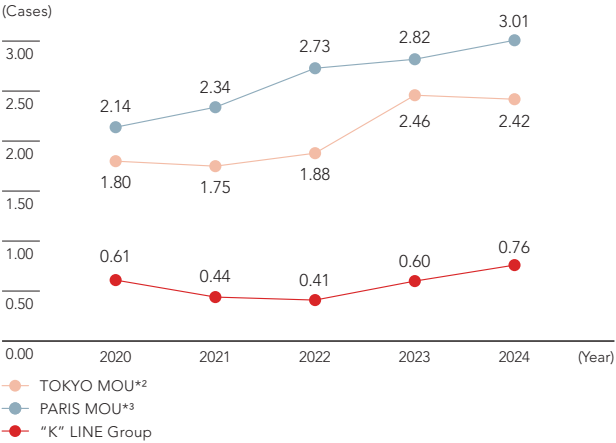


* The scope of calculation is "K" LINE's scope of consolidation, which corresponds to 100% of sales.

Number of Employees (Consolidated)



Average Deficiencies per Port State Controls (PSCs)*1



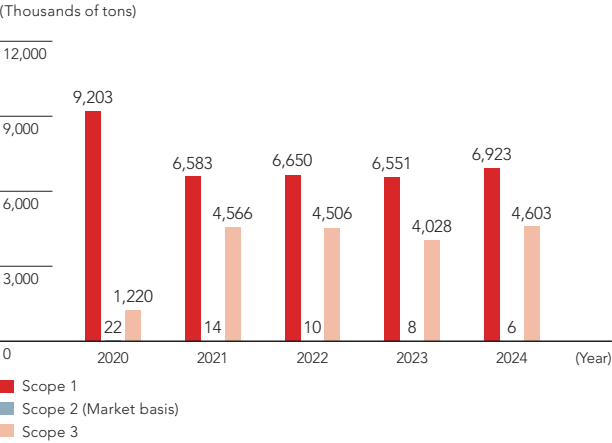
Port State Control (PSC) is a safety inspection of foreign ships conducted by port states to verify that the condition of the ship complies with the requirements of international regulations. Inspectors enter ships to inspect whether they comply with various international regulations. The number of deficiencies with "K" LINE Group vessels per PSCs is well below the average number of deficiencies in the main regions.

*1. The scope of calculation is "K" LINE's scope of consolidation, which corresponds to 100% of sales.
*2. TOKYO MOU: PSC organization in Asia-Pacific region
*3. PARIS MOU: PSC organization in European and North Atlantic region

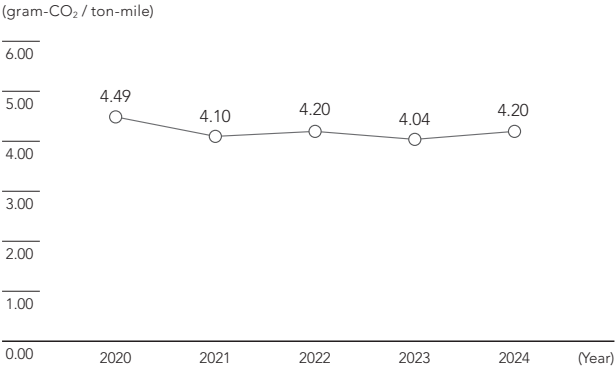
Board of Directors



CO₂ Emissions



CO₂ Emissions per Deadweight Ton-Mile



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KPIs Related to Material Issues

The Group sets goals and indicators (KPIs) that are aligned with each materiality theme and monitors progress. As in the previous years, for fiscal 2025, we have set single-year targets after evaluating the progress made in the previous fiscal year. We will continue our efforts to achieve the medium- to long-term targets.

Category	Material Issues	Medium- to Long-term Goals (Aspirations)	KPIs related to Material Issues					
			Themes	KPIs	Medium- to Long-term Targets	Achievement Status in FY2024		FY2025 Targets
Management base	Respect for human rights	To establish systems to respect the human rights of all stakeholders associated with the business activities of the “K” LINE Group as well as to prevent human rights violations.	Respect for human rights in the supply chain	Raising supplier awareness	Percentage of supplier surveys conducted	Cover the top 80% of transaction value by 2026	Not implemented	Cover the top 50% of transaction value
			Human rights awareness	Raising internal awareness	Percentage of participants taking e-learning courses on human rights	Overall participation rate: 100%	Cumulative participation rate: In-house 89.5%, Group companies in Japan: 86.4%, Group companies overseas: 93.1%	Overall participation rate: 90% or higher
	Reinforcement of corporate governance	To exercise functions of the Board of Directors to perform decision-making and oversight of management policies, and to carry out business execution based on those policies in a timely and appropriate manner, in order to increase medium- to long-term corporate value.	Compliance with the Principles of Japan’s Corporate Governance Code (CG Code)	Principles of CG Code	Compliance ratio of CG Code principles required for listed companies on Prime Market of Tokyo Stock Exchange	Continue 100% compliance	100% compliance	100% compliance
			Continuous improvement of the Board of Directors’ effectiveness	Board of Directors’ effectiveness	Implementation and disclosure of the Board of Directors’ effectiveness evaluation	Ongoing implementation on an annual basis	Due to changes in governance structure, evaluation through an interview format has been postponed to FY2025, and in FY2024, it was conducted through a questionnaire format	Conduct effectiveness evaluation through interviews
				Board of Directors’ effectiveness	Periodic review of issues set out in the Board of Directors’ effectiveness evaluation	Ongoing quarterly reviews and feedback to the Board of Directors		Conduct quarterly reviews and provide feedback to the Board of Directors
			Thorough compliance with laws and regulations	Result indicators	Number of serious compliance violations	0 cases	0 cases	0 cases
	Promotion and reinforcement of compliance	To conduct business activities with integrity, with officers and employees of the “K” LINE Group having a high awareness of compliance.	Raising awareness on compliance	Raising internal awareness	Percentage of participants attending compliance training	Maintain a continuous overall participation rate of 90% or higher	Participation rate: 100%	Participation rate: 100%
			Accidents		Serious maritime accidents	0 cases	0 cases	0 cases
Safety / Ship quality management	Promotion of safety in navigation and cargo operations	To establish both the global monitoring system and the region-based support and to prevent accidents by continuously strengthening its safe operation management system with both “human power” and “advanced / digital technology.”	Delay		Delay time due to mechanical failure	10h per vessel p.a.	7.55h per vessel p.a.	10h per vessel p.a.
				Result indicators	CO ₂ emission efficiency (vs 2008)	50% reduction by 2030	Improved by 42%	
Advancement of environmental technologies	“K” LINE low-carbon and carbon-free transition	To Implement initiatives to promote “K” LINE decarbonation as well as to support the decarbonization of society in order to meet the challenge of achieving net zero GHG emissions by 2050 as defined in “K” LINE environmental vision.	“K” LINE decarbonization		Total CO ₂ emission volume (vs 2008)	Achieve net zero by 2050	Reduced by 49%	Proceed with initiatives based on medium- to long-term targets
				Fuel conversion	Number of LNG-fueled vessels introduced	2030: 35, 2040: 35, 2050: 10	9 vessels	
					Number of ammonia- / hydrogen-fueled vessels introduced	2050: 200-250	0 vessels	
	Supporting the development of a low-carbon and carbon-free society		Decarbonization of society	Environmental preservation activities	Number of forest conservation activities conducted	Once per year	Once per year	Once per year
	Reducing “K” LINE’s impact on the sea and air to zero	To minimize the environmental impact on the sea and air through biodiversity conservation initiatives such as prevention of oil pollution incidents and air pollution as well as the installation of ballast water treatment system.	Biodiversity	Marine pollution	Oil spill accidents	0 cases	0 cases	0 cases
				Reduce impact	Installation of ballast water treatment systems	100% by June 2024	100%	Medium- to long-term targets achieved
Digital transformation	Promotion of innovation	To materialize reduction of the environmental impacts by introduction of fuel-efficient vessels with advanced energy-saving technology.	Low-carbonization	Introduction of new state-of-the-art vessels	EEDI regulation values for new vessels ordered by the end of the year	EEDI Phase 3 and more	100%	Medium- to long-term targets achieved
				Wind power and others	Installation of “Seawing”	2030: 50 vessels	0 vessels	Proceed with initiatives based on medium- to long-term targets
	Reinforcement of response to digital transformation (DX)	To establish systems in which all officers and employees have a sense of ownership in DX so as to take the initiative in promoting DX in the front lines.	Development of DX human resources	Operation efficiency	Installation of Kawasaki Integrated Maritime Solutions to owned / medium- to long-term charter vessels	100%	98%	100%
					Number of certified DX utilizers	100 personnel by the end of FY2025	15 personnel	100 personnel
				Gender	Female employees comprising of managerial positions*	15% (by FY2026)	7.4%	15% (by FY2026)
Human resources	Diversity & inclusion	To conduct group and mid-carrier hiring of employees of diverse nationalities, educational backgrounds, genders, and work areas (administrative or technical), and to respect diversity generated as a result. In addition, to further promote diversity by encouraging male employees to participate in childcare, and by fostering and integrating a sense of unity with staff at overseas subsidiaries through “K” LINE UNIVERSITY.	Active participation by diverse personnel	Recruitment format	Ratio of mid-career hires among managers	-	17.8%	-
					Ratio of mid-career hires among employees in service	-	Seafarer: 2.0% / Onshore: 23.0%	-
				Labor	Average monthly overtime working hours*	Under 30 hours	7.5 hours	Under 30 hours
	Shaping of working environment and promotion of health management	To positively consider personality, individuality and diversity of members of the “K” LINE Group and to improve work safety and conditions to offer them comfort and affluence.	Occupational safety	Flexible workstyle	Ratio of male employees taking childcare leave*	50%	81.9%	50%
				Health management	Mental well-being	Stress check examination rate	90%	Seafarer: 96.4% / Onshore: 97.0%
	The securing and development of human resources	To engage in the quantitative and qualitative acquisition and development of human resources in line with the needs of each business portfolio in order to improve corporate value, social and economic value, and to hire mid-career professionals throughout the year in addition to recruiting new graduates. To develop human resources from the perspectives of “human resources who can lead sustainable growth and transformation of the business” and “human resources who can flexibly respond to changes in the business environment.”	Active participation by diverse personnel	Recruitment format	Ratio of mid-career hires among managers	-	17.8%	-
					Ratio of mid-career hires among employees in service	-	Seafarer: 2.0% / Onshore: 23.0%	-
				Human resource development	Training cost per employee (Onshore personnel)	-	208 thousand yen	322 thousand yen

* The targets set in the Action Plan to Promote the Active Participation of Women and Support the Development of the Next Generation were formulated in March 2025.

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ESG Data Summary

			FY2020	FY2021	FY2022	FY2023	FY2024
Human Resource Data	Consolidated employees		6,080	5,158	4,918	5,012	5,652
	Unconsolidated employees		769	794	804	847	900
	On land		565	585	597	635	690
	At sea		204	209	207	212	210
	Women (%)		25.9	27.5	29.1	29.0	30.7
	Persons with disabilities (%)*1		1.82	2.09	1.71	2.11	2.65
	Number of occupational accidents*2		0	0	1	1	1
	Average years employed (years)*3	Men	14.99	15.21	14.92	14.58	14.23
		Women	14.19	14.17	13.77	13.52	13.18
	Overall turnover rate (%)*4		3.75	4.45	3.99	3.31	2.94
Management*5	Directors		10	10	9	9	10
	Outside directors		4	4	4	5	7
	Audit & Supervisory Board members*6		4	4	4	4	-
	Outside Audit & Supervisory Board members*6		2	2	2	2	-
CO2 emissions of "K" LINE Group*7	Scope 1 (Thousands of tons)		9,203	6,583	6,650	6,551	6,923
	Scope 2 (Thousands of tons)	Location basis	25	14	12	10	10
		Market basis	22	14	10	8	6
	Scope 3 (Thousands of tons)		1,220	4,566	4,506	4,028	4,603
Environmental Data of "K" LINE's Vessels*8	Fuel oil (Thousands of tons)		2,809	1,981	1,924	1,898	1,957
	CO2 emissions (Thousands of tons)		8,762	6,175	5,997	5,914	6,062
	SOx emissions (Thousands of tons)		36	30	29	30	28
	NOx emissions (Thousands of tons)		181	118	118	117	122
Environmental Data per Deadweight Ton-Mile of "K" LINE's Vessels*9	Input of energy	Fuel oil (g / ton-mile)	1.39	1.31	1.34	1.29	1.34
		Lub. oil (g / ton-mile)	0.012	0.012	0.012	0.012	0.012
	CO2 emissions (gram-CO2/ton-mile)	All types of vessels	4.49	4.10	4.20	4.04	4.20
	SOx emissions (gram-SOx/ton-mile)	All types of vessels	0.022	0.020	0.020	0.020	0.020
	NOx emissions (gram-NOx/ton-mile)	All types of vessels	0.089	0.078	0.082	0.080	0.083
Training	Cost of training per employee (¥)	Onshore	63,107	107,000	97,092	171,454	208,861
		Seafarer	198,652	154,664	263,880	393,407	410,222
	Average training per employee (Days)	Onshore	10	1	3	3	3
		Seafarer	9	8	12	20	18
	Average training per employee (Hours)	Onshore	50	13	24	21	21
		Seafarer	73	64	96	160	144

*1. The employment rate of persons with disabilities is calculated in accordance with the Act for Promotion of Employment of Persons with Disabilities. In accordance with this Act, a 90% exclusion rate is applied to seafarers (excluding those on duty onshore).

*2. Excluding commuting-related accidents.

*3. Target scope: Kawasaki Kisen Kaisha, Ltd. employees with indefinite-term employment contracts.

*4. Calculation method: Number of employees leaving during the fiscal year / Number of regular employees

*5. For Kawasaki Kisen Kaisha, Ltd.

*6. "K" LINE has transitioned from a company with an Audit & Supervisory Board to a company with a Nominating Committee, etc., following approval at the Extraordinary General Meeting of Shareholders held on March 28, 2025. Data is current as of March 31, 2025.

*7. The scope of aggregation was revised in 2021. Vessels not under our operations are excluded from Scope 1 calculations. Container vessels are included in Scope 3.
In 2024, we reported 29,327 tons of biogenic CO2 emissions from biofuel categorized in Outside of Scopes. In 2024, we conducted carbon offsets totaling 376.1 tons. Figures are calculated on a calendar-year basis.

*8. The scope of aggregation was revised in 2021. Vessels not under our operations are excluded. Figures are calculated on a calendar-year basis.

*9. Index for transporting one ton of cargo one nautical mile (1,852 meters). Based on the ship's DWT (deadweight tonnage).

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Outline of the Company / Stock Information

Outline of the Company

(As of June 30, 2025)

Company name		Kawasaki Kisen Kaisha, Ltd. ("K" LINE)	
Established		April 5, 1919	
Paid-in capital		75,457.64 million yen	
President		Takenori Igarashi (effective from March 28, 2025)	
Employees		Non-Consolidated: 964 (745 on land, 219 at sea) Consolidated: 5,783	
Business lines		Marine transportation, Land transportation, Air transportation, Through transportation involving marine, land, and air transportation, Harbor transportation, etc.	
Offices	Head office	Iino Building, 1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-8540, Japan Phone: (+81) 3-3595-5000 Fax: (+81) 3-3595-5001	
	Registered head office	Shinko Building, 8 Kaigandori, Chuo-ku, Kobe 650-0024, Japan Phone: (+81) 78-332-8020 Fax: (+81) 78-393-2676	
	Branches	Nagoya 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	
		Kansai Shinko Building, 8 Kaigandori, Chuo-ku, Kobe 650-0024, Japan Phone: (+81) 78-332-8020 Fax: (+81) 78-393-2676	
		Overseas representative offices	
Overseas agents		Korea, China, Taiwan, Thailand, Singapore, Malaysia, Indonesia, Vietnam, India, Australia, U.K., Germany, Belgium, France, U.S.A., Mexico, Peru, Chile, Brazil, South Africa	
Affiliated companies (to be consolidated)		28 (domestic), 258 (overseas)	

Stock Information

(As of September 30, 2025)

Authorized	1,800,000,000 shares of common stock
Issued	639,172,067 shares of common stock
Number of shareholders	148,567
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Listing of shares	Tokyo Stock Exchange (Prime Market)
Stock Code	9107

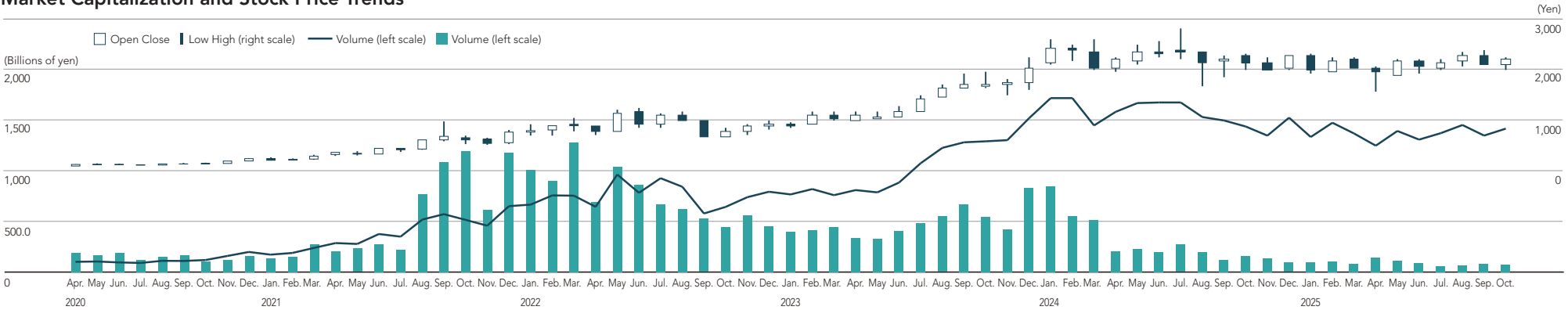
Major Shareholders

(As of September 30, 2025)

Shareholders	Number of shares held (thousands)	Percentage of shares held (%)
ECM MF	92,947	14.56
The Master Trust Bank of Japan, Ltd. (trust account)	64,146	10.05
MLI FOR SEGREGATED PB CLIENT	50,862	7.97
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	31,796	4.98
Suntera (Cayman) Limited as trustee of ECM Master Fund	19,716	3.09
Custody Bank of Japan, Ltd. (trust account)	18,438	2.88
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	17,697	2.77
IMABARI SHIPBUILDING CO., LTD.	16,956	2.65
CGML PB CLIENT ACCOUNT/COLLATERAL	15,581	2.44
Mizuho Bank, Ltd.	12,694	1.98

* Figures for share ownership breakdown do not include treasury stock (1,113,651 shares).

Market Capitalization and Stock Price Trends



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