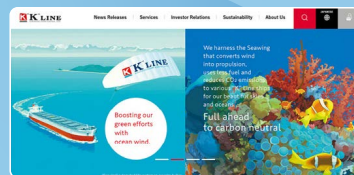


"K" LINE REPORT 2026



1 To know about "K" LINE

Corporate Website



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

"K" LINE Corporate 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 integrates financial and non-financial information, including business strategies and environmental, social, and governance information, and is published to provide stakeholders with a comprehensive understanding of our efforts to enhance corporate value.

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>
- **IR Event**
<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#001
- **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>
- **Sustainability Report**
https://www.kline.co.jp/en/sustainability/sustainability_report.html
- **TCFD Framework-Based Information Disclosure**
https://www.kline.co.jp/en/sustainability/environment/climate_change/main/0110/teaserItems1/02/linkList/0/link/202603TCFDEN.pdf
- **TNFD Framework-Based Information Disclosure**
https://www.kline.co.jp/en/sustainability/environment/impact_mitigation/main/0119/teaserItems1/05/linkList/0/link/202603%20TNFD%20Framework_EN.pdf

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.

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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 FY2026, which corresponds to the final year 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

FY2025 (April 1, 2025–March 31, 2026)

Note: The report also includes some developments from April 2026.

● Scope of Reporting

In principle, this report covers the activities and data of Kawasaki Kisen Kaisha, Ltd., and its subsidiaries and affiliates. Where the scope of activities or data is limited, this is noted in the report.

● 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.

Takenori Igarashi
Director,
Representative Executive Officer,
President & CEO

Message from the CEO

Turning Change into Strength and Advancing
to the Next Stage of Growth

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Message from the CEO

Structural changes, including situations in the Middle East and between Russia and Ukraine, shifts in trade and tariff policies, and the restructuring of supply chains, are not temporary.

Where Does “K” LINE Stand Today, and How Will It Enhance Corporate Value as It Advances to the Next Stage of Growth?

Reflecting on the Past Year as President
A year and a half has passed since I took office as CEO in March 2025. During this time, as I have engaged in extensive dialogue with customers in Japan and overseas, shareholders and investors, business partners, and employees across the Group, I have once again become keenly aware of the speed at which our business environment is changing.

At the same time, over the past year I have continued to consider what we need to strengthen and what we need to change to advance to the next stage of growth. The earnings base and financial foundation we have built during the current medium-term management plan have become important assets for the Company. However, given changes in the business environment and the expectations of the capital markets, we must build on these foundations and further enhance corporate value.

Since the COVID-19 pandemic, the underlying assumptions concerning global energy policy, security, trade, and environmental policies have continued to change dramatically. **At present, factors affecting the shipping industry are intertwined in increasingly complex ways. These include instability in the Red Sea and around the Strait of Hormuz due to the situation in the Middle East, tensions between the United States and China, the Russia-Ukraine conflict, trade and**

tariff policies in various countries, fluctuations in crude oil prices, and the restructuring of supply chains. These structural changes are not temporary. I believe they will continue to shape our business environment and that uncertainty will persist. Rather than waiting for conditions to return to what they once were, we must consider how best to strengthen our competitiveness and capture growth opportunities in an environment where change has become the norm. This perspective is essential when considering the next phase of growth for the “K” LINE Group.

The “K” LINE Group is currently formulating its next medium-term management plan. Our starting point is to take an objective look at the business foundation established under the current medium-term management plan and clarify what we should change, what we should build on, and how we will leverage these efforts to enhance corporate value.

Foundations Built Under the Current Medium-Term Management Plan and the Remaining Challenges
Under the current medium-term management plan, we designated the car carrier, coal & iron ore carrier, and LNG carrier businesses as our three growth drivers and allocated management resources primarily to them. We have also viewed low-carbon and carbon-free initiatives as both a social challenge and a growth opportunity and have therefore pursued environmental investments.

These efforts are steadily producing results. In the car carrier business, investment in environmentally friendly vessels has enabled

us to offer customers the benefit of lower CO₂ emissions and differentiate our services, contributing to greater competitiveness and profitability. In the LNG carrier business, we are developing our fleet based on medium- and long-term contracts, and we expect the business to emerge as a contributor to earnings over the next several years. In the coal & iron ore carrier business, we are developing our fleet in response to customer demand and environmental needs, and this has contributed to stable earnings.

As a result of these initiatives, **I believe we have improved both the stability and profitability of the earnings base for “K” LINE’s own businesses during the current medium-term management plan. In the containership business, despite substantial market fluctuations, we were able to capture earnings upside during the current medium-term management plan.** Companywide, growth in operating cash flow has also enabled us to deliver shareholder returns far exceeding our initial plan.

At the same time, my particular focus over the past year has been on how to utilize the foundation built under the current medium-term management plan to drive future earnings growth and further enhance corporate value. A stable earnings base is important, but for it to translate into corporate value recognized by the capital markets, we must examine our business portfolio and approach to growth investment more closely.

In particular, the fact that we have not been able to consistently maintain a price-to-book ratio (PBR) above 1.0 remains the most significant challenge facing the Company, and one that we take very seriously. Return on equity (ROE) reached high levels when the containership business was performing strongly. However, I believe there is still room to improve capital efficiency if we are to generate returns that consistently exceed our cost of capital. **To advance earnings growth and capital efficiency in tandem, we must further promote management with a focus on return on invested capital (ROIC) and the weighted average cost of capital (WACC).**

In our dialogue with shareholders and investors, we have been asked questions such as “Where do “K” LINE’s strengths lie?” “Where will you focus your investments?” and “How will you articulate your earnings growth story?” These are critical questions that “K” LINE must address to advance to the next stage, and they form the starting point for the next medium-term management plan now being formulated.

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This integrated capability remains the source of our competitiveness.



How Will “K” LINE Group Further Strengthen its Core Capabilities to Achieve Sustainable Growth and Enhance Corporate Value?

What “K” LINE Aims to Become
For “K” LINE to grow sustainably and enhance corporate value, it is essential that we grow alongside society while addressing social issues. I believe sustainability management means remaining a company that society both trusts and needs. Continuing these efforts will ultimately lead to the sustainable enhancement of corporate value. Our people are a key management resource for addressing social issues while enhancing corporate value. In a business environment where constant change has become the norm, people with diverse values and experiences who continue taking on challenges while drawing on their individual capabilities will drive the creation of new value. Guided by the belief that the growth of every employee leads to the growth of the Company, we will create an environment in which diverse talent can thrive and strengthen the human resource foundation supporting our global Group management.

Our safety, environmental, and governance initiatives also form an important foundation for supporting this value creation. Our goal is not simply to transport cargo, but to help solve the challenges facing our customers and society. This requires the ability to understand each challenge in depth and provide the optimal solution to each one. The foundation for this is the integrated capability that we have developed over many years.

Our strength lies in our ability to integrate and optimize sales, operations, ship management, and shipbuilding technology as a whole, working from the front lines of our business, including customer touchpoints, vessels, ports, and logistics hubs. Even amid rapid changes in the business environment, this integrated capability remains the source of our competitiveness. The challenges facing society, including decarbonization, the energy transition, and changing supply chains, will likely become even more complex. We view these challenges not as constraints on growth, but as new business opportunities. We will create new value while helping address social issues, thereby driving sustainable growth. To

achieve this, our aim is to evolve into a shipping company with enhanced engineering capabilities.

In the logistics industry, safe and reliable transportation is becoming increasingly valuable. During the 2010s, logistics was often taken for granted as something that would function without interruption. Since the COVID-19 pandemic, however, events such as port congestion, route restrictions caused by geopolitical risks, and labor shortages have threatened supply chain stability. In this environment, frontline capabilities that enable safe and reliable transportation, service quality that encompasses environmental considerations, and the ability to solve transportation challenges through continuous dialogue with customers are more valuable than ever. We must fully understand our customers’ businesses, changes in society, and challenges throughout the supply chain, and give careful consideration to what value we can provide. By continuously repeating and refining this process, we earn customer trust and enhance corporate value.

Strengthening functions that span the entire Group will be crucial to realizing this vision. Until now, “K” LINE has grown on the basis of the expertise within each business division. This is one of our strengths and will remain important. At the same time, as the pace of environmental change accelerates, we must complement the vertical strengths of individual business divisions by further reinforcing Groupwide functional strategies that extend across business divisions.

Particularly important areas include marine operations and marine engineering, encompassing seafarers and ship management; environment and technology; and digital capabilities, AI, and data infrastructure. Over the past year, we have taken tangible steps such as integrating our ship management companies, launching the Environmental Solutions Unit, and beginning to modernize our ERP* system and develop our data infrastructure. I cannot say that we currently lead in every one of these areas. Nevertheless, we will steadily enhance these functions and make them sources of competitive strength for our businesses.

* ERP: Enterprise Resource Planning

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Message from the CEO

How Will We Sharpen Our Earning Power Through Focused Investment in Businesses Where We Have Strengths and by Evolving Our Portfolio?

Our Approach to Investment That Supports Growth

Growth investment will continue to be a key priority under the next medium-term management plan. In addition to areas where we are already strong, such as car carriers, coal & iron ore carriers, and LNG carriers, we must pursue opportunities in areas associated with new energy supply chains, including liquefied CO₂ transportation, offshore wind power support, biofuels, and wind-assisted technologies.

Rather than simply expanding our scale, we aim to generate returns exceeding our cost of capital and enhance corporate value by concentrating investment in areas where we are strong. We will therefore take a balanced approach to investing in both vessel assets and functional capabilities. Fleet development will remain important, but that alone will not be enough to strengthen our future competitiveness. Investment in functions and networks that support businesses across the Group, including marine engineering capabilities, environmental technologies, digital and AI capabilities, data utilization, global network, and customer touchpoints, will become more important than ever.

We will also consider a broad range of M&A options, not only to strengthen existing businesses but also to enhance capabilities, acquire talent, and build external partnerships.

However, we have no intention of making overly aggressive investments or overpaying for acquisitions. We will focus on areas where we have strengths and can play an active and responsible role in management, carefully assessing their contribution to both earnings and cash flow. M&A is not an end in itself, but a means of executing our growth strategy.

Three Priority Themes for the Next Medium-Term Management Plan

There are three themes that I consider particularly important for the next medium-term management plan. The first is a growth strategy for “K” LINE’s own businesses, the second is strengthening competitiveness and improving capital efficiency in the containership business, and the third is the capital policy of “K” LINE itself.

Growth Strategy for “K” LINE’s own Businesses

For our own businesses, we must shift our focus from stabilization to growth. Under the current medium-term management plan, we have strengthened the earnings base of our own businesses by prioritizing investment in growth-driving businesses. In the next stage, we will build further on this foundation and achieve growth with improved profit margins and capital efficiency.

To achieve this, we must focus investment on businesses where we have competitive strengths. We will continue to capture growth opportunities in areas where we can leverage our expertise, customer base, and technological capabilities,

including LNG carriers, car carriers, and new energy supply chains. We will also reinforce our position in the domestic market and our short sea and coastal business, which form an important foundation of our operations, while strengthening our efforts in regions with growth potential, including India, the Middle East, and Africa.

At the same time, we will remain clearly focused on reshaping our business portfolio. As stated in our previous disclosures, **we intend to concentrate investment in businesses where we are strong, limit investment in businesses generating returns below the cost of capital, and continue reshaping our portfolio.** For businesses that continue to face challenges in growth potential or profitability, we will first pursue improvements. If sufficient improvement cannot be expected, we will reconsider how those businesses should be structured, including options involving third parties.

This is not simply about separating businesses from the Group. It is a management decision intended to redirect limited management resources toward areas capable of generating greater value. Rather than aiming simply to add more businesses, we will focus on building a business portfolio that contributes to enhancing corporate value.

Addressing Challenges in the Containership Business

The containership business is critically important to “K” LINE’s corporate value. At the same time, the structure of the industry is changing significantly. With leading players operating vast fleets, competitiveness can no longer be maintained simply by expanding fleet capacity.

Ocean Network Express (ONE) must strengthen its competitiveness across the entire business, going beyond fleet development to enhance its infrastructure strategy, including its terminal network, as well as service quality, network, and cost competitiveness. As a shareholder, “K” LINE will also work to strengthen governance under ONE’s new CEO and support efforts to improve ONE’s business competitiveness.

At the same time, more in-depth discussion is needed on ONE’s optimal capital structure. We will continue discussions with ONE and the other shareholders, taking into account both business stability and capital efficiency. Improving ONE’s capital efficiency is a key priority that will also help “K” LINE achieve both earnings growth and improved capital efficiency across the Company.

Concentrating investment in areas where we are strong, rather than simply expanding our scale
Achieve growth with improved profit margins and capital efficiency

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“Animal Spirit” in business will further evolve the “K” LINE Spirit.



How Will “K” LINE Balance Earnings Growth with Improved Capital Efficiency through its Capital Policy?

Capital Policy

The third theme is capital policy. “K” LINE has made consistently maintaining a PBR above 1.0 a key target. To achieve this, we must raise ROE, an indicator within our control. We have now set a target of achieving an ROE of 15% or higher in the future.

This reflects our determination to become a company that is sustainably valued by the market. Our aim is to be a company valued for both earnings growth and improved capital efficiency. In the short term, we will move swiftly to improve capital efficiency, including by optimizing our equity ratio. Over the medium to long term, we intend to increase stable earnings from “K” LINE’s own businesses, strengthen the competitiveness and capital efficiency of the containership business, and improve ROE for the Company as a whole.

Capital policy is not about considering shareholder returns, investment, and financial soundness in isolation. We will make the investments needed to enhance corporate value, maintain an appropriate level of financial soundness in light of business risks, and then consider shareholder returns for capital in excess of the appropriate level, taking cash flow into account. While maintaining this basic approach, we will develop it into a clearer and more effective capital policy.

Animal Spirit: Turning Change into Strength

For more than a century, “K” LINE has passed down the values of independence and autonomy, free and broad-mindedness, and enterprising spirit, which define the “K” LINE Spirit and have supported our creativity and willingness to take on challenges. As I stated when I became president, **I believe that “Animal Spirit” in business will further evolve the “K” LINE Spirit to meet the demands of the coming era.**

As the business environment changes rapidly, responding swiftly to change is not enough to sustain growth. We must carefully assess risks and opportunities, seek out opportunities ourselves, and have the courage and passion to step forward when necessary.

Over the past year, I have continually reflected on a number of important questions. Where do “K” LINE’s strengths lie? On which businesses should we concentrate our management resources? How should we respond to the expectations of capital markets? And what kind of company should the “K” LINE Group aspire to become?

I believe management is a continuous process of confronting questions such as these. That is why I make a point of thinking things through, discussing them fully, and looking at matters from multiple perspectives.

At the same time, thought alone does not create change. After considering the various possibilities, we must ultimately decide before taking a step forward. To me, Animal Spirit is the

determination that underpins such decisions and actions.

Concentrated investment in businesses where we have strengths, reshaping the business portfolio, pursuing new energy supply chains, utilizing digital technologies and AI, and improving capital efficiency. By carrying out each of these initiatives, the Group will advance to the next stage of growth.

Through the challenges taken on by each employee, our dialogue with customers, and our efforts to address societal challenges, we will continue to chart our own course.

We will not fear change. We will turn it into strength. With Animal Spirit as our driving force, the “K” LINE Group will continue taking on challenges to achieve sustainable enhancement of corporate value.

We sincerely appreciate the continued understanding and support of our shareholders, investors, and all other stakeholders.

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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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 its corporate value and vision as well as values the Group prizes. 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.

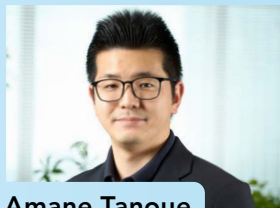
Providing safe and optimized services that put the customer first



Ryosuke Yoshida

“K” Line (Korea) Ltd.

I carry out my daily duties with the awareness that each and every decision made at the shipbuilding site contributes to safe and secure transportation for our customers.

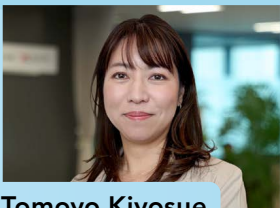


Amane Tanoue

Kawasaki Kinkai Kisen Kaisha, Ltd.

As Kawasaki Kinkai Kisen’s Silver Ferry, loved by many people, we strive to provide passengers and drivers with safe, secure, and comfortable services.

Tireless attitude toward problem solving



Tomoyo Kiyosue

Manager, Corporate Solution Team, IT & Process Transformation Group

We identify fundamental issues, envision how things should and ideally could be, realize new solutions that integrate IT and business transformation across departments, and see them through to the end.



Hugo Garland

“K” Line Bulk Shipping (UK) Limited

Whether negotiating a new fixture or resolving post-fixture issues, I seek practical, balanced solutions that work for both sides.

Providing the value only “K” LINE can in pursuit of expertise



Tayuto Kaneko

Legal Group
Maritime Law Team

Leveraging more than 100 years of expertise and a global network of professionals, we work closely with our business divisions to provide practical legal support tailored to their needs.



Yoko Aoki

Logistics, Port and Affiliated Business Group
Business Management Team No.2

Leveraging the knowledge and technologies cultivated by the “K” LINE Group in Japan and overseas, we will take on the challenge of creating new value worldwide.

Relentless efforts to achieve innovation



Shiyue Liu

LNG/CCS Strategic Group
CCS Business Team

We are committed to going beyond theory, pursuing both commercial viability and practical feasibility, and steadily advancing CCS toward real-world implementation.



Natsumi Murakami

Ship Technical Group
Ship Planning Team

Building on the knowledge and experience gained through shipbuilding and vessel operations, we combine practical expertise with new technologies to develop safe and environmentally responsible vessels and propose a new course for sustainable shipping.

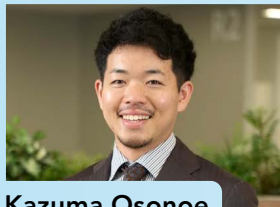
Contributing to the global environment and a sustainable society



Sumire Hariu

Corporate Sustainability, Environment Management, IR and Communication Group
Environment Management Team

Toward achieving decarbonization in the shipping industry, we will turn environmental initiatives that lead to the future into reality while acquiring new knowledge.



Kazuma Osonoe

Environment/Technical Strategy Group
Environment/Technical Strategy Team

We formulate strategies that can expand the company’s business scale and decarbonize our society at the same time to create the value required in the next generation.

Respecting individuals and ensuring fair business activities by embracing diverse values



Genki Horiuchi

Car Carrier Business Group
North America Team

In the rapidly changing shipping industry, we leverage the diverse experience and knowledge cultivated both within and outside the Company to help create an environment in which each individual can thrive.



Soichi Sato

Maritime Strategy Group
Marine Personnel Team

We embrace diverse values and engage with each individual as we identify the personnel who will support the future and work to ensure fair business activities.

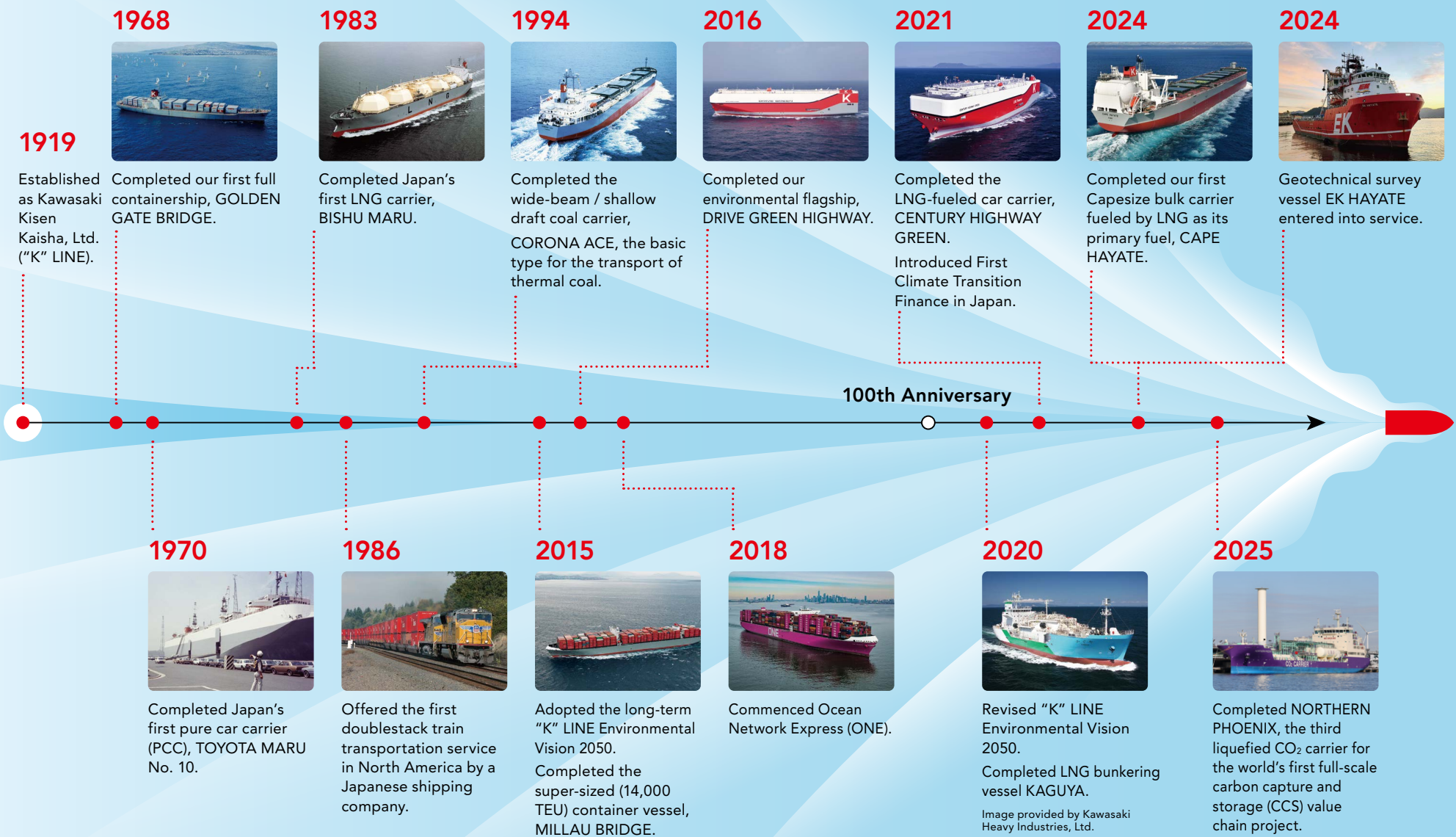
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History of the "K" LINE Group



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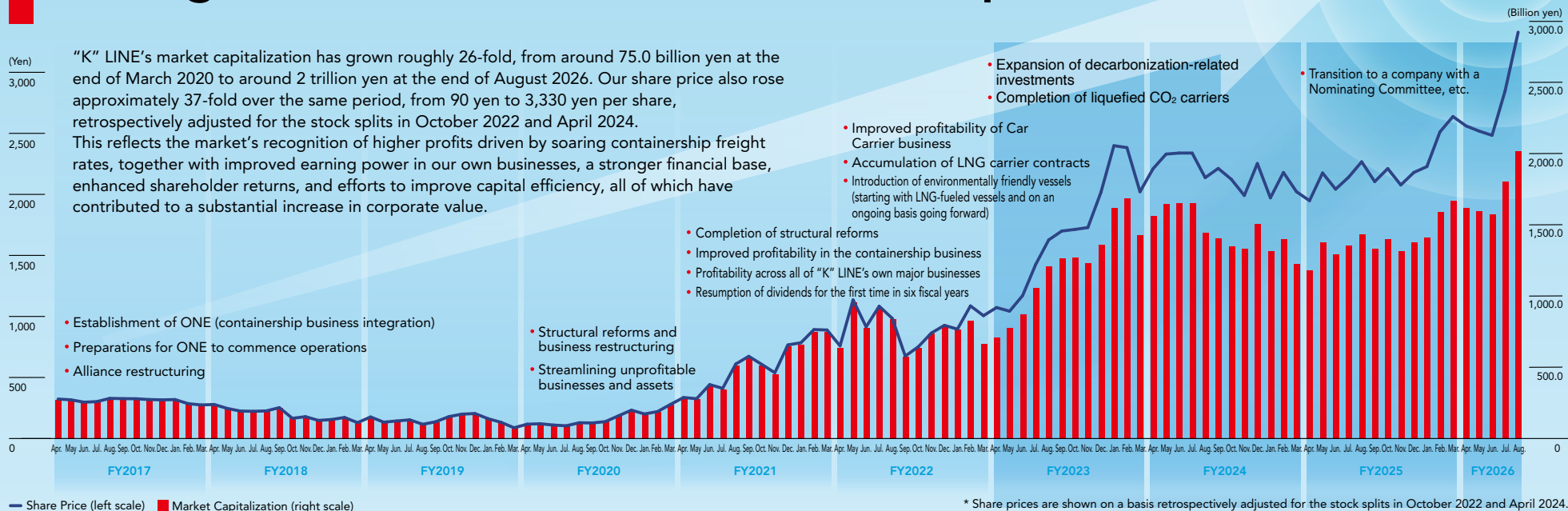
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Changes in Share Price and Market Capitalization

**Market Capitalization approx.
2 trillion yen**
Share Price 3,330 yen
 (As of the end of August 2026)



FY2017–FY2019 **Market Capitalization approx.
75 billion yen** (As of the end of March 2020)

“Revival for Greater Strides”

We positioned the three years through FY2019, which marked our 100th anniversary, as a period of “Revival for Greater Strides,” during which we worked to rebuild our business foundation toward realizing our Vision.

- ◆ Rebuilding portfolio strategy
- ◆ Advancement of business management and strengthening of function-specific strategies
- ◆ ESG initiatives

● Global and Shipping Industry Developments

- Restructuring of the containership industry (establishment of ONE by three Japanese shipping companies, Hapag-Lloyd’s merger with UASC, COSCO’s acquisition of OOCL, etc.)
- Tightening of IMO environmental regulations
- Intensifying U.S.–China trade friction • Shipping market downturn

FY2020–FY2021 **Market Capitalization approx.
700.0 billion yen** (As of the end of March 2022)

“Connecting the World via Oceans and Technology”

Having overcome the COVID-19 pandemic, as a professional maritime shipping group, we are stepping ahead into the future, leveraging technology to support missions that the times demand.

- ◆ Refining our Four-pillar Businesses
Dry Bulk, Energy Resource Transport, Car Carrier, Logistics / Coastal and Short Sea
- ◆ Venturing into new business areas by leveraging our expertise and working with trusted partners in growth areas
- ◆ Accelerating business development abroad, particularly in Asia
- ◆ Further strengthening competitiveness in the containership business
- ◆ Continuing to strengthen our financial base

● Global and Shipping Industry Developments

- Onset and continuation of the COVID-19 pandemic
- Soaring containership freight rates due to supply chain disruptions and port congestion

FY2022–FY2026 **Market Capitalization approx.
2 trillion yen** (As of the end of August 2026)

Medium-term management plan formulated based on the “Future Creation Project”*

- ◆ Sustainable Growth and Improvement of Corporate Value
- ◆ Taking on the challenge of developing businesses that contribute to a low-carbon and decarbonized society
- ◆ Concentrating management resources on the three businesses that will drive growth (Coal & Iron Ore Carriers, LNG Carriers, and Car Carriers)
- ◆ Strengthening support for the sustainable growth and development of Ocean Network Express (ONE)

● Global and Shipping Industry Developments

- Russia-Ukraine conflict • Rising global inflation • Soaring vessel prices
- Continued depreciation of the yen • U.S. trade and tariff policies
- Heightened tensions in the Middle East (issues affecting transit through the Suez Canal and the Strait of Hormuz)

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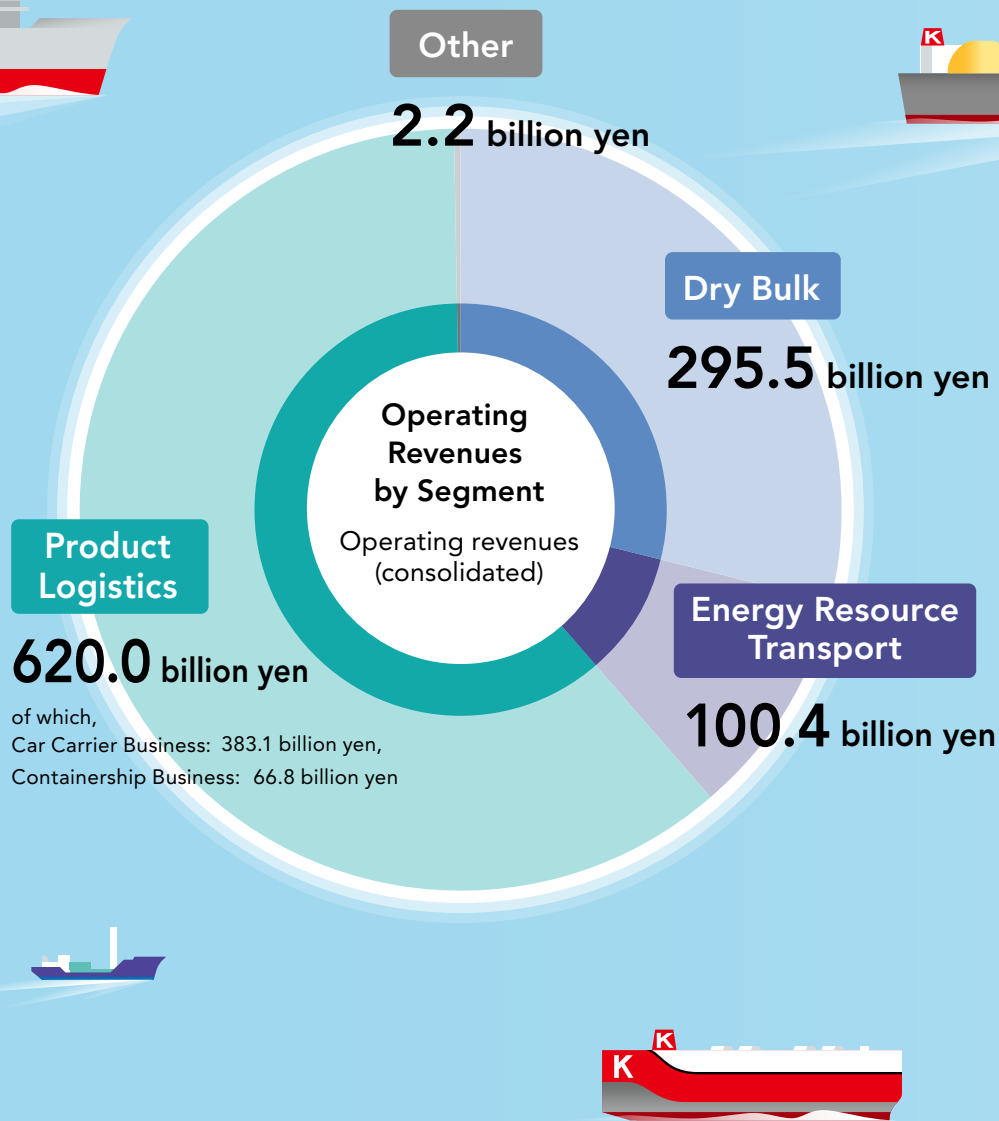
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* A Companywide project organized to formulate the medium-term management plan announced in May 2022.

As we embarked on a new stage of management, we held extensive discussions over a period of approximately nine months about our corporate principle, vision, prized values, and the future direction of the Group, involving members from across the Company and at various organizational levels, including those dedicated to the project, so that all Group executives and employees could share a common sense of purpose and move forward together.

Present State of the “K” LINE Group



■ Operating revenues (consolidated)

1,018.4 billion yen

■ Ordinary income

109.1 billion yen

■ Number of vessels in operation

439

■ Number of employees (consolidated)

5,907

■ Total assets

2.344 trillion yen

■ Number of business locations

286
29 (domestic), 257 (overseas)

■ Number of major accidents

1 case

■ Efficiency improvement of CO₂ emissions per deadweight ton-mile

43% reduction
(compared with 2008)

* The number of vessels in operation, number of employees (consolidated), and number of business locations are as of June 30, 2026.

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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."

<div><div></div><div>Financial Capital</div></div>	Enhancing earning power and maintaining both capital efficiency and financial soundness based on an awareness of optimal capital structure and cash flow	The "K" LINE Group unveiled its medium-term management plan in May 2022, having observed major improvements to its financial position 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. On March 28, 2025, we transitioned to a company with a Nominating Committee, etc. structure, with the aim of further enhancing governance and corporate value by strengthening the supervisory function of the Board of Directors while enabling swift decision-making by the management team. In the full-year financial results for FY2025, we identified key priorities for the next medium-term management plan. With a view to sustainably maintaining a PBR above 1.0, we set a target of ROE of 15% or higher and outlined policies to accelerate growth in our own businesses, enhance competitiveness and capital efficiency in the containership business, and achieve both financial soundness and capital efficiency. Through these initiatives, we are pursuing both sustainable earnings growth and improved capital efficiency.	<div>Consolidated total assets 2.3 trillion yen</div> <div>Equity capital 1.8 trillion yen</div> <div>Interest-bearing liabilities 296.0 billion yen</div> <div>Equity ratio 76.9%</div> <div>DER 17.1%</div>	Capital Policy <div>P.26-27</div>
<div><div></div><div>Human Capital</div></div>	People and organizations that continuously support logistics infrastructure in global society	Hiring and training personnel who support all-important safety in fleet navigation, lead change, 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.	<div>Number of consolidated employees 5,907*</div> <div>Percentage of foreign crew members 97.6%</div>	Functional Strategy <div>P.44</div> <div>Safety & Ship Quality Management <div>P.50</div></div> <div>HR & Organization <div>P.53-55</div></div>
<div><div></div><div>Equipment Capital</div></div>	Fleet with appropriate flexibility to manage business strategy	The "K" LINE Group has been advancing various initiatives to achieve the revenue and expenditure targets for FY2026 and FY2030. 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 CO ₂ 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 upsizing, ensuring fleet flexibility in light of the risk of a retreat in demand, and organizing fleets capable of meeting diverse transportation needs, including High & Heavy cargo.	<div>Property, plant, and equipment (vessels) 375,746 million yen</div> <div>Number of vessels in operation 439</div> <div>Operating tonnage 35,410,503 D/T*</div>	Medium-Term Management Plan <div>P.17</div> <div>Safety & Ship Quality Management <div>P.50</div></div> <div>Environment & Technology <div>P.46-47</div></div>
<div><div></div><div>Intellectual Capital</div></div>	Evolving environment / technology / innovation	The "K" LINE Group is keen to provide top-class industry solutions by addressing environmental needs for a low-carbon and carbon-free footprint not only at "K" LINE but also among customers and throughout society; 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.	<div>Installation of Kawasaki Integrated Maritime Solutions to owned / medium- to long-term charter vessels..... 100%</div>	Safety & Ship Quality Management <div>P.50</div> <div>Environment & Technology <div>P.46-47</div></div> <div>Digital Transformation <div>P.51</div></div> <div>HR & Organization <div>P.53-55</div></div>
<div><div></div><div>Social and Relationship Capital</div></div>	Solid customer base and partnerships backed by experience	Building on a customer base established through our track record of safe transportation, we aim to strengthen relationships with customers who share our view that low-carbon and carbon-free initiatives are a growth opportunity. In addressing social issues such as decarbonization, we participate in councils and joint research with both domestic and international partners. The liquefied CO ₂ 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.	<div>Number of countries in which the Company operates24</div> <div>Net sales by region</div> <div>Japan 90.8% U.S. 1.4% Europe 3.9%</div> <div>Asia 3.8% Other 0.1%</div> <div>Number of affiliated companies 29 domestic* 257 overseas*</div>	Medium-Term Management Plan <div>P.17</div> <div>Safety & Ship Quality Management <div>P.50</div></div> <div>Environment & Technology <div>P.46-47</div></div> <div>Digital Transformation <div>P.51</div></div> <div>HR & Organization <div>P.53-55</div></div>
<div><div></div><div>Natural Capital</div></div>	Contributing to reduction in environmental impact on the sea and air	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.	<div>Number of LNG- / LPG-fueled vessels in operation 15</div> <div>Efficiency improvement of CO₂ emissions per deadweight ton-mile Reduced by 43% (compared with 2008)</div>	Functional Strategy <div>P.44</div> <div>Safety & Ship Quality Management <div>P.50</div></div> <div>Environment & Technology <div>P.46-47</div></div>

* Financial capital, the number of consolidated employees, equipment capital, and the number of affiliated companies are as of the end of June 2026.

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The “K” LINE Group’s Materiality

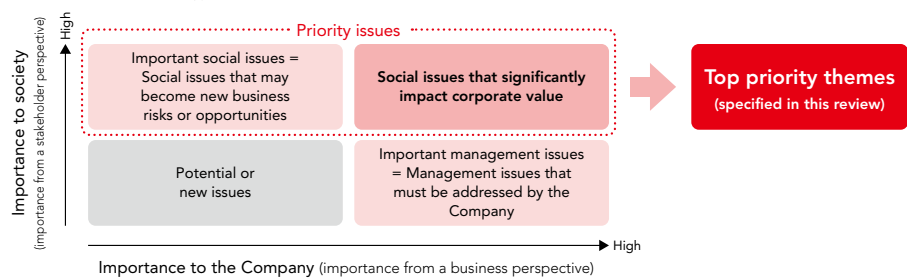
As a part of identifying, evaluating, and managing sustainability-related risks and opportunities, we review and re-assess materiality (material issues for sustainability) as necessary. The “K” LINE Group’s most recent review in FY2022 identified 12 new material issues. These are categorized into five 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

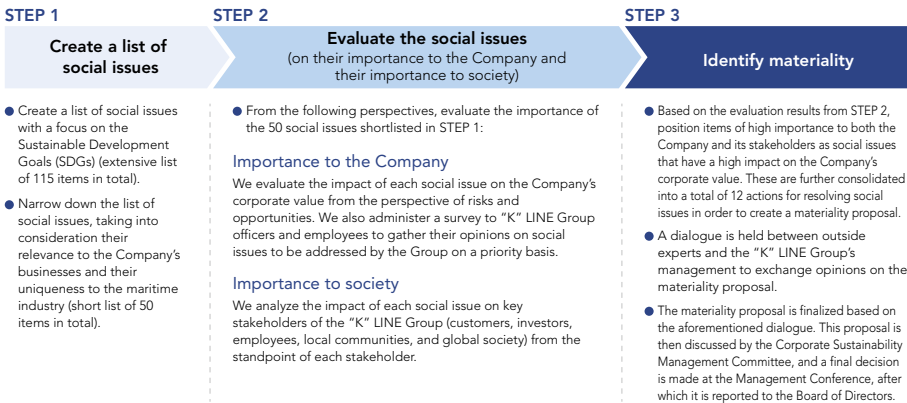
Category	Material Issues (Actions for resolving social issues)	Basic Policy
Management base	Respect for human rights P.71	Promote initiatives to respect the human rights of all stakeholders involved in the “K” LINE Group’s business activities.
	Reinforcement of corporate governance P.64	To fulfill its 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.72	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.50	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.
Environment & Technology	“K” LINE low-carbon and decarbonized operations P.46	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 a low-carbon and decarbonized society P.47	
	Reduce “K” LINE’s impact on the sea and air to zero P.46	Consider all environmental risks in business activities and take countermeasures while promoting biodiversity conservation and initiatives toward a sustainable society.
Digital transformation	Promotion of innovation P.45	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.51	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	Diversity & inclusion P.9	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.
	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.
	The securing and development of human resources P.53	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.”

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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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 FY2026, 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	KPIs related to Material Issues						
		Medium- to Long-term Goals (Aspirations)	Themes		KPIs	Medium- to Long-term Targets	Achievement Status in FY2025	FY2026 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 2027	30 key suppliers surveyed	Cover the top 70% of transaction value (cumulative)
			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: 90.3% Group companies in Japan: 86.4% Group companies overseas: 93.1%	Overall participation rate: 95%
	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	Continued 100% compliance	100% compliance	Continued 100% compliance
			Continuous improvement of the Board of Directors' effectiveness	Board of Directors' effectiveness	Implementation and disclosure of the Board of Directors' effectiveness evaluation	Continued annual evaluation and disclosure	Conducted a third-party assessment through questionnaires and interviews and disclosed the results	Conduct and disclose self-assessments through questionnaires
				Board of Directors' effectiveness	Periodic review of key issues set out in the Board of Directors' effectiveness evaluation	Continued periodic reviews and feedback to the Board of Directors	Conducted 4 reviews (September and December 2025, March and April 2026)	Continued periodic reviews and feedback to the Board of Directors
	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.	Thorough compliance with laws and regulations	Result indicators	Number of serious compliance violations	0 cases	0 cases	0 cases
					Total amount of fines and penalties resulting from legal proceedings related to bribery, corruption, and anti-competitive behavior	0 yen	0 yen	0 yen
		Raising awareness on compliance	Raising internal awareness	Percentage of participants attending compliance training	Overall participation rate: 100%	Participation rate: 100%	Participation rate: 100%	
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.”	Accidents		Serious maritime accidents	0 cases	1 case	0 cases
			Delay		Delay time due to mechanical failure	10 h per vessel p.a.	14.63 h per vessel p.a.	10 h or less per vessel p.a.
Environment & Technology	“K” LINE low-carbon and carbon-free transition	To implement initiatives to promote “K” LINE decarbonization 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	Result indicators	CO ₂ emission efficiency (vs 2008)	50% improvement by 2030	43% improvement	Proceed with initiatives based on medium- to long-term targets
					Total CO ₂ emission volume (vs 2008)	Achieve net zero by 2050	Reduced by 50%	
				Fuel conversion	Number of LNG-fueled vessels introduced	2030: 35, 2040: 35, 2050: 10	14 vessels	
	Supporting the development of a low-carbon and carbon-free society		“K” LINE decarbonization	Environmental preservation activities	Number of ammonia- / hydrogen-fueled vessels introduced	2050: 200-250	0 vessels	
	Reduce “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
Digital transformation	Promotion of innovation	To materialize reduction of the environmental impacts by introducing fuel-efficient vessels with advanced energy-saving technology.	Low-carbonization	Wind power and others	Vessels equipped with wind-assisted propulsion systems*1	2030s: More than 50 vessels	3 vessels	Proceed with initiatives based on medium- to long-term targets
				Operation efficiency	Installation of Kawasaki Integrated Maritime Solutions to owned / medium- to long-term charter vessels	Maintain 100% coverage	100%	Maintain 100% coverage
	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	Human resource development	Number of participants in intensive DX training Number of certified DX utilizers and DX leaders	Intensive DX training participants: 20 participants per quarter Certified DX utilizer: 10 personnel per year Certified DX leaders: 2 personnel per year	Certified DX utilizer: 83 personnel	Certified DX utilizers: 120 personnel by the end of FY2026 (90 outside the digital divisions)
Human resources	Diversity & inclusion	To conduct group and mid-career 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	Gender	Percentage of female managers*2	15% (by FY2026)	9.2%	15% (by the end of FY2026)
				Recruitment format	Ratio of mid-career hires among managers	–	21.3%	–
					Ratio of mid-career hires among employees in service	–	Seafarer: 2.0% / Onshore: 24.9%	–
	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	Labor	Average monthly overtime working hours*2	Under 30 h	6.9 h	Under 30 h
				Flexible workstyle	Ratio of male employees taking childcare leave*2	50%	82.2%	At least 50%
				Health management	Mental well-being	Stress check examination rate	90%	Seafarer: 99% / Onshore: 97.5%
	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	–	21.3%	–
				Ratio of mid-career hires among employees in service	–	Seafarer: 2.0% / Onshore: 24.9%	–	
			Human resource development	Training cost per employee (Onshore personnel)	–	265 thousand yen	322 thousand yen	

*1 Includes vessels managed by the Group, in addition to those owned or operated by the Group.
*2 The targets are set in the Action Plan to Promote the Active Participation of Women and Support the Development of the Next Generation formulated in March 2025.

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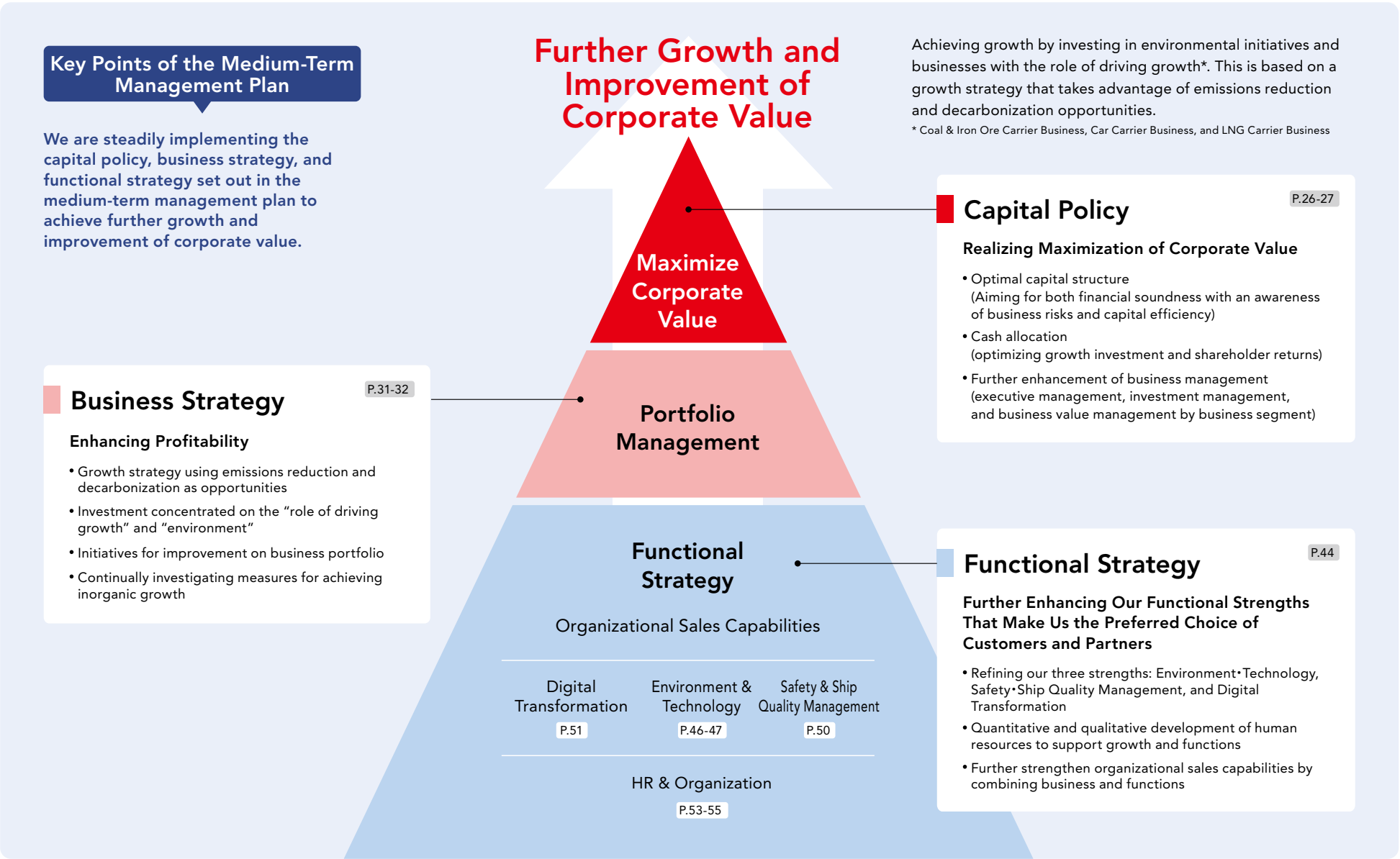
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Changes in the Business Environment

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.

	<div> Geopolitical risks</div>	<div> Global economy</div>	<div> Energy and environmental policies</div>
<div><div>External Environment</div></div>	<ul style="list-style-type: none">Continuing economic separation due to conflict between the United States and China, Russia's war in Ukraine, and escalating tensions in the Middle East, etc.Due to the situation in the Middle East, including the Strait of Hormuz, energy supply chains have become unstable, with signs of change in supply chainsClose attention is also required to the situation between Japan and China	<ul style="list-style-type: none">The situation remains uncertain due to policy changes in countries around the world, etc.Business confidence in Europe and the United States, and trend in purchasing powerEconomic slowdown in China	<ul style="list-style-type: none">At the IMO's MEPC extraordinary session held in October 2025, the adoption of MARPOL amendments was deferred, and the establishment of unified rules for international shipping has been postponedUncertainty in national energy mix policies, including renewable energy, nuclear power, and fossil fuelsStart of new CO₂ emission regulations and response measuresEnergy shortages and price surges due to the worsening situation in the Middle East
<div><div>Anticipated Risks and Opportunities</div></div>	<ul style="list-style-type: none">Regarding transit through the Strait of Hormuz, taking a cautious approach with the highest priority on the safety of crew , cargo, and vesselsWith respect to lifting detour measures, such as avoiding the Suez Canal and routing via the Cape of Good Hope, a cautious assessment continues to be requiredConcerns about impacts on tradeConcerns about impacts on resource supply	<ul style="list-style-type: none">Reorganization of supply chains and changes in trade patternsInflationary pressures, including rising labor costs and higher crude oil prices, may become a downside factor for the global economyEconomic impacts caused by changes in monetary and trade policies in various countries	<ul style="list-style-type: none">Concerns about delays in industry-wide progress toward emissions reduction and decarbonizationImproved service and cost competitiveness of vessels powered by next-generation fuels due to stricter environmental regulationsRisk of overlapping environmental regulations resulting in double burdensIn the short term, increased costs driven by higher energy prices due to the Middle East situationIn the long term, acceleration of emissions reduction and decarbonization is expected to create business opportunities associated with changes in energy procurement policies
<div><div>Response of “K” LINE</div></div>	<ul style="list-style-type: none">Continuing to work toward growth through appropriate portfolio strategies by recognizing the emissions reduction and decarbonization of the company and society as business opportunities.Business expansion will be pursued in areas, including adjacent fields, where our three key functional strengths — Environmental Technologies, Safety and Ship Quality Management, and Digital Transformation (DX) — can be effectively leveraged.Getting prepared for changes in the business environment by analyzing business environment risks and preparing response measures.		

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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 geopolitical factors, including the situation in the Middle East (Israel and the United States versus Iran, Israel and Palestine, and the Red Sea situation) and U.S. security and trade policies (as of August 2026).

	Overview	Response of shipping companies	Impact on business
The situation in the Middle East	<ul style="list-style-type: none"> Security risks in the Middle East remain elevated amid military conflict and exchanges of retaliatory attacks between the United States and Iran, with attacks on merchant vessels severely restricting passage through the Strait of Hormuz and the Bab el-Mandeb Strait. 	<div>Straits of Hormuz</div> <ul style="list-style-type: none"> Regarding transit through the Strait of Hormuz, based on navigation avoidance advisories from relevant authorities and industry groups, “K” LINE is responding cautiously, prioritizing the safety of crew and cargo while consulting with customers and stakeholders 	<ul style="list-style-type: none"> In the short term, factors such as port congestion and increases in fuel costs and war risk insurance premiums will push up operating costs. Meanwhile, if a slowdown in the global economy progresses, this could put downward pressure on market conditions in the medium to long term due to reduced cargo movements Dry Bulk: We expect a limited impact Energy Resource Transport: Redeployment of vessels from Middle East loading ports to alternative loading ports in other regions Car Carrier / Containership: We expect a certain level of impact
		<div>Suez Canal</div> <ul style="list-style-type: none"> A return to transiting the Suez Canal is predicated on confirming safety. We will continue monitoring and, after gathering expert opinions and information on insurance and other matters, determine the timing of the resumption 	<ul style="list-style-type: none"> Dry Bulk: Limited impacts expected, as shipping capacity has tightened by about 1–2% LNG Carrier: No short-term impact is expected due to mid- to long-term contracts Car Carrier: Shipping capacity supply has tightened by about 5–6% Containership: Shipping capacity has tightened by about 10%. When the Suez Canal passage resumes, there is a possibility of an increase in the scrapping of aged vessels
U.S. tariff policy	<ul style="list-style-type: none"> On July 24, 2026, the United States announced new tariffs under Section 301 of the Trade Act on 60 countries and regions, including Japan and the EU (a rate of 12.5% applies to Japan in principle). Meanwhile, products subject to Section 232 tariffs (including steel, aluminum, automobiles, and automotive parts) are excluded and remain subject to the existing Section 232 tariff framework. 	<ul style="list-style-type: none"> Review of services and vessel deployments in line with changes in trade patterns 	<ul style="list-style-type: none"> Car Carrier / Containership: We expect a certain level of impact
USTR*-imposed countermeasures targeting China-related vessels	<ul style="list-style-type: none"> As a result of the U.S.-China talks on October 30, 2025, both sides agreed to postpone their respective port charges for one year 	<ul style="list-style-type: none"> New orders to Chinese shipyards will be considered as appropriate, taking into account overall fleet development 	<ul style="list-style-type: none"> Car Carrier / Containership: We expect a certain level of impact

* USTR: United States Trade Representative

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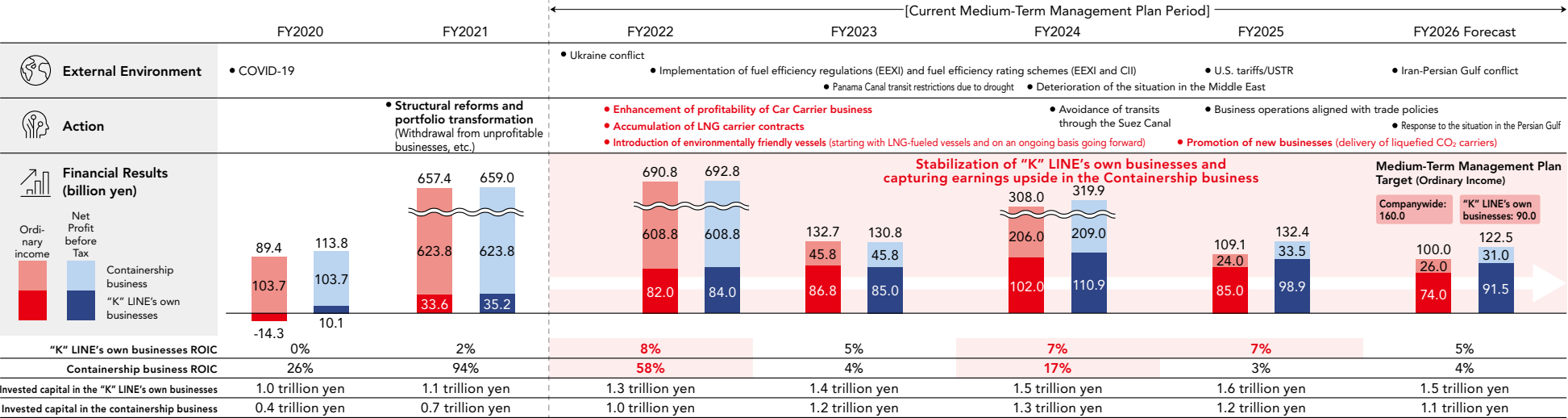
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Review of the Current Medium-Term Management Plan

Amid rapid changes in geopolitics, trade policy, and other aspects of the business environment, “K” LINE stabilized its own businesses and captured earnings upside in the containership business. However, we recognize that challenges remain in improving capital efficiency and investing in business growth, and that further efforts are needed to consistently maintain a price-to-book ratio (PBR) of 1.0 or higher. (As of May 2026)



Toward the Next Medium-Term Management Plan

We regard ROE as the most important factor in consistently maintaining a PBR above 1.0. Our next medium-term management plan will make achieving ROE of 15% or higher in the future a central objective, and we will pursue both profit growth and improved capital efficiency to achieve it.

Toward achieving an ROE of 15% or higher over the medium to long term, we will pursue profit growth and capital efficiency improvement as two key pillars.



Growth Strategy for “K” LINE’s Own Businesses

- Strengthen operation and functional strategies that serve as sources of competitiveness, thereby reinforcing the business model.
- Concentrate investment on businesses where we have strengths, restrain investment in businesses that do not exceed the cost of capital, and advance portfolio reshaping.
- Actively utilize M&A to accelerate growth in priority businesses and to further strengthen operation and functional strategies.

Addressing Challenges in Containership Business

As a shareholder, we will work together with the new CEO to address the following issues:

- Strengthening ONE’s business competitiveness
- Improving capital efficiency and achieving an optimal capital structure
- Enhancing governance

Capital Policy

- **Cash Allocation**
We will continue to pursue disciplined growth investments, while ensuring capital efficiency and financial soundness, and actively return capital to shareholders.
- **Capital Efficiency**
As an initial step, we aim to optimize our capital structure in the short term, targeting an equity ratio (including off-balance-sheet charter hires) of around 50%. We will achieve both financial soundness and capital efficiency.

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Yutaka Akutagawa
Senior Managing Representative
Executive Officer

Message from the CFO

Capital Allocation Supported by Two Key Pillars:
Earnings Growth and Capital Efficiency

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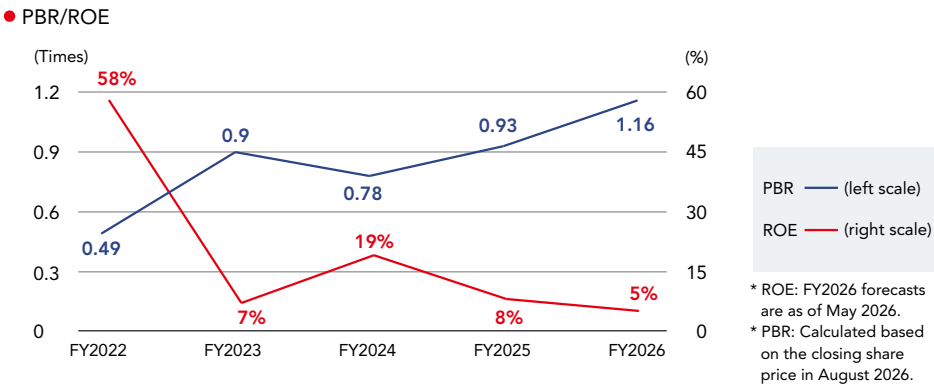
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Achieving 15% ROE Through Earnings Growth

We aim to achieve an ROE of 15% or higher in the future. However, what is important is not simply achieving this target temporarily, but building a business foundation capable of consistently delivering that level of ROE. This requires enhancing the competitiveness of our own businesses, strengthening the earnings power of ONE, and steadily making investments that generate attractive returns. At the same time, we will make appropriate use of debt while maintaining financial discipline. Through these initiatives, we believe that growing earnings while utilizing capital more efficiently will lead to sustainable improvements in ROE. What we seek is not an improvement in ROE achieved solely through a reduction in shareholders' equity, but rather a high-quality improvement in ROE supported by earnings growth and driven by stronger competitiveness and profitability across our businesses.



Toward Further Improvement in PBR

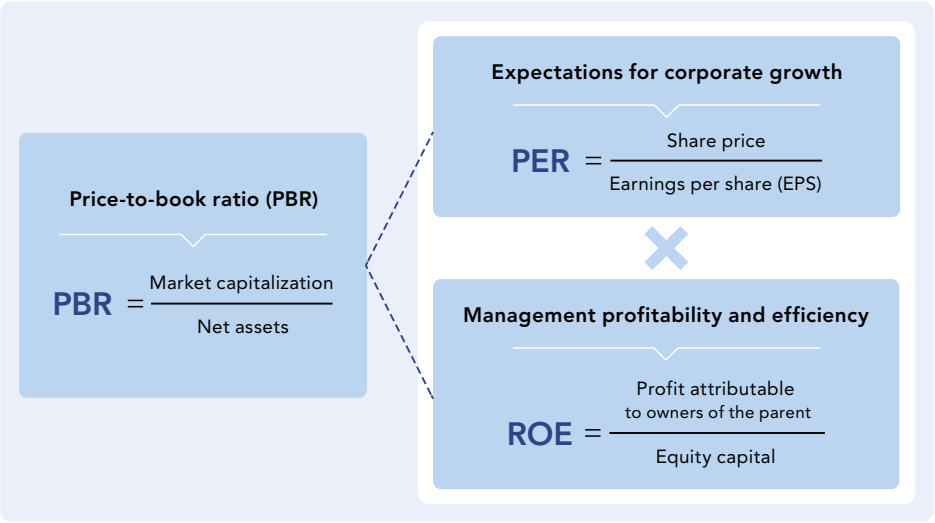
PBR can be expressed as PER multiplied by ROE. As mentioned earlier, improving ROE requires both earnings growth and improvements in capital efficiency. PER, on the other hand, reflects market expectations for future earnings growth and its assessments of the sustainability of that growth.

Therefore, simply growing earnings is not sufficient to enhance corporate value. It is important to clearly communicate to the market when and how investments will generate profits and cash flows, and to earn trust by consistently delivering results.

To sustain a PBR above 1.0 and raise it further, we need both to improve capital efficiency through higher ROE and to strengthen market expectations for sustainable earnings growth. We will clearly communicate the progress and results of our initiatives aimed at the sustainable growth of our own businesses and the

strengthening of the competitiveness of our containership business. In addition, by maintaining a consistent financial policy with a constant awareness of an optimal capital structure, we will enhance both market confidence and expectations for future earnings growth.

● Breakdown of PBR Components



Toward a Virtuous Cycle of Sustainable Value Creation

Investment, financial soundness, and shareholder returns are not competing objectives; rather, they are all important elements for achieving the common goal of enhancing corporate value.

I believe that one of the most important roles of a CFO is to accurately identify changes in the business environment and investment opportunities, ensure financial soundness, and select the capital allocation that contributes most to corporate value at any given time.

We will build on the business and financial foundation established under the current Medium-Term Management Plan to achieve the next stage of earnings growth and allocate increased earnings and cash flows to new investments and shareholder returns. Those investments, in turn, will strengthen our competitiveness, drive further earnings growth and improvements in capital efficiency, and ultimately lead to enhanced corporate value.

Becoming a company capable of realizing such a virtuous cycle is what we aim to achieve through our next Medium-Term Management Plan.

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Capital Policy Progress and Corporate Value Improvement

We will promote the enhancement of “earning power,” while being mindful of optimal capital structure and cash allocation. By achieving both capital efficiency and financial soundness, we will strive to further improve corporate value (as of August 2026).

Enhancing earning power	Operating cash flows during the current medium-term management plan period 1.5 trillion yen	<ul style="list-style-type: none">• Ordinary income is forecast at 135.0 billion yen for FY2026, the final year of the current medium-term management plan• Cumulative operating cash flows during the current medium-term management plan period are expected to total approximately 1.5 trillion yen	
Investment plan (promotion of investment for growth)	Investing cash flows during the current medium-term management plan period 610.0 billion yen	<ul style="list-style-type: none">• Making investments necessary to improve corporate value without relaxing investment discipline• Investing cash flows during the current medium-term management plan period are forecast at 610.0 billion yen• We will achieve growth by enhancing businesses serving the role of driving growth, and by promoting environmental investment taking advantage of low-carbon 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 efficiency (Optimal capital structure)• As an initial step, we aim to optimize our capital structure in the short term, targeting an equity ratio (including off-balance-sheet charter hires) of around 50%	
Shareholder return policy	The current Medium-term Management Plan period Shareholder return 880.0 billion yen or more	Shareholder Return Policy	<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 flow• The total return amount during the current medium-term management plan period is expected to be 880.0 billion yen or more
		Returns in FY2026	<div>Dividend</div> <ul style="list-style-type: none">• FY2026: Annual dividend of 120 yen per share planned <div>Responsive additional return delivery</div> <ul style="list-style-type: none">• On May 29, 2026, we resolved to repurchase up to 130.0 billion yen of our own shares, and the repurchase has been completed
For corporate value improvement	Consistently maintain a PBR of 1 or higher	<ul style="list-style-type: none">• We aim to consistently maintain a PBR of 1 or higher by working toward ROE of 15% or higher in the future, reducing the cost of capital, and executing our growth strategy to build market expectations for growth• On March 28, 2025, we transitioned to a company with a Nominating Committee, etc.	

Further Advancement of Business Management

ROIC 6% (FY2026 Forecast)

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

Further Advancement of Business Management

ROIC 6%
(FY2026 Forecast)

- Establishing 3 business management financial statements for each business
- More advanced business value management
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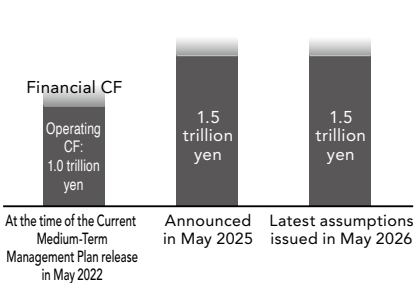
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Cash Allocation

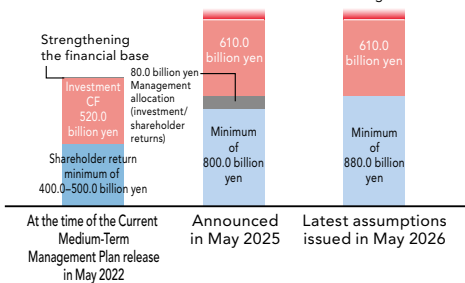
This is the current state of our cash allocation under our capital policy. Operating cash flows, initially projected at 900.0 billion yen to 1 trillion yen when the current medium-term management plan was announced, are now expected to reach approximately 1.5 trillion yen, an increase of 600.0 billion yen. Based on the concept of optimal capital structure, these cash inflows will be allocated and implemented during the current medium-term management plan period, with 610.0 billion yen directed toward business investments and 880.0 billion yen or more toward shareholder returns, ensuring a balance between the two.

Cash-in-Flow (FY2021–FY2026)



Based on the latest performance forecast, operating cash flow is expected to be 1.5 trillion yen.

Cash-out-Flow (FY2021–FY2026)



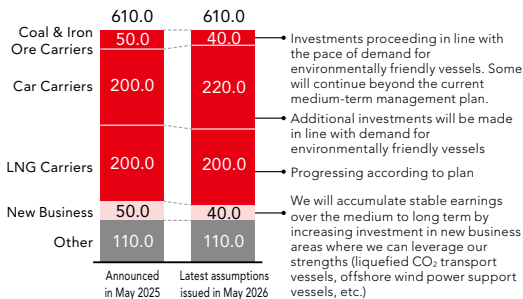
- Due to delays into the period beyond the current medium-term management plan and asset disposals, investing cash flow is planned to be 610.0 billion yen.
- Based on the return policy, shareholder returns are planned to be 880.0 billion yen or more

Business Investment Plan

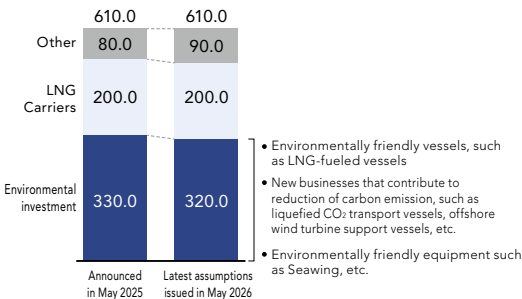
Based on the current medium-term management plan, with a focus on the three businesses that play a role in driving growth and on environmental initiatives, we will promote investments. By exercising investment discipline that takes into account risk and return, we will invest conservatively during favorable market conditions and strategically when market conditions deteriorate.

Investing cash flows during the current medium-term management plan period are planned at 610.0 billion yen

Investing 75% in businesses with the role of driving growth and 7% in new business opportunities



Investing 52% in environmental initiatives (85% if including LNG carriers) → Establishing a competitive advantage



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

Shareholder Return Policy

Throughout the current medium-term management plan period, we are monitoring performance trends and always keeping an optimal capital structure in mind while ensuring the investments necessary to improve corporate value and maintaining financial soundness. We are actively returning capital in excess of the appropriate level to shareholders, including through share buy-backs, taking cash flow into account.

We plan to return a total of 880.0 billion yen or more to shareholders during the current medium-term management plan period and are continuing to actively pay appropriate dividends and carry out responsive share buy-backs to increase shareholder value.

For FY2026, in addition to an annual dividend of 120 yen per share, we resolved on May 29, 2026, to repurchase up to 130.0 billion yen of our own shares, and the repurchase has been completed.

Dividend Further flexible additional returns

Annual dividend forecast

FY2026: 120 yen/share (interim and year-end dividends: 60 yen/share each in FY2026)

FY2026 (during the current medium-term management plan)

On May 29, 2026, we resolved to repurchase up to 130.0 billion yen of our own shares, and the repurchase has been completed

		Actual		Plan	
		FY2021–2024	FY2025	FY2026	
Dividend and additional shareholder return per share	Responsive additional return delivery			Responsive additional return delivery	
	Share buy-back			Share buy-back up to 130.0 billion yen	
	Additional Dividend			120 yen/share 80 yen/share 40 yen/share	
				120 yen/share 80 yen/share 40 yen/share	
	Basic Dividend			120 yen/share 80 yen/share 40 yen/share	
Total return amount*	Share buy-back	312.0 billion yen		122.0 billion yen	
	Additional Dividend	284.0 billion yen	77.0 billion yen (120 yen/share)	77.0 billion yen (120 yen/share)	
	Basic Dividend				
	Total return amount	596.0 billion yen	77.0 billion yen	199.0 billion yen	
	Total return amount during the current medium-term management plan period: 880.0 billion yen or more				

* Total return amount is rounded to the nearest 1 billion yen, as of September 2026.

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Businesses of the “K” LINE Group

* Other includes the fuel business, ship management business, travel agency business, and real estate rental and management business.

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 (iron ore and coking coal), bauxite, steel products, paper raw materials (woodchip), grains, and coal. In addition to shipments to Japan, we actively provide transportation services across South Korea, China, India, and the Middle East, as well as cross-trade transportation services in the Atlantic region, thereby expanding our business scope. The Dry Bulk Business Unit is advancing decarbonization efforts through initiatives such as wind-assisted propulsion and the adoption of low- and zero-carbon fuels, including biofuels, LNG, methanol, and ammonia.



Energy Resource Transport

LNG Carrier Business

In the LNG Carrier Business, we offer global transportation services for liquefied natural gas (LNG), an important energy source supporting the transition to a decarbonized society. Leveraging the expertise and network we have cultivated over many years, we provide safe and high-quality transportation services underpinned by long-term, stable contracts, while meeting customers' diverse needs across the LNG value chain.



Energy Resource Transport

Crude Oil and LPG Carrier Business

The Crude Oil and LPG Carrier Business has developed a global shipowning business for customers both in Japan and overseas engaged in the marine transportation of crude oil and LPG. We also participate in offshore energy development projects, with a drillship and an FPSO operating off Brazil and an FPSO operating off Ghana. In addition, we are expanding our involvement in the transportation of next-generation energy sources, such as ammonia, for which demand is expected to grow, while capturing new transportation demand that supports the transition to a decarbonized society.



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.



Energy Resource Transport

CCS Business / Offshore Wind Business

CCS* is attracting attention as one of the practical solutions for achieving net-zero emissions. Within the CCS value chain, “K” LINE provides the maritime transportation services for liquefied CO₂ and is actively participating in the world's first full-scale commercial liquefied CO₂ transportation project for CCS. In our offshore wind support vessel business, we provide and operate various types of vessels essential for the construction and maintenance of offshore wind power facilities, including support vessels, transport vessels, and survey vessels. Through these initiatives, we are engaged in businesses that contribute to reducing future environmental impacts.

* CCS: Carbon dioxide Capture and Storage



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 services worldwide. 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. Since FY2020, we have steadily expanded our fleet of LNG-fueled car carriers, which now stands at 14 vessels, responding to growing customer demand for lower-emission transportation services.



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 steel products and 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. In addition, we see growing demand driven by future offshore development as an opportunity and are working to steadily expand our offshore support vessel 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, 2026, ONE operates a containership fleet of over 282 vessels (2.23 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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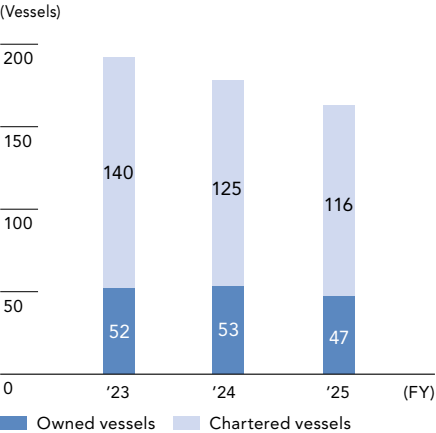
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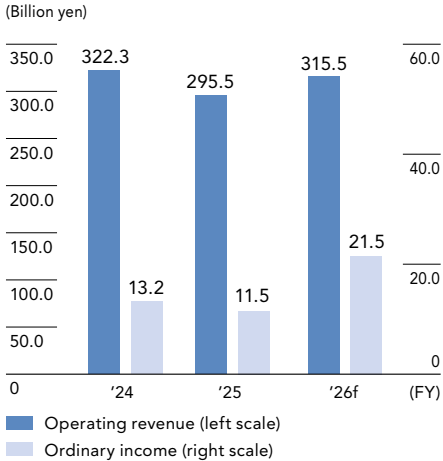
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Businesses of the “K” LINE Group

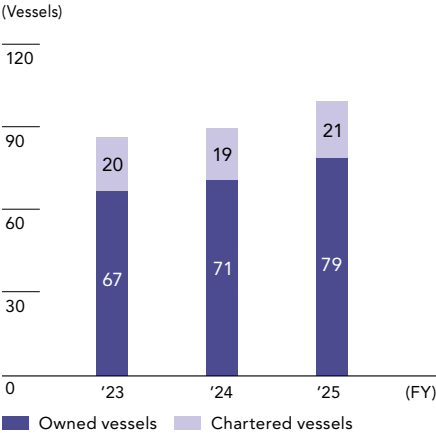
Dry Bulk Fleet



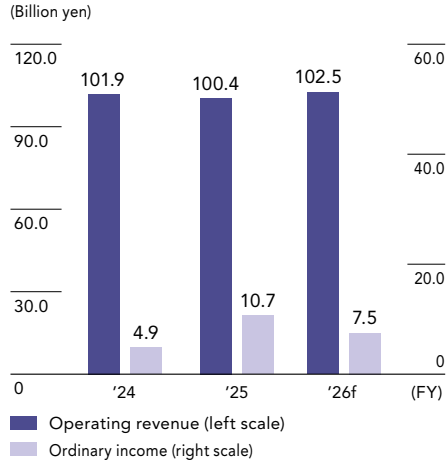
Dry Bulk Operating Revenues, Ordinary Income



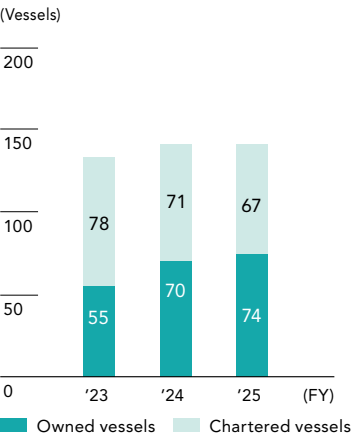
Energy Resource Transport Fleet



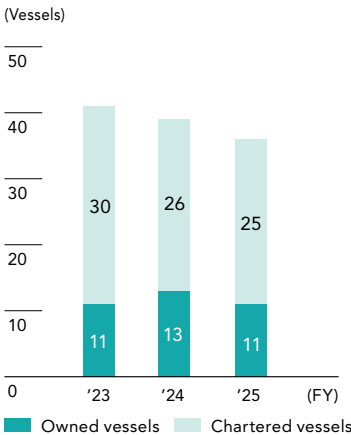
Energy Resource Transport Operating Revenues, Ordinary Income



Product Logistics (Excluding Containership) Fleet



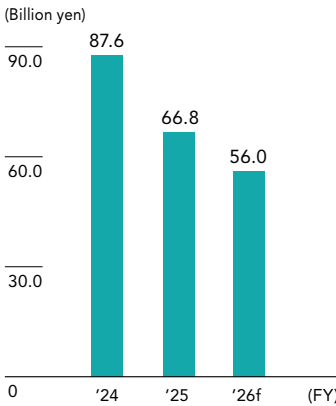
Product Logistics (Containership) Fleet



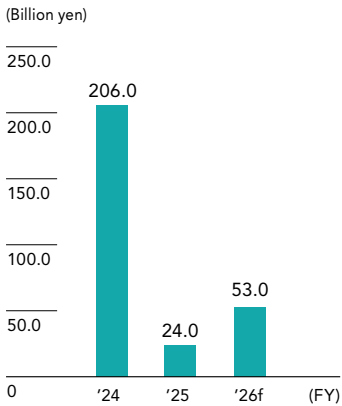
Product Logistics Operating Revenues



Product Logistics Ordinary Income (Excluding Containership)



Product Logistics Ordinary Income (Containership)



* FY2026's forecasts for segment operating revenues and segment ordinary income reflect the forecast as of August 2026.

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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 earning power,” 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.

<div> <div> <div></div> <div></div> <div></div> </div> <div> <div>Role of driving growth</div> </div> </div>	Coal/Iron Ore	Through customer-oriented and environmental sales, maintain and strengthen relationships with Japanese and Korean steel mills and strengthen relationships with growing Indian and Middle Eastern steel mills and major resource companies.
	Car Carriers	Against a backdrop of robust demand, we have perceived environmental measures and high-and-heavy cargo* to be opportunities, and we are realizing sustained business management through medium- to long-term contracts, etc.
	LNG Carrier	We are building strong relationships of trust with influential partners and expanding long-term contracts to meet customers’ needs through “K” LINE’s strength of providing support that combines maritime technology and sales.
<div> <div> <div></div> <div></div> </div> <div> <div>Role of supporting smooth energy source conversion and taking on new business opportunities</div> </div> </div>	Thermal Coal	Even during the transition to new energy mixes, we will address the ongoing demand for fossil fuel transportation, contribute to our customers’ low-carbon and decarbonization efforts, and build long-term relationships through proposal-based sales.
	VLGC / VLCC	
<div> <div> <div></div> <div></div> </div> <div> <div>Role of contributing by enhancing profitability</div> </div> </div>	Bulk Carriers	In addition to increasing vessel deployment efficiency and maintaining and expanding our customer base in Japan and the rest of Asia, we will improve and develop our sales outside Japan and increase profitability by rebuilding a cost-competitive fleet.
	Short Sea and Coastal / Port and Logistics	Along with improving earning power in the business areas of Short Sea and Coastal, Ports, and Logistics, we will promote synergies between these areas by leveraging the knowledge of the relevant Group companies. Logistics Business will aim for further growth by promoting collaboration with partner companies through the established holding company.
<div> <div> <div></div> <div></div> </div> <div> <div>Role of supporting the business as a shareholder and stabilizing the earning base</div> </div> </div>	Containerships	Maximizing corporate value through involvement in management governance and continuous support for human resources from a shareholder perspective.
<div> <div> <div></div> <div></div> </div> <div> <div>Expansion of new business in fields where “K” LINE can utilize its strengths</div> </div> </div>	Projects for emissions reduction and decarbonization	Participating in new business areas that contribute to a low-carbon and decarbonized world by utilizing our strengths, such as liquefied CO ₂ transport, offshore wind power support vessel business, etc.

* H&H (High & 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



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 Carrier



We are gearing up efforts in new markets such as Southeast Asia and India, and plan to expand our fleet from 53 vessels to 65 vessels in FY2026.

- Of the 16 new LNG carriers ordered for QatarEnergy, 8 have been delivered.
- “K” LINE has agreed in principle on the joint ownership of one LNG carrier with India’s state-owned and largest natural gas supplier GAIL and local business partner J M Baxi Group. We aim to further strengthen the relationships with both companies and continue to pursue the development of new business opportunities, particularly in the Asia region.
- 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 promoting medium- and long-term contracts.
- We aim to bolster fleet competitiveness through low-carbon and decarbonization initiatives, as well as by building larger vessel types. A total of 13 LNG-fueled car carriers 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 towards FY2030 target achievement.
- Received an order for marine transport of train cars for the first phase of Cairo Metro Line 4. In March 2026, the first shipment of eight train cars was loaded and departed for the Port of Alexandria, Egypt.

New Business Areas



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



- Liquefied CO₂ transport business: “K” LINE is responsible for managing the operations of five liquefied CO₂ carriers for the Northern Lights project. Of these, 3 vessels have been delivered, and the world’s first full-scale CO₂ capture project has commenced. In December 2025, “K” LINE signed a memorandum of understanding to establish a standard design framework for liquefied CO₂ carriers and next-generation fuel vessels, utilizing MILES Co., Ltd.
- Offshore wind power support vessel business: “K” Line Wind Service, Ltd. (KWS) launched marine geological survey operations through a joint venture with EGS. The business is building its track record, starting with the geo-survey vessel EK HAYATE. At the end of March 2026, we acquired full ownership of KWS to strengthen integration.

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Dry Bulk

Coal & Iron Ore Carrier Business



Michitomo Iwashita
Senior Managing Corporate Officer
Responsible for Dry Bulk Carriers Unit



Capesize Bulk Carrier CAPE SUZURAN



Capesize Bulk Carrier CAPE HAYATE

Strengths

- A relationship of trust with customers cultivated over many years and a strong customer base
- Domestic and overseas sales and operational networks and a system for providing high-quality transportation services
- Extensive expertise in safety and quality management and ability to respond to environmental issues

Risks

- Slowdown in demand growth for steel and raw materials due to geopolitical risks, slowing global economic growth, the peaking of crude steel production in China, etc.
- Reduced flexibility in fleet renewal and development due to rising shipbuilding costs and tight shipyard capacity against the backdrop of inflation and labor shortages
- Impact on transportation demand from changes in raw material procurement structures and logistics needs accompanying progress in decarbonization of the steelmaking process

Opportunities

- Increase in transportation demand for steelmaking raw materials accompanying future expansion of steel production and progress in infrastructure investment, particularly in India and the Middle East
- Increase in long-distance transportation demand and growth in ton-miles due to the development of new mines, including in West Africa, and expanding demand for bauxite
- Expansion of new transportation demand and business opportunities against the backdrop of the transition to environmentally friendly vessels and decarbonization of the steelmaking process

Overview of FY2025

The market for cape-size bulkers remained generally firm throughout the fiscal year, despite fluctuations, supported by transportation demand for steelmaking raw materials, primarily iron ore and bauxite.

Based on long-term relationships of trust with customers, we worked to provide safe, stable transportation and secure, stable earnings through efficient vessel deployment, fleet operations, and management of market exposure.

In response to customers' decarbonization needs and changes in transportation demand, we promoted the development of a fleet with excellent environmental performance and the provision of high-quality transportation services. Through these initiatives, we fulfilled our social role by supporting the steelmaking raw materials supply chain while working to strengthen our competitiveness and enhance corporate value over the medium to long term.

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 demand for the transition to LNG-fueled vessels and zero-emission vessels, such as ammonia- and methanol-fueled vessels, as well as customer needs during the transition period to environmentally friendly vessels, to strengthen our competitiveness and expand our business in steelmaking raw materials transportation.

Furthermore, with a focus on growth markets where demand for steelmaking raw materials is expected to grow, including India, we will further strengthen sales activities in cooperation with our overseas business bases in Singapore, India, Dubai, and other locations, aiming to create new business opportunities and achieve sustainable growth.

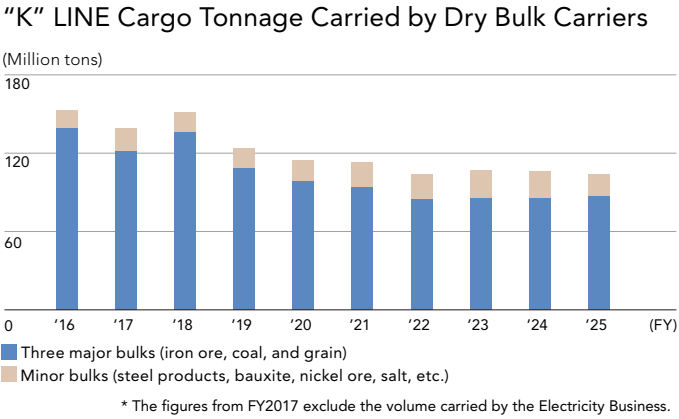
To support customers' initiatives to decarbonize the steelmaking process, we will build expertise in direct reduced iron, CCUS*, and related areas, while leveraging the expertise and networks we have cultivated through maritime transportation to help develop stable, efficient raw material supply chains for customers.

* CCUS: Carbon dioxide Capture, Utilization, and Storage

Ranking of Capesize Fleets by Ownership (As of June 2026)

Ranking	Company	100,000 DWT	Vessels
1	China COSCO Shipping	227.8	91
2	CMB	153.5	79
3	NYK	136.7	63
4	Berge Bulk	129.5	59
5	Winning Intl	114.1	59
6	ICBC	104.3	31
7	Pan Ocean	95.4	38
8	China Merchants	82.8	29
9	H-Line Shipping	75.0	36
10	Angelicoussis Group	74.5	40
11	"K" LINE	69.7	35

* Includes a portion of chartered vessels. Based on Clarksons



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Dry Bulk

Bulk Carrier Business



Panamax Bulk Carrier ROYAL STELLAR



Panamax Bulk Carrier SCARLET AKATSUKI

Strengths

- Existing customer base and cargo portfolio enabling efficient fleet allocation
- Sales structure and customer base in growth markets where transport demand is expected to grow
- Track record and accumulated know-how in direct reduced iron transport

Risks

- Uncertainty in the economic outlook of China, a major consumer of bulk cargo
- Changes in transport demand patterns due to heightened geopolitical risks and U.S. tariff measures
- Expansion of vessel supply due to an increase in speculative orders for new ships

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
- 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 vessel supply-demand balance over the medium term as vessels from a generation built in large numbers in the past are retired
- Expansion of replacement demand for fuel-efficient vessels against the backdrop of stricter environmental regulations

Overview of FY2025

The market for Panamax and Sub-Panamax vessels remained weak in the first half of the fiscal year due to factors such as slowing demand for coal and grain transportation to China, but improved in the second half against the backdrop of a recovery in cargo movements, primarily grains and steel products. Meanwhile, the market environment remained highly volatile amid ongoing geopolitical risks and uncertainty in the global economy.

On the sales front, we strengthened relationships with existing customers while promoting the acquisition of new cargoes and connecting cargoes, primarily steel products and minor bulk cargoes. We also worked to maintain and expand our stable earnings base by providing flexible transportation services in response to customer needs.

On the operational front, we promoted efficient vessel deployment by utilizing connecting cargoes and optimizing the fleet portfolio, while advancing measures to enhance operations and reduce costs, thereby improving profitability even amid market fluctuations. Furthermore, we appropriately managed market exposure and worked to stabilize earnings.

Future Strategy

We will maintain a fleet and business structure that is less susceptible to market fluctuations and capable of securing sustainable earnings.

On the sales front, we will maintain and expand strong business relationships with customers who have supported us for many years, while approaching new customer segments in growth markets where transportation demand is expected to grow, thereby creating sustainable earnings opportunities.

On the operational front, we will leverage our flexible fleet capabilities, which accommodate diverse vessel types and routes, and the expertise we have cultivated over many years as a shipowner and operator to provide high-quality transportation services that meet customer needs. We will also work to expand the transportation of cargoes that help reduce environmental impact, such as direct reduced iron and biomass.

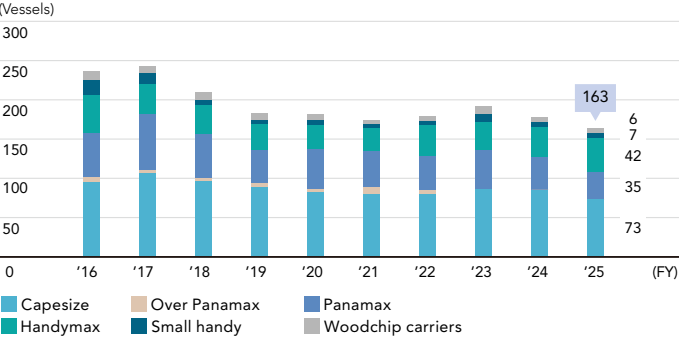
Dry Bulk (All Types) Owned Fleet Ranking (As of June 2026)

Ranking	Company	100,000 DWT	Vessels
1	China COSCO Shipping	347.3	295
2	NYK	216.7	191
3	CMB	178.1	109
4	Star Bulk Carriers	135.3	135
5	Berge Bulk	134.1	71
6	Pan Ocean	122.7	81
7	MOL	122.1	120
8	China Merchants	121.8	102
9	Winning Intl	114.1	59
10	China Dev Bank (CDB)	113.0	130
12	“K” LINE	110.0	91

* Includes a portion of chartered vessels.

Based on Clarksons

“K” LINE Dry Bulk Fleet



* Capesize includes the number of Over Panamax vessels from FY2023 onward.

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Energy Resource Transport

LNG Carrier Business



Satoshi Kanamori
Senior Managing Corporate Officer

Responsible for Environmental Strategy & Solutions Unit, Responsible for Energy Transportation Business Unit, In charge of LNG Marketing, LNG/CCS Strategy



LNG Carrier DIAMOND GAS JADE



LNG Carrier PUTERI JOHOR

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
- Risk of stagnation in LNG supply and transportation demand due to deterioration and prolongation of the situation in the Middle East

Opportunities

- Increased energy consumption in AI and data centers
- Reevaluation of LNG’s importance in energy policies of various countries
- Changes in conventional trade patterns and an increase in ton-miles due to heightened geopolitical risks and uncertainty

Overview of FY2025

In the LNG carrier business, we continued to provide safe, high-quality transportation services, supported by a stable earnings base centered on long-term time charter contracts. In FY2025, newly built LNG carriers for QatarEnergy were completed and commenced service, and under a long-term charter project for GAIL, India’s state-owned gas company, we reached a basic agreement to jointly own an LNG carrier with GAIL and local partner J M Baxi Group, among other initiatives to expand our medium- to long-term earnings base while strengthening cooperation with partners in Japan and overseas.

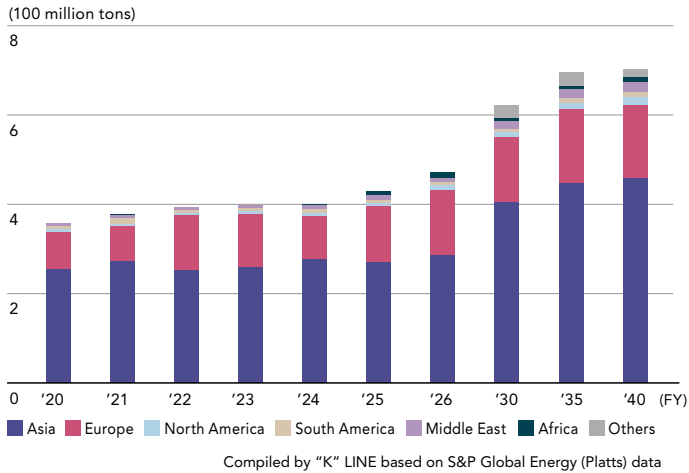
Meanwhile, the business environment changed significantly due to factors such as heightened tensions in the Middle East, and on the operational front, we fulfilled our role in supporting the LNG supply chain by responding flexibly and working to maintain safe and stable transportation. Nevertheless, geopolitical risks such as the situation in the Middle East and the Russia-Ukraine conflict remain high, and expanding our stable earnings base through long-term contracts while responding to changes in LNG supply and demand and project development trends remains a challenge.

Future Strategy

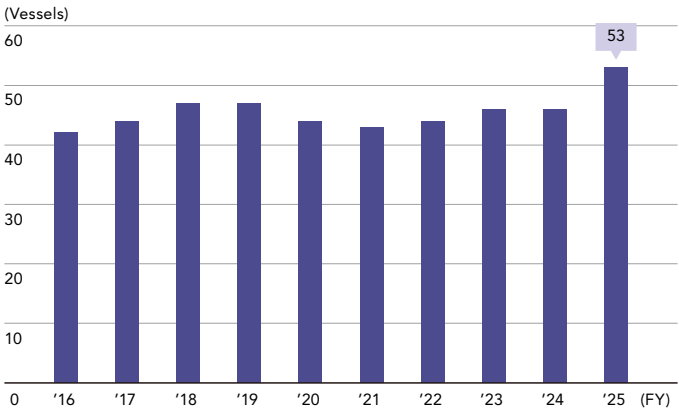
In the LNG carrier business, in anticipation of growing demand for LNG as an important energy source supporting the transition to decarbonization, we will continue to accumulate stable earnings through long-term charter contracts. With the completion and deployment of vessels under new contracts, including projects for QatarEnergy, we will expand our fleet to 63 vessels in FY2026 and to 75 vessels or more by FY2030.

We will strengthen business development in growth markets such as Southeast Asia and India and expand our customer base by deepening relationships with existing customers and developing new ones. Furthermore, we will enhance our sales capabilities and ability to respond to customers by strengthening the functions of our overseas bases in Singapore, London, Houston, Doha, and other locations, while securing and developing LNG carrier crew members and strengthening our ship management system to provide safe operations and high-quality services. We will also promote initiatives across the LNG value chain, such as FSRU projects, to achieve medium- to long-term business growth and strengthen our earnings base.

LNG Demand



“K” LINE LNG Carrier Fleet (Including Co-Owned)



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Electricity Business



Thermal Coal Carrier CORONA ACE



Thermal Coal Carrier CORONA ZENITH

Strengths

- A coal carrier fleet capable of meeting the stringent vessel deployment requirements and environmental regulations of domestic power plants, with safe and stable transportation capabilities supported by high-quality ship management.
- A strong customer base built through many years of business with domestic electric power companies. High substitutability and vessel deployment flexibility through a coal carrier fleet of vessels of the same type and uniform specifications, enabling flexible responses to fluctuations in demand.

Risks

- A medium- to long-term decline in coal transportation demand is expected due to the transition to a decarbonized society and changes in the power generation mix.
- As coal-fired power generation shifts to a mid-load power source, transportation demand will become more volatile, potentially resulting in uneven vessel deployment and lower utilization due to factors such as concentrated deployment during periods of high demand and lower utilization during periods of low demand.
- Increases in energy prices, personnel expenses, and material prices are expected to increase operating costs, including the investment burden for newly built vessels and ship management costs.

Opportunities

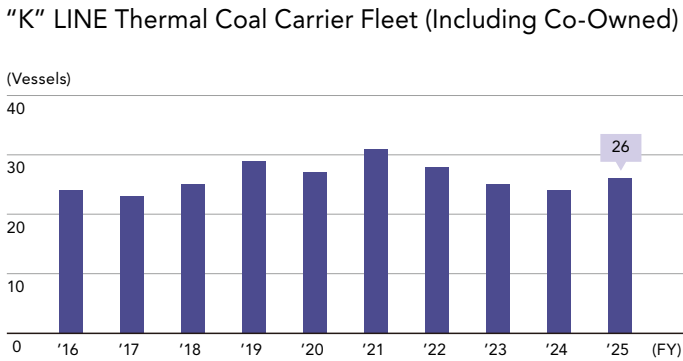
- Although coal transportation demand is expected to gradually decline over the long term, a certain level of demand may persist from the perspectives of stable electricity supply and energy security.
- Future tightening of vessel supply and demand due to the aging of the existing coal carrier fleet and stagnation in the supply of newly built vessels. Expansion of needs for flexible transportation services capable of responding to fluctuations in demand against the backdrop of the shift of coal-fired power generation to a role as a mid-load power source.
- The creation of new energy transport demand is expected with the expanded introduction of carbon-neutral fuels such as ammonia and hydrogen, as well as CCUS (Carbon Capture, Utilization, and Storage).

Overview of FY2025

Although the restart of nuclear power plants is progressing steadily, it remains limited, and coal- and LNG-fired power generation continues to play an important role in supporting a stable electricity supply. Meanwhile, as fluctuations in electricity supply and demand increase with the expanded adoption of renewable energy, coal-fired power generation is being called upon to serve as a mid-load power source that adjusts supply and demand, requiring a high degree of flexibility in the procurement and transportation of fuel for power generation.

Amid this business environment, we leveraged our fleet of Corona Series vessels of the same type and uniform specifications and the vessel deployment flexibility we have cultivated over many years to respond flexibly to fluctuations in demand, thereby supporting the stable and efficient procurement of fuel by domestic electric power companies and contributing to a stable supply of electricity in Japan.

Meanwhile, in anticipation of a gradual medium- to long-term decline in coal transportation demand, maintaining and strengthening our earnings base by deepening customer relationships, optimizing vessel deployment, and improving fleet utilization rates has become an important priority.

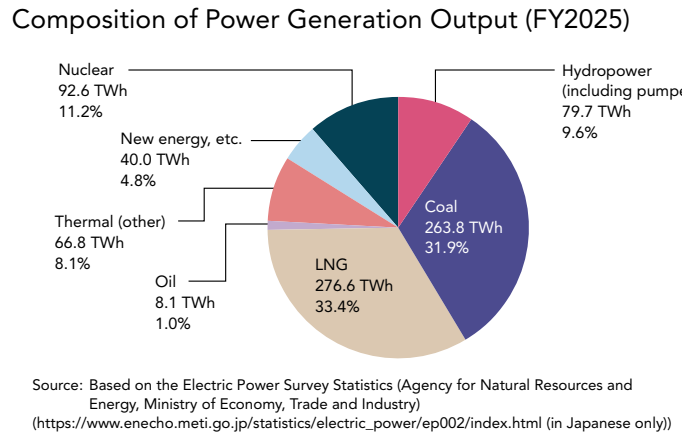


Future Strategy

The 7th Strategic Energy Plan, approved by the Cabinet in February 2025, indicated that thermal power generation will continue to play an important role from the perspectives of stable electricity supply and energy security, while premised on the promotion of decarbonization. While inefficient coal-fired power generation facilities are being phased out, highly efficient facilities are expected to remain in use for the time being, and there is a need to respond to fluctuations in supply and demand accompanying the expanded introduction of renewable energy.

We will leverage our fleet of Corona Series vessels, all of the same type and with uniform specifications, and the vessel deployment flexibility we have cultivated over many years to respond flexibly to fluctuations in demand and support stable fuel transportation.

We will also strengthen relationships with existing customers and improve profitability by optimizing vessel deployment, while aiming to realize a sustainable energy transportation business through the utilization of vessels with excellent environmental performance, the introduction of energy-saving technologies, and responses to transportation related to carbon-neutral fuels such as ammonia and hydrogen, as well as CCUS.



Section 3

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Energy Resource Transport

Crude Oil and LPG Carrier Business



LPG / Ammonia Carrier AXIS RIVER



Tanker TONEGAWA

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
- Market expansion for liquefied gases (LPG and ammonia) that contribute to decarbonization

Overview of FY2025

In the crude oil and LPG transport business, we secured stable earnings in FY2025 under medium- to long-term contracts, primarily for very large crude carriers (VLCCs) and LPG carriers.

Our subsidiary in Singapore, which operates AFRAMAX crude oil carriers, generates earnings while contributing to the stable supply of crude oil centered around contracts of affreightment (COA).

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

Demand remains firm despite changes in crude oil and LPG transportation following the deterioration in the situation in the Middle East. Although there are concerns that surging crude oil prices could weaken oil demand and that buyers holding back could reduce transportation demand, a key challenge remains strengthening our business foundation by continuing to ensure safe operations and provide high-quality transportation services.

Future Strategy

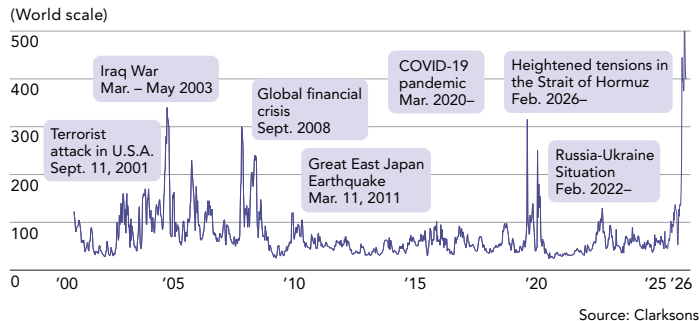
In the crude oil transportation business, while securing stable earnings and limiting the impact of market fluctuations through long-term contract-based operations, we view supporting the transition to environmentally friendly vessels for VLCCs and AFRAMAX crude carriers as a new business opportunity.

Although the uncertainty persists due to factors such as the prolonged deterioration in the situation in the Middle East, we will work to accurately capture trends in transportation demand as crude oil procurement routes change and strive to provide stable transport services.

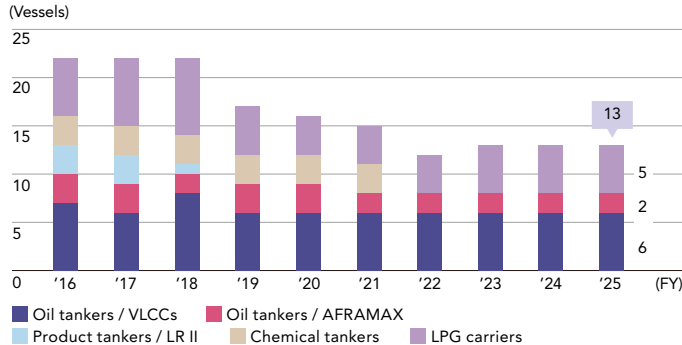
In the FPSO and drillship businesses, we will ensure stable operations to meet demand for oil and gas. In the LPG transportation business, the market is expected to expand as U.S. LPG exports increase, and we will strengthen our business foundation while providing safe operations.

Across all businesses, we aim to secure sustainable earnings by strengthening our contract portfolio and providing stable, safe operations while closely monitoring changes in market conditions and the impact of geopolitical risks.

Tanker Freight Index (World Scale)



"K" LINE Tanker Fleet Scale



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CCS Business



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

Energy Resource Transport

Offshore Wind Business



Geo-Survey Vessel EK HAYATE

Strengths	Risks	Opportunities
<ul style="list-style-type: none">Accumulated expertise and know-how in CCS value chainDeepening and expansion of expertise in the operation and ship management of liquefied CO₂ carriers for Northern Lights	<ul style="list-style-type: none">Trends in government regulations related to low- and zero-carbon in various countriesProject delays or reviews due to changes in the socio-economic environment, such as the above trends and inflation	<ul style="list-style-type: none">Improvement in the business environment due to policy progress and increased social awareness aimed at realizing a low- and zero-carbon societyExpansion of business domains in the CCS value chain, including FSIUs*

Overview of FY2025

In the world's first commercial CCS value chain business integrating CO₂ capture, transportation, and storage, we established a three-vessel liquefied CO₂ carrier fleet, and the third vessel, NORTHERN PHOENIX, was delivered in December 2025.

Furthermore, in 2026, we secured time charter contracts for two newly built liquefied CO₂ carriers for Northern Lights, while also working on business development in the Asia-Pacific region, including Malaysia and Australia, and considering optimal CCS value chains utilizing FSIUs* and other solutions.

In anticipation of future growth in CCS demand, it is important to promote the development of CCS projects in Japan and overseas and to steadily advance initiatives to realize CCS value chains.

* FSIU (Floating Storage and Injection Unit): An offshore facility for storing and injecting liquefied CO₂

Future Strategy

With the progress of global decarbonization, CCS is expected to play an important role in reducing CO₂ emissions. We will leverage our expertise in the operation and ship management of liquefied CO₂ carriers for Northern Lights to provide safe and stable transport services, while enhancing our competitiveness by accumulating operation experience and knowledge and leveraging them to secure new projects.

We will also expand opportunities to participate in CCS projects in Japan and overseas, including in Europe, while promoting initiatives to realize optimal CCS value chains utilizing FSIUs and other solutions. While deepening cooperation with partners in Japan and overseas, we will strengthen our business foundation in anticipation of future demand growth.

Strengths	Risks	Opportunities
<ul style="list-style-type: none">Knowledge and track record in offshore support vessel operations as the foundation for the offshore wind businessEarly accumulation of know-how and track record through EK HAYATE, one of the few Japanese-registered geo-survey vessels in Japan, which entered service in FY2024Capital alliance with offshore support vessel operator SN Marine Co., Ltd.	<ul style="list-style-type: none">Various cost increases, project delays and reviews due to global inflation, heightened geopolitical risks, trade issues, and other factorsChanges in national policies and regulatory frameworks governing offshore wind power generationContinued use of fossil fuels and delays in the introduction of renewable energy due to the various impacts above	<ul style="list-style-type: none">Growing policy support for domestically produced renewable energy from the perspectives of stable energy supply and economic securityImproved social acceptance of renewable energy and offshore wind power generationTechnological development and innovation and supply chain development in offshore wind-related industries, including floating offshore wind

Overview of FY2025

In the offshore wind business, amid growing expectations for the renewable energy sector driven by the need for decarbonization, we worked to strengthen the business foundation of Group company "K" Line Wind Service, Ltd. (KWS).

In FY2025, EK HAYATE, one of the few Japanese-registered geo-survey vessels in Japan, entered full-scale operation, and we strengthened our capabilities to support domestic offshore wind projects.

KWS also entered into a capital alliance with SN Marine Co., Ltd., which owns and operates offshore support vessels, thereby strengthening our operational structure, including seafarer recruitment.

Offshore wind power is expected to play an important role in expanding the share of renewable energy in the electricity supply, and, in anticipation of expanding business opportunities, it is important to steadily strengthen our business and operational foundations.

Future Strategy

In light of the global trend toward decarbonization and demand for renewable energy, we aim to achieve further growth in the offshore wind business. We will leverage the expertise in safe operations and ship management that we have developed through our shipping business. Building on our early entry into the geo-survey business, which supports the initial stages of offshore wind development, we will expand into related services supporting the development, construction, and maintenance of offshore wind power generation.

We will also cooperate with partners inside and outside the Group, primarily through KWS, and develop a business structure to provide higher-value-added specialized vessel services and secure long-term contracts in the construction and maintenance fields, thereby further strengthening competitiveness.

Furthermore, we will also actively engage in the development of new technologies and creation of business opportunities, including floating offshore wind power generation, which is expected to expand in the Asia-Pacific region over the medium- to long-term.

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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 OCEANUS HIGHWAY



LNG-fueled Car Carrier TETHYS HIGHWAY

Strengths

- High-quality transport services realized through safe and optimal operations
- 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 battery electric vehicle (BEV) production
- Global vessel shortages driven by increasing finished vehicle shipments from China

Opportunities

- The promotion of customers' low-carbon and carbon-free transition 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 FY2025

The global automobile sales market increased about 4% year on year to approximately 91.7 million units, while global ocean cargo movement for the “deep-sea” reached approximately 17 million units.

Although changes were seen in the business environment, including changes in U.S. trade policy and heightened tensions in the Middle East, the number of vehicles transported by the Group, including transportation within Europe, increased from 3.36 million units in the previous fiscal year to 3.39 million units through flexible vessel deployment and the maintenance of stable transport.

We will continue working to improve profitability and cost competitiveness by restoring freight rates, optimizing the cargo portfolio, and improving operational and vessel deployment efficiency. At the same time, we will advance the introduction of environmentally friendly vessels to support the realization of carbon neutrality. As of the end of FY2025, 13 LNG-fueled vessels had been delivered, and we plan to introduce approximately 30 environmentally friendly vessels by 2030.

Future Strategy

In the short term, while there are concerns about risks of weakening automobile demand due to heightened tensions in the Middle East, production and shipments are expected to remain firm over the medium to long term.

Battery electric vehicles (BEVs) are expected to account for approximately 46% of global automobile sales by 2035, and the expansion of BEV sales could lead to both a decline in seaborne transportation demand due to increased local production and the creation of new transportation demand. However, in the base scenario, global maritime transport demand is expected to grow by approximately 8% from 2025 to 2030.

Under these circumstances, we will implement three key measures—environmental initiatives, trade network restructuring, and cargo portfolio optimization—to achieve business sustainability and growth, as well as customer satisfaction. In particular, regarding environmental considerations, we plan to operate a total of 30 environmentally friendly vessels by 2030.

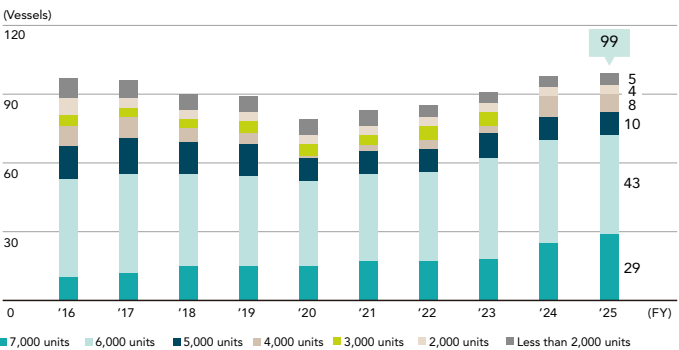
Going forward, while responding to global environmental regulations and customer decarbonization needs, we plan to enhance loading capacity and strengthen fleet competitiveness through measures such as upsizing vessels.

Car Carrier Fleet Ranking (As of May 2026)

Ranking	Operator	Vessels	Vessels Share	Capacity (units)	Share of Capacity
1	WWO AS	116	14.0%	796,421	15.4%
2	NYK	115	13.9%	716,166	13.9%
3	MOL	102	12.3%	620,909	12.0%
4	“K” LINE	90	10.8%	559,475	10.8%
5	GLOVIS	83	10.0%	563,940	10.9%
6	GRIMALDI	70	8.4%	391,253	7.6%
7	HOEGH	43	5.2%	316,265	6.1%
8	COSCO	30	3.6%	196,267	3.8%
9	ANJI	22	2.7%	150,450	2.9%
10	NEPTUNE	17	2.0%	69,990	1.4%
	Others	142	17.1%	786,238	15.2%
	Total	830	100%	5,167,374	100%

Compiled by “K” LINE based on Hoesung Shipping “AS Year Report”

“K” LINE Car Carrier Fleet



* Includes short-term chartered vessels and Group company-operated vessels
* Some vessels were reclassified into different vessel categories at both the end of FY2024 and the end of FY2025

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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



Ohi No.2 Container Berth
Near-zero-emission rubber-tired gantry crane
(Image provided by: Daito Corporation)



Carrier Car (Vehicle Transporter)
(Image provided by: PrixCar Services Pty Ltd)

- 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 global 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 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

Overview of FY2025

In the domestic logistics and port business, container terminal handling volumes increased year on year, while the number of tugboat operations and the warehouse operations both remained firm, maintaining a stable earnings base.

In the international logistics business, while automobile-related cargo volumes showed some weakness due to U.S. tariffs, revenue increased in the forwarding business due to a recovery in air cargo demand, primarily for semiconductor-related cargo.

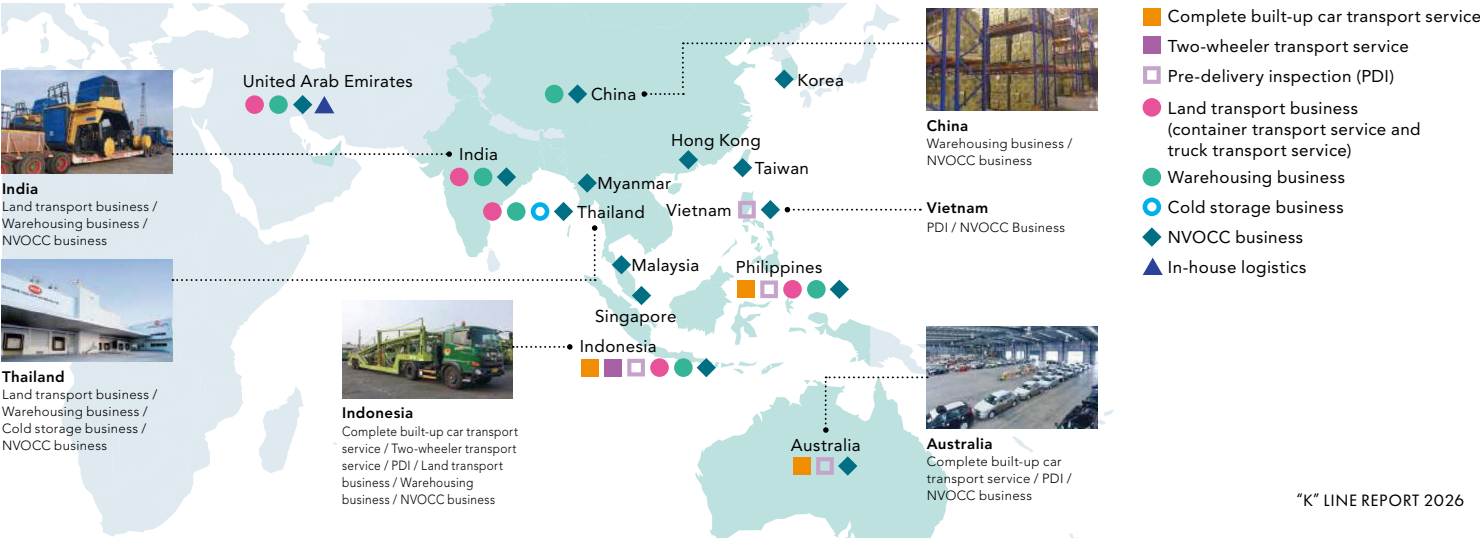
In the automobile logistics business, primarily in Australia, cargo volumes remained generally stable and supported business earnings. In addition, in April 2025, a new “K” Line Logistics structure established through the capital alliance with Kamigumi Co., Ltd. was launched, strengthening the foundation for growth in the logistics business.

Meanwhile, uncertainty over the outlook for logistics demand is increasing due to heightened geopolitical risks, including developments in the Middle East and U.S. trade policy. At the same time, improving profitability across the “K” LINE Group’s logistics businesses and optimizing the business portfolio remain key challenges.

Future Strategy

In the logistics and port business, we will reassess each business from the two perspectives of profitability and functionality and promote optimization of the business portfolio. From a profitability perspective, we will expand a stable earnings base in logistics business domains centered on shipping, while improving earnings at logistics subsidiaries and advancing business restructuring, thereby enhancing capital efficiency. From a functionality perspective, we will strengthen our overseas network, primarily through “K” Line Logistics, Ltd., and expand contract logistics capabilities to evolve into a provider of comprehensive logistics services. In the automobile logistics business, we will also utilize the customer base and operational know-how cultivated in Australia, Asia, and South America and consider expansion into other regions. In the port business, we will further optimize the division of roles among domestic container terminals and support redevelopment projects, thereby enhancing logistics infrastructure functions. At the same time, we will strengthen decarbonization initiatives, including promoting modal shifts, introducing EV tugboats, and providing support for offshore wind power, thereby achieving sustainable growth and enhancing corporate value.

“K” LINE Group’s Locally Oriented Comprehensive Logistics Services in Asia



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Short Sea and Coastal Business



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



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

Strengths

- Continued proactive initiatives for renewable energy, including biomass fuel transportation, through systematic fleet development.
- Maintaining a leading transportation market share on routes to and from Hokkaido through high-quality ferry and scheduled RORO services.
- Customer contact through B-to-C via ferry transport
- In bulk shipping, dedicated vessels supported by close customer relationships provide stable earnings.
- A business platform capable of serving diverse transport needs, from international and short-sea shipping to coastal shipping and ferries.
- Continuing to build a strong track record in offshore support vessel operations through a high-quality crew and fleet.

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.
- Responding to changes in customer environmental awareness and cargo transportation needs, as well as increasingly stringent environmental regulations in Japan and overseas.
- Responding to rapid cost inflation, including vessel prices, repair costs, and labor expenses, as well as rising energy prices driven by heightened tensions in the Middle East, while ensuring appropriate price pass-through.

Opportunities

- In the short sea business, we will continue to maintain an appropriately scaled fleet in response to biomass fuel transportation demand trends. We will also seek to expand our business areas by capturing changes in transport demand driven by environmental measures and global developments.
- 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.
- In offshore support vessel operations, we will appropriately capture demand driven by growing expectations for the promotion of marine businesses and marine industries.

Overview of FY2025

In the short sea business, while steel cargo volumes decreased year on year, transportation volumes of biomass fuel and bulk cargo increased, resulting in overall transportation volumes exceeding those of the previous fiscal year.

In the coastal business, ferry transport volumes increased for trucks, passenger cars, and passengers, with passenger vehicle and passenger traffic volumes remaining particularly strong. In liner shipping, while the Tomakomai route remained firm, overall transportation volumes fell below those of the previous fiscal year due to rough weather and poor agricultural harvests. In tramp shipping, although limestone transportation decreased, coal transport and general cargo vessel transportation remained firm.

In the OSV business, an increase in contracted projects contributed to an improvement in the utilization rate.

Future Strategy

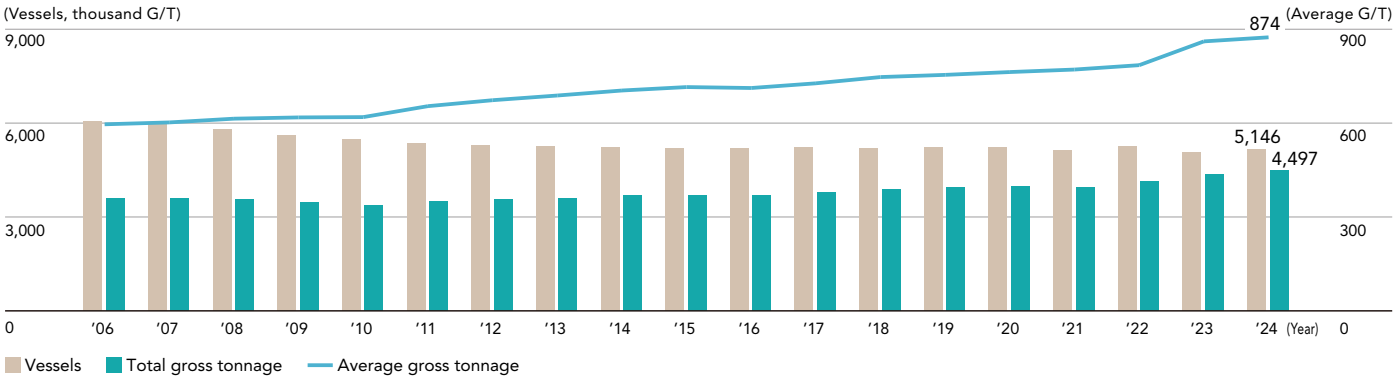
In the short sea business, we will strengthen the business foundation through improvements in service quality, vessel deployment efficiency, and fleet development, while responding to growing demand and securing highly profitable cargoes.

In coastal tramp shipping, leveraging our strengths in reliability and stable transportation services, we aim to strengthen our position as a common carrier in the industry.

In the coastal liner and ferry business, we will improve profitability and optimize costs while aiming to increase earnings by capturing demand for modal shift.

Furthermore, through improvements in ship management capabilities and operational quality and ensuring safe and reliable transportation, we will increase our corporate value and achieve sustainable growth as a comprehensive maritime transportation group trusted both in Japan and internationally.

Number of Domestic Vessels and Upsizing of Ships



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Containership Business



Containership ONE HUMBER



Containership ONE MINATO

Strengths	Risks	Opportunities
<ul style="list-style-type: none">Customer base and global network extending worldwideExtensive route network centered on North America, Europe, and Asia and stable transport servicesFlexibility in responding to changes in the market environment and supply chainsExpertise, know-how, and talent of the three Japanese shipping companies brought together in ONEGlobal business platform and network, including terminals and other operations	<ul style="list-style-type: none">Increase in operating costs due to the prolonged tensions in the Middle East and disruptions in the Red SeaImpact of geopolitical risks on international logisticsDecrease in cargo movements due to U.S. tariff policies and rising protectionismStagnation in trade volume due to China's economic slowdown and U.S.-China tensionsOversupply and downward pressure on freight rates due to the large number of newly built vessels entering serviceSupply chain disruptions due to labor disputes at ports in North America and Europe	<ul style="list-style-type: none">Economic growth and expansion of logistics demand in India, Southeast Asia, South America, and AfricaIncrease in transportation demand driven by supply chain restructuring and diversification of production basesExpansion of demand for environmentally friendly services supporting decarbonizationImproved operational efficiency and enhanced service quality through digital technologiesBusiness expansion into adjacent areas, including terminal and logistics operationsExpansion of market share through differentiated customer services amid market fluctuations

Overview of FY2025

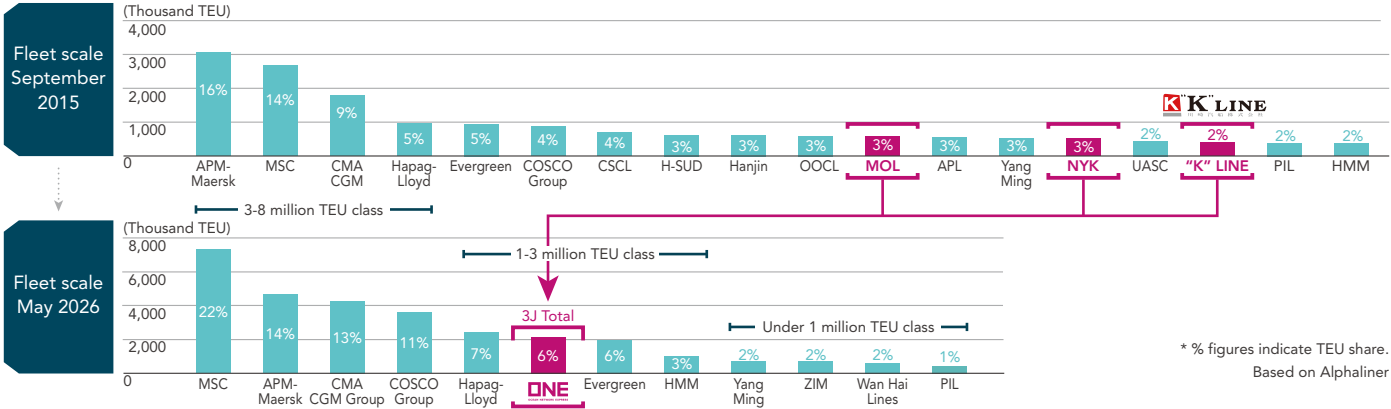
In the containership business, Ocean Network Express (ONE) reported a profit for the full fiscal year despite sluggish demand growth and increased vessel supply, driven by a large number of newly built vessels entering service. In the first half of the fiscal year, supply and demand tightened due to rerouting via the Cape of Good Hope amid the situation in the Red Sea and port congestion, thereby supporting the freight rate market. Meanwhile, in the second half of the fiscal year, the freight rate market remained weak due to slowing global economic growth and consumer demand, as well as increased supply pressure from the continued introduction of newly built vessels. ONE worked to improve operational efficiency through flexible vessel deployment in response to cargo movements and optimal allocation of transportation equipment, while maintaining handling volume and striving to provide stable services. However, profitability declined due to lower average freight rates and increased fixed costs, including vessel costs.

Future Strategy

Under its medium-term management plan toward 2030, ONE2030, ONE aims to achieve sustainable growth based on five pillars: Green Strategy, Digital Strategy, Talent Strategy, Financial Strategy, and Global Strategy. In July 2026, a new management structure was launched under a new CEO. While maintaining the strong business foundation and strategic direction cultivated to date, we will promote necessary organizational and business transformation in order to respond to the changing business environment.

At present, an uncertain business environment continues due to factors including U.S. tariff policies, the prolonged situation in the Middle East and the Red Sea, and supply pressure from the large number of newly built vessels entering service, but we will promote agile and efficient business operations while accurately capturing market trends and changes in transportation demand. We will also improve competitiveness by advancing operations through digital technologies and promoting decarbonization initiatives, while strengthening the value chain, including terminal operations and other areas. As a shareholder, we will support ONE from the perspectives of capital efficiency, governance, and talent development and work to strengthen its stable earnings base and enhance corporate value.

Change in Number of Containerships by Company and Capacity Scale



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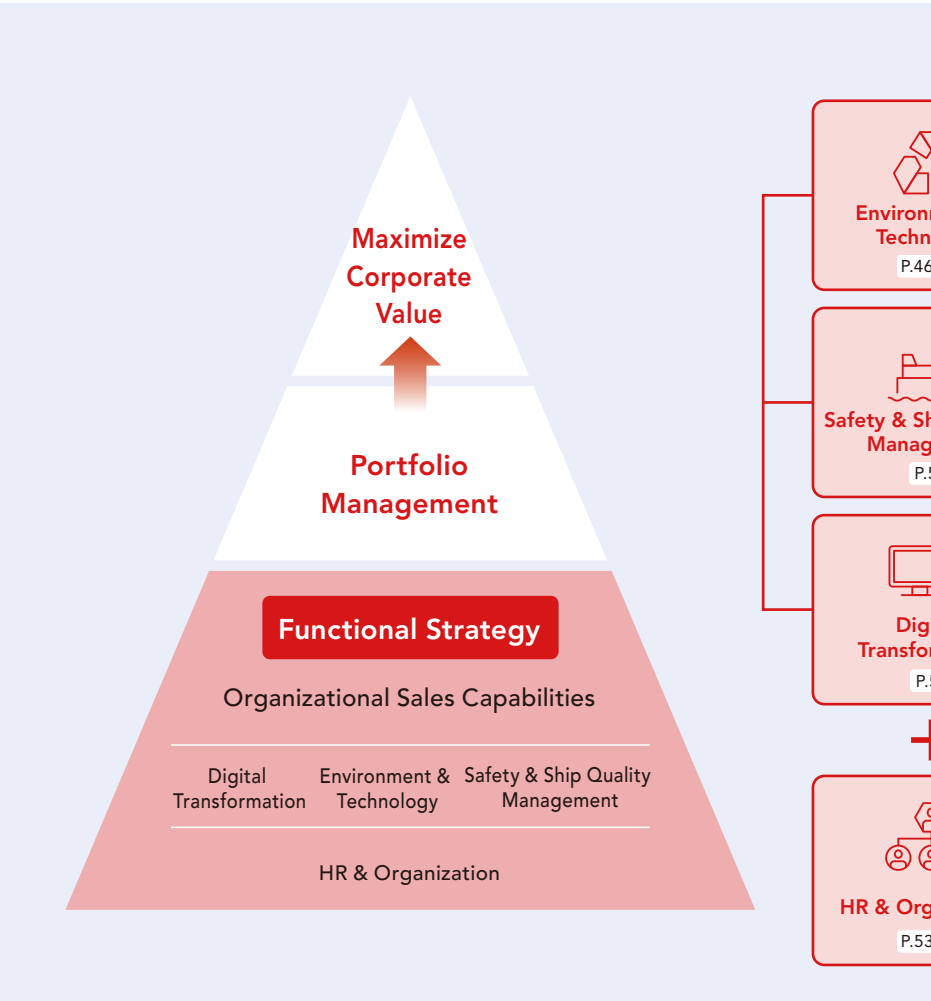
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How Will “K” LINE Group Further Strengthen Its Core Capabilities to Achieve Sustainable Growth and Enhance Corporate Value?

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 low-carbon and decarbonization efforts
-
- 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

We position “Environment & Technology,” “Safety and Ship Quality Management,” and “DX” as pillars of our functional strategies, aiming to enhance competitiveness and create new value by integrating them across our businesses. In Environment & Technology, we promote the introduction of dual-fueled vessels, the development and implementation of energy-saving technologies, studies on zero-emission vessels, and initiatives in new fields such as alternative fuels and CO₂ transportation, thereby contributing to the realization of a carbon-free society. In Safety and Ship Quality Management, we enhance our maritime and marine engineering capabilities by securing and developing highly skilled seafarers and maritime professionals through an integrated ship management system, thereby supporting safe operations and high-quality transportation services. In DX, we use data and AI to optimize vessel operations and improve business process efficiency, thereby reducing environmental impact and enhancing competitiveness.

Purpose / KPIs

Our basic policy is to both reduce environmental impact toward the realization of a low-carbon and carbon-free society and strengthen business competitiveness. Specifically, we are promoting the development and introduction of advanced energy-saving technologies, the deployment of vessels with superior fuel efficiency, initiatives toward the practical application of the automated kite system “Seawing,” and the optimization of vessel operations utilizing the integrated vessel operation and performance management system “Kawasaki Integrated Maritime Solutions.” Through these initiatives, we will continue to implement measures that help reduce GHG emissions while enhancing our environmental capabilities as a differentiating factor for the Company.

Material Issues	KPIs related to Material Issues						
	Medium- to Long-term Goals (Aspirations)	Themes	KPIs		Medium- to Long-term Targets	Achievement Status in FY2025	FY2026 Targets
Promotion of Innovation	To materialize reduction of the environmental impacts by introducing fuel-efficient vessels with advanced energy-saving technology.	Low-carbonization	Wind power and others	Number of vessels equipped with wind propulsion systems*	2030s: At least 50 vessels	3 vessels	Proceed with initiatives based on medium- to long-term targets
			Operation efficiency	Installation of Kawasaki Integrated Maritime Solutions to owned / medium- to long-term charter vessels	Maintain 100% coverage	100%	Maintain 100% coverage

* Includes vessels managed by the Group, in addition to those owned or operated by the Group.

Promotion System

From FY2026, we have established the Environment & Technology Initiatives Council, chaired by the Head of the Environmental Strategy & Solutions Unit and composed of the CFO, CHRO, CDIO, CTO, and officers responsible for the Marine Sector and each business unit. The council provides Companywide oversight of research and analysis, strategy formulation, and the promotion of specific measures related to low-carbon and decarbonization efforts of the Company and society, and innovation.

Under this framework, the functions responsible for “Environment & Technology,” “Safety and Ship Quality Management,” and “DX” leverage their respective expertise while collaborating with business units to promote everything from the evaluation of technologies and solutions to their implementation that contribute to the realization of a carbon-free society, including energy-efficient vessel operations, alternative fuels, and CO₂ transportation.

In addition, while incorporating expertise from Safety and Ship Quality Management and DX, we are pursuing an integrated approach that extends beyond technology development to deployment on actual vessels, utilization of operational data, and validation for commercialization. Through environmental impact reduction and the creation of new value, we aim to achieve sustainable growth and enhance corporate value.

*CFO: Chief Financial Officer / CHRO: Chief Human Resource Officer / CDIO: Chief Digital Information Officer / CTO: Chief Technical Officer

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.

Onshore and ship-based trials using large kites are currently underway. Commercialization is planned for FY2027 following further verification of safety and towing power.



Onshore testing

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Environment & Technology

The “K” LINE Group’s Vision

Under our corporate principle of helping to enrich the lives of people as a 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>

“K” LINE low-carbon and decarbonized operations

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

Supporting a low-carbon and decarbonized society

Become a key provider of new energy transportation and supply supporting society’s decarbonization

Reduce “K” LINE’s impact on the sea and air to zero

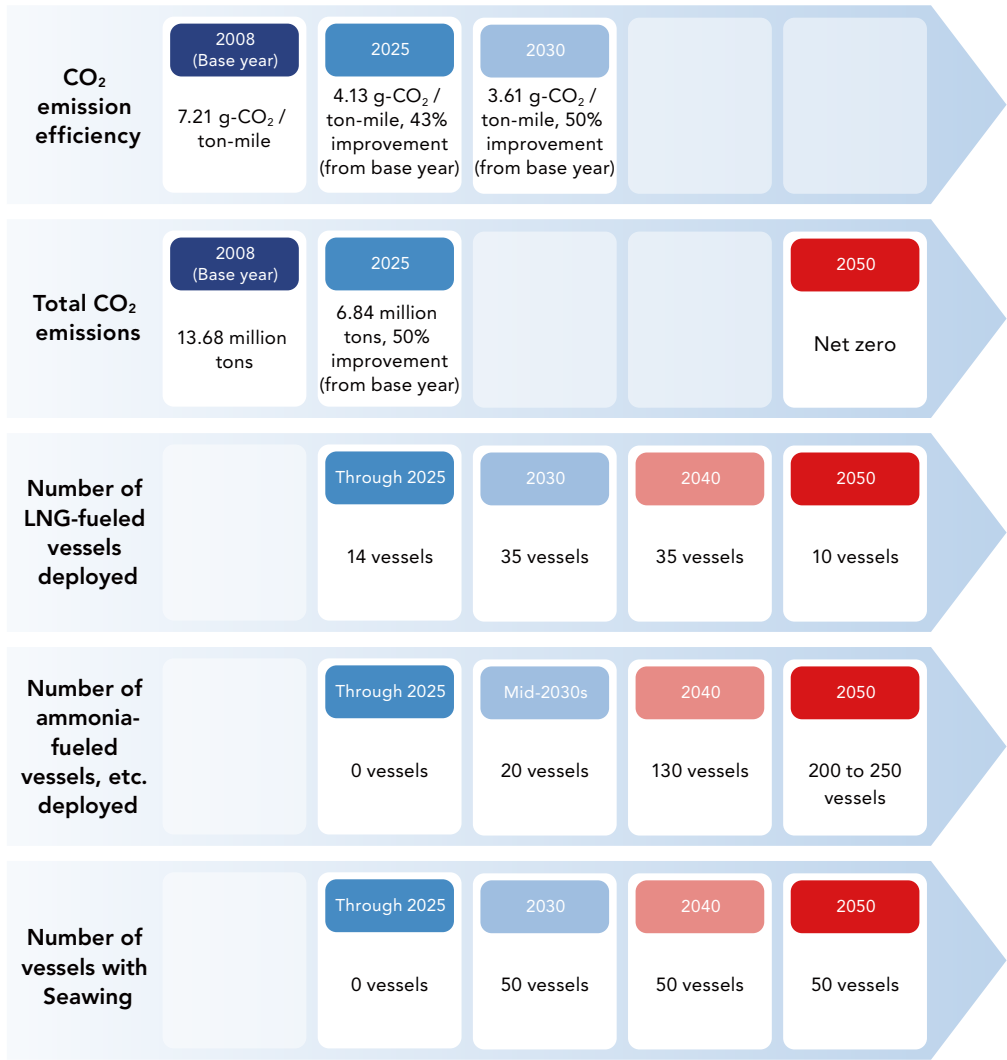
Zero oil spills

Supporting the environmental activities of society

Be the industry leader in ecosystem protection

“K” LINE Low-Carbon and Decarbonization Targets and Progress

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



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Summary of Low-Carbon and Decarbonization Initiatives

The “K” LINE Group is taking steps to reduce GHG emissions both in its operation and in support of society’s decarbonization, and will invest a total of 323.0 billion yen by 2026 to establish competitive advantages while meeting needs for low-carbon and decarbonized operations. We will continue to work on both pursuing new technologies and strengthening initiatives from study and demonstration to implementation.

Low-Carbon and Decarbonization 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 and hydrogen, as well as carbon-neutral fuels such as synthetic fuels, while promoting the use of bio-LNG fuel, which has already been introduced
- 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 “K” LINE vessel to operate using bio-LNG fuel in June 2025
- In April 2026, we began continuous use of bio-LNG fuel on car carriers

Initiatives Supporting Low-Carbon and Decarbonized Society

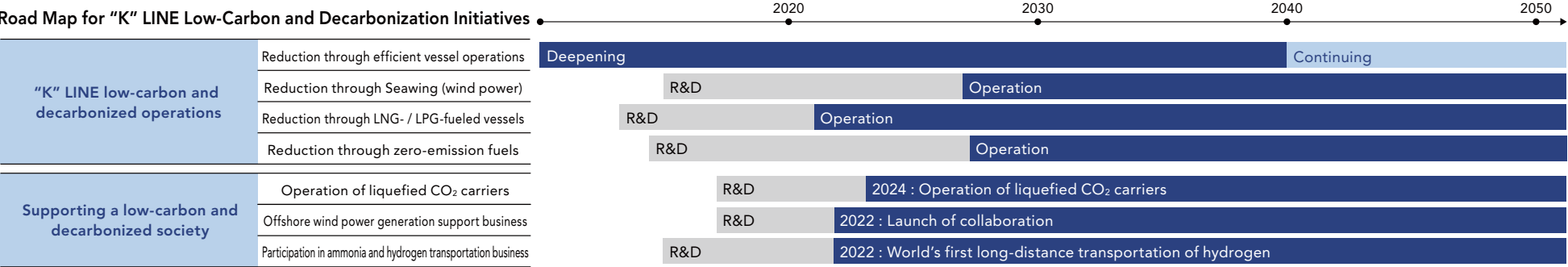
Liquefied CO₂ transportation business

We are developing liquefied CO₂ shipping business, providing marine transportation of captured and liquefied CO₂ from emission sites to storage sites as part of the carbon capture and storage (CCS) value chain. CCS reduces CO₂ emissions by capturing CO₂ from power plants, factories, and other facilities and permanently storing it in geological formations deep underground.

We provide five liquefied CO₂ carriers for the world’s first full-scale commercial CCS project being developed by Northern Lights. Through this project, we aim to build operational expertise in medium-temperature, medium-pressure CO₂ transportation. In parallel, looking ahead to future large-scale transportation projects, we will work with leading CCS operators in Japan and overseas to advance the commercialization of CCS value chains and develop low-temperature, low-pressure CO₂ transportation technologies.

			Investment amount (from 2022 to 2026)	GHG emissions reduction effect	KPIs for measuring progress
“K” LINE low-carbon and decarbonized operations	Fuel conversion (use of clean energy)	LNG- / LPG-fueled vessels	262.0 billion yen	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.	11.0 billion yen	Over 10% reduction vs. previous vessels Note: This depends on vessel type, speed, route and season.	Number of vessels with Seawing
	Development and demonstration of environmental technology	Installation of Kawasaki Integrated Maritime Solutions (operation efficiency)	3.5 billion yen	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 tugboats, etc.		—	
Supporting a low-carbon and decarbonized society	New businesses that contribute to low-carbonization	Liquefied CO ₂ transport	35.0 billion yen	—	Consider based on business characteristics (five liquefied CO ₂ vessels are confirmed for operation as of June 2026)
		Support for wind power generation installations, etc.		—	
Other environmental investments	—	—	11.5 billion yen	—	—

* 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 assumptions on the development of related technology and infrastructure, related regulation, and economics as of today and are subject to change depending on future trends.



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 began disclosing information 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 announced a more ambitious goal of net-zero GHG emissions by 2050. In light of constantly changing circumstances, we have reviewed our scenario analysis and also expanded our disclosures, with a focus on the analysis of financial impacts. [TCFD Framework-Based Information Disclosure > https://www.kline.co.jp/en/sustainability/environment/climate_change.html](https://www.kline.co.jp/en/sustainability/environment/climate_change.html)

Governance

Details on Governance are provided on page 70. P.70

Strategy

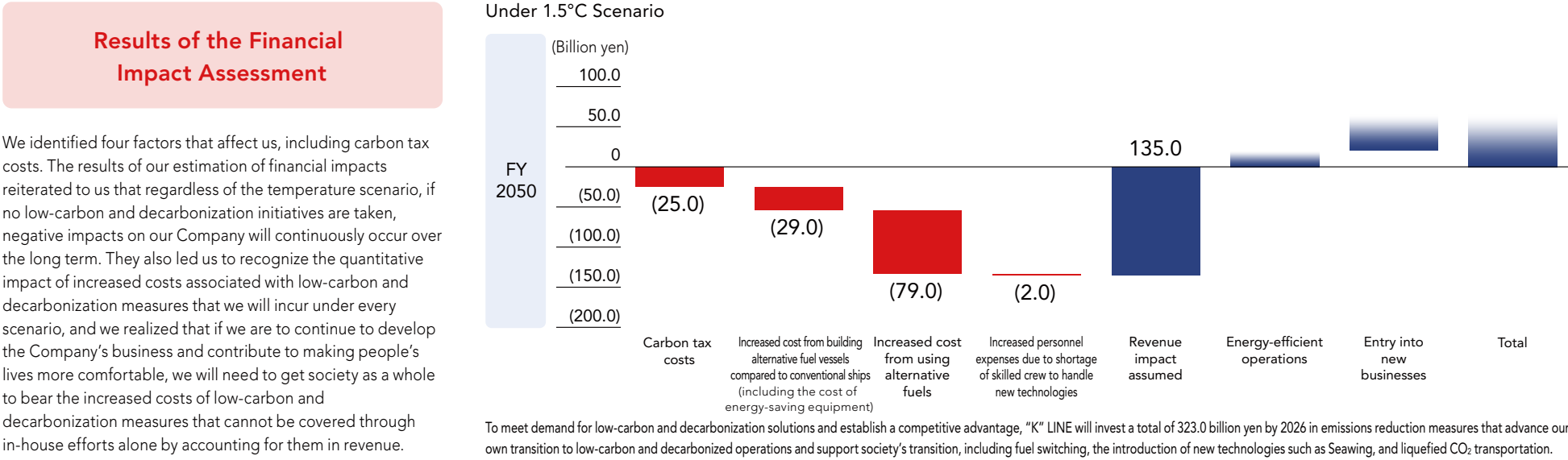
We have identified the main risks and opportunities associated with climate change and organized our considerations of their impacts on our business, as well as our response measures. We also examine the quantitative financial impacts and consider response measures using multiple scenarios, assuming that risks and opportunities arising from climate change actually occur.

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.

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.



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TNFD Framework-Based Information Disclosure

As our business is dependent on natural capital, particularly marine natural capital, 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 guidance from the Taskforce on Nature-related Financial Disclosures (TNFD) and compiled our disclosures based on the TNFD framework's official version 1.0. 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. 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.

TNFD Framework-Based Information Disclosure > https://www.kline.co.jp/en/sustainability/environment/impact_mitigation.html

Governance

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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.

Following the LEAP approach, considering the footprint of our operations and their relationship to nature, we have identified regions for analysis in light of ecosystem integrity, biodiversity importance, and water stress (mainly the degree of marine pollution), and analyzed the degree of dependence on and impact on natural capital using the ENCORE tool. For details, see “Disclosure based on the TNFD Framework” on our website.



We selected priority areas for each of our business sites and operation locations, cross-checked against sea areas with high biodiversity risks, based on the frequency of port calls by our vessels, and analyzed each of our businesses with a focus on the core maritime transportation business. The four regions listed on the left are the main areas we focused on in our analysis.

Analysis of Nature-Related Risks

In the risk analysis, risks that were considered to have a significant impact were organized in terms of transition 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 Management

Important matters identified through the LEAP evaluation are reported to the Corporate Sustainability Management Council (chaired by the President & CEO, or an Executive Officer or Unit Supervising Executive/Corporate Officer designated by the President & CEO). As necessary, such matters are reported to or submitted for deliberation by the Management Conference. Ultimately, they are submitted to the Board of Directors, ensuring Companywide oversight and management.

Metrics and Targets

We have formulated responses and targets for the four identified material issues.

Targets	
Oil pollution Impact: Water pollution, Marine ecosystems 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. Additionally, oil pollution associated with dismantling needs to be addressed.	Zero oil pollution accidents Promotion of initiatives to prevent oil spill accidents, reinforcement of safe operation measures, hull strengthening, human resource development, strengthening of safety measures, strengthening of green ship recycling response, etc.
Atmospheric impacts (GHG, SOx, and NOx) Dependence: Climate regulation Impact: Emissions to the atmosphere Vessel operations will increase GHG and SOx and NOx emissions, and stricter emissions regulations at the operator level will increase response costs. In addition, increased emissions of SOx and NOx, which cause photochemical smog and acid rain, will damage social reputations among suppliers and stakeholders.	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.
Migration of marine organisms Impact: Marine ecosystems 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 relevant countries and NGOs.	Reduction and minimization of impact on the surrounding environment Ballast water treatment system installation rate 100%, etc.
Impact on mammals Impact: Marine ecosystems, Disturbances 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 may lead to reputational damage.	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

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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, secure and develop competent personnel, establish a customer-centric marine technical support system, and create a global safety management framework. Moreover, to enhance safety and transportation quality, it is necessary to make the experience and knowledge more visible and supplement human capabilities with advanced technology. 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.

Ensuring Safety

Akihiro Fujimaru

Senior Managing Corporate Officer
Responsible for Marine Sector Unit, CSO



The environment surrounding the shipping industry is changing at an unprecedented pace. Amid heightened geopolitical risks including the situation in the Middle East, increasingly frequent extreme weather events associated with climate change, growing cyber risks, and the need for responding to new fuels and technologies, the decision-making in ship operations is becoming increasingly sophisticated and complex.

Even under such circumstances, based on our unwavering belief that safety takes precedence over everything, we are working to improve safety in navigation and transportation quality.

One phrase that symbolizes our safety culture is “Never leave the captain alone.” The captain is entrusted with the final decision-making during a voyage. However, amid a rapidly changing global environment and increasingly complex risks, we are developing a system in which shore-based organizations, ship management companies, operations divisions, and technical and maritime experts work together to support captains and crew, thereby enabling them to make the best decisions at all times. By receiving information from vessels ashore and sharing shore-based knowledge with vessels, we aim to support safety throughout the entire organization.

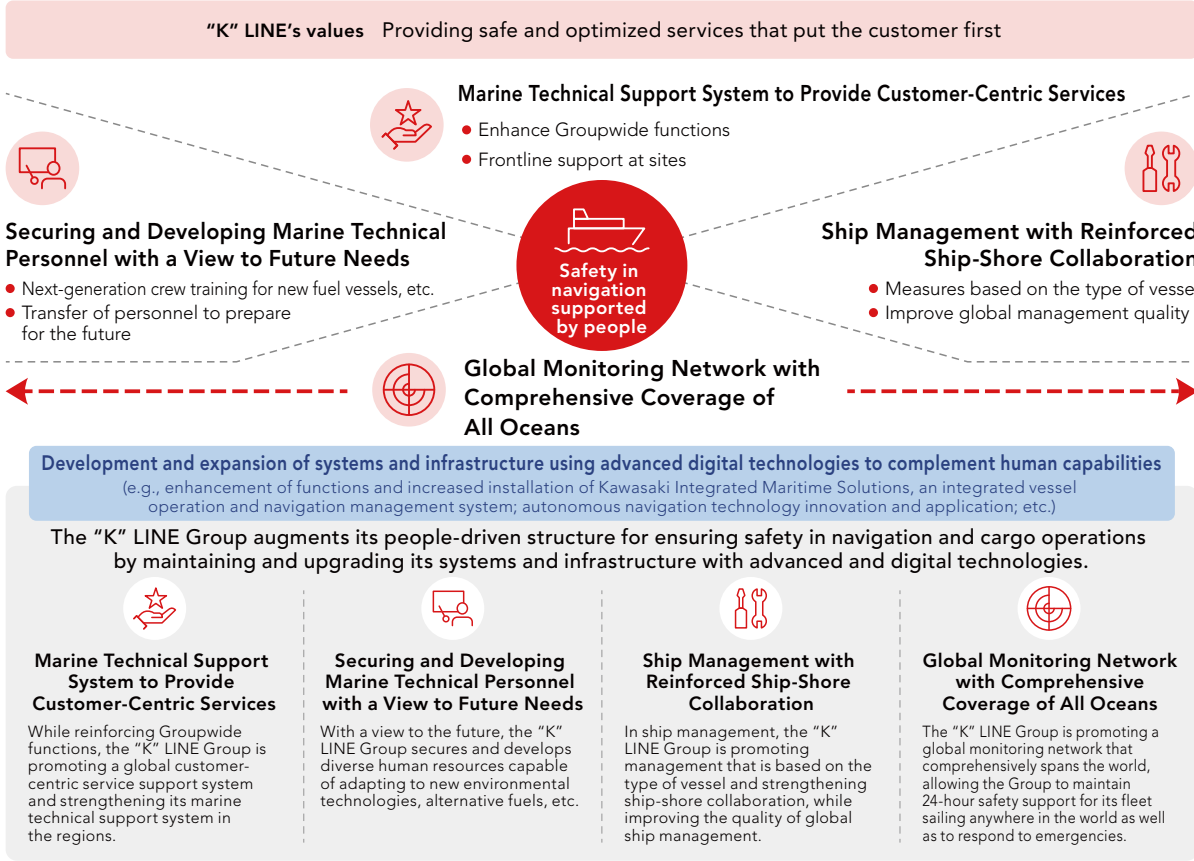
We also collect and analyze safety information from around the world to quickly identify changes in vessel-related risks, while globally promoting operational support through digital technologies, the advancement of ship management systems, and the development of high-quality seafarers and marine professionals. Through these initiatives, we pursue both ensuring the safety of seafarers and stable transportation.

Based on the principle that “there is no end to the pursuit of safety,” we will never become complacent and will continue striving to enhance safety.

And while sharing the concept of “Never leave the captain alone” throughout the Group, we will further deepen our safety culture through integrated efforts between vessels at sea and shore-based organizations and continue to provide services that earn the trust of customers and society.

Safety in Navigation and Cargo Operations Based on “Human Capabilities”

Building a solid system for safety in navigation with safety and quality management that leverages human capabilities—the strength of the “K” LINE Group—complemented with advanced digital technologies



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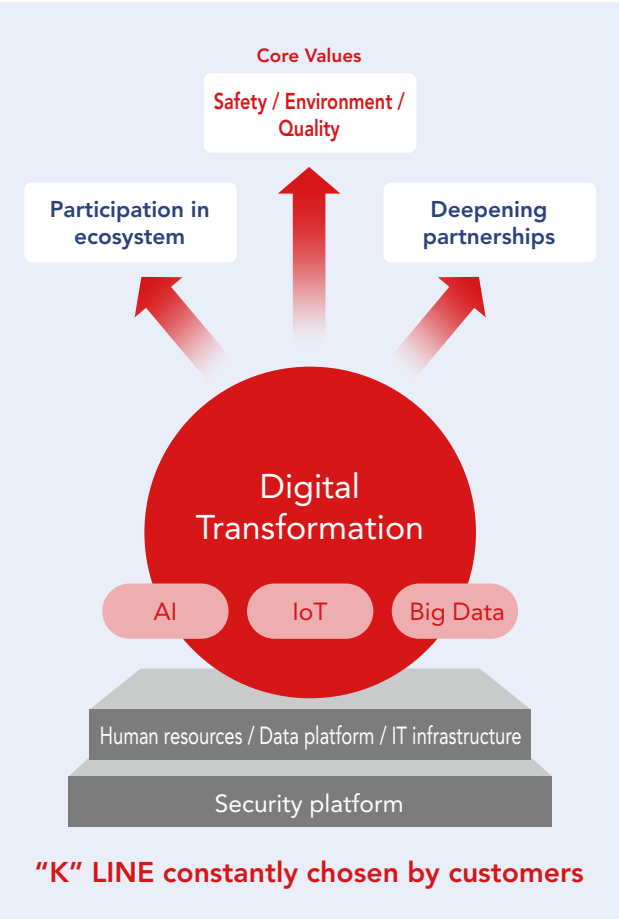
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Digital Transformation (DX)

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. As a functional strategy to achieve this goal, we formulated a Digital Transformation (DX) strategy built on five focus areas: onshore operations, onboard operations, data, human resources, and security, and have been advancing DX through these areas.

Through these initiatives, we will use the robust IT infrastructure we have established to advance data-driven business management and enable faster and more accurate decision-making by implementing the latest technologies, including generative AI. We will also enhance business value by providing customers and society with new value through maritime shipping that goes beyond simply transporting cargo.

Objectives Through DX



Five Focus Areas: Key Initiatives	STAGE 1	STAGE 2	STAGE 3
	Foundation for data-driven business operations	Advanced decision-making by people and AI	Creating New Value in Shipping
	Onshore operations	By integrating and utilizing internal and external data and enabling people and AI to work together, we will achieve decision-making that quickly and accurately captures changes and rapidly derives optimal solutions across a variety of areas, including demand forecasting, market analysis, safety in navigation, and environmental initiatives. We will then translate those solutions into action with agility.	By combining data and AI with the maritime expertise, engineering capabilities, and human resources that the “K” LINE Group has cultivated over many years, we will provide customers and society with new value through maritime shipping that goes beyond simply transporting cargo. At the same time, we will fulfill our role as a provider of logistics infrastructure and contribute to addressing social challenges such as supply chain optimization and decarbonization.
	Data		
Onboard operations	Significant enhancement of onboard IT infrastructure	Establishment of DX at sea	System advancement
	We will fundamentally improve the onboard IT environment while further strengthening cybersecurity. By leveraging high-speed, high-capacity maritime communications, we will accelerate the sharing of vessel operational data between ship and shore and its real-time utilization.	By leveraging accumulated operational data and on-site expertise, we will realize predictive maintenance and remote support. At the same time, by promoting the use of AI in onboard operations, we will achieve both reduced dependence on human expertise and labor savings while maintaining a high level of safety in navigation.	We will further advance the utilization of data to continuously enhance safety, quality, and environmental performance, while contributing from a digital perspective to the development of technologies that will enable the next generation of autonomous vessel operations.
Human resources	Human resources development	DX promotion structure	Group and partnerships
	To build a human resource foundation that supports our evolution into a data-driven shipping company, we are developing DX talent who possess both maritime expertise and the ability to utilize data, AI, and digital technologies. In addition to continuously developing DX utilizers who lead operational transformation in the workplace, we are also rolling out programs for managers to accelerate Companywide initiatives.	We have established a promotion structure that combines a top-down approach in which management sets the direction with cross-departmental collaboration among digital personnel in each department and a bottom-up approach originating on the front lines. Through this structure, we promote the sharing and practical application of knowledge across the “K” LINE Group and advance the adoption of DX and creation of results.	We share expertise and best practices within the Group and are accelerating the rollout of DX initiatives, including the utilization of data and AI. We are also actively collaborating with external partners on advanced technologies and specialized expertise, while enhancing our own capabilities and pursuing new value creation.
Security that supports DX	People and culture	Organization	Technology
	Through education and awareness programs and incident response exercises, we are fostering a security-first culture across the Group. Supported by a secure, reliable, stable, and resilient IT foundation, we will continue to advance DX initiatives.	We are implementing Security Roadmap 2.0, which was updated in 2024, sequentially. 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, log integration, and monitoring systems, as well as introducing risk mitigation measures to enhance server security.

TOPICS

Promoting Data and AI Strategy

We are promoting Companywide business transformation through data and AI. In the past, employees often needed to consult the person in charge to locate necessary data or past materials, or manually aggregate data from multiple systems and Excel files. Going forward, with AI utilization as a fundamental premise, we will build a common data platform that enables rapid access to the information needed. This will deepen the shared understanding and alignment of decisions based on data across organizational boundaries, enabling faster and more accurate decision-making while advancing management capabilities, strengthening business profitability, and enhancing the value of our operations. In addition, by leveraging internal and external data and AI, we aim to create an environment where multiple scenarios can be compared and evaluated in a short period of time for demand forecasting, market analysis, investment decisions, and other purposes. By redirecting the time created through these efforts toward customer proposals and the delivery of new value, we will further enhance our core values of safety, quality, and environmental performance while strengthening our competitiveness.

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Message from the CHRO

Connecting Diverse Expertise to Create New Value
Built on a foundation of ship-shore collaboration, “K” LINE combines expertise and experience to achieve sustainable growth.

Masatoshi Taguchi

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



The business environment surrounding the “K” LINE Group is undergoing significant change due to factors such as accelerating decarbonization, heightened geopolitical risks, and the rapid advancement of digital technologies. To achieve sustainable growth and enhance corporate value amid these changes, it is more important than ever to maximize the potential of our people and organization to support our business strategies. As CHRO, I view our people not simply as a management resource, but as the driving force behind the creation of new value.

The Group has always created growth opportunities by engaging directly with customers across a wide range of operations at sea and ashore and responding sincerely to their challenges and needs. These efforts over time have generated new ideas and business opportunities, building the competitiveness we possess today. In particular, collaboration between seagoing and shore-based personnel, who pool their respective knowledge and experience and work together to solve problems, is a vital foundation for value creation unique to the “K” LINE Group.

The strength of the Group lies in expertise grounded in the diverse knowledge and experience developed in each field. Accordingly, we regard the refinement of expertise as a fundamental element of human resource development. At the same time, as the business environment becomes more complex and the pace of change accelerates, it is increasingly difficult to solve problems by relying on a single area of expertise. I believe we can create new value that meets the expectations of customers and society by gaining experience in different fields and regions as needed and sharing our knowledge and strengths with people who have different areas of expertise.

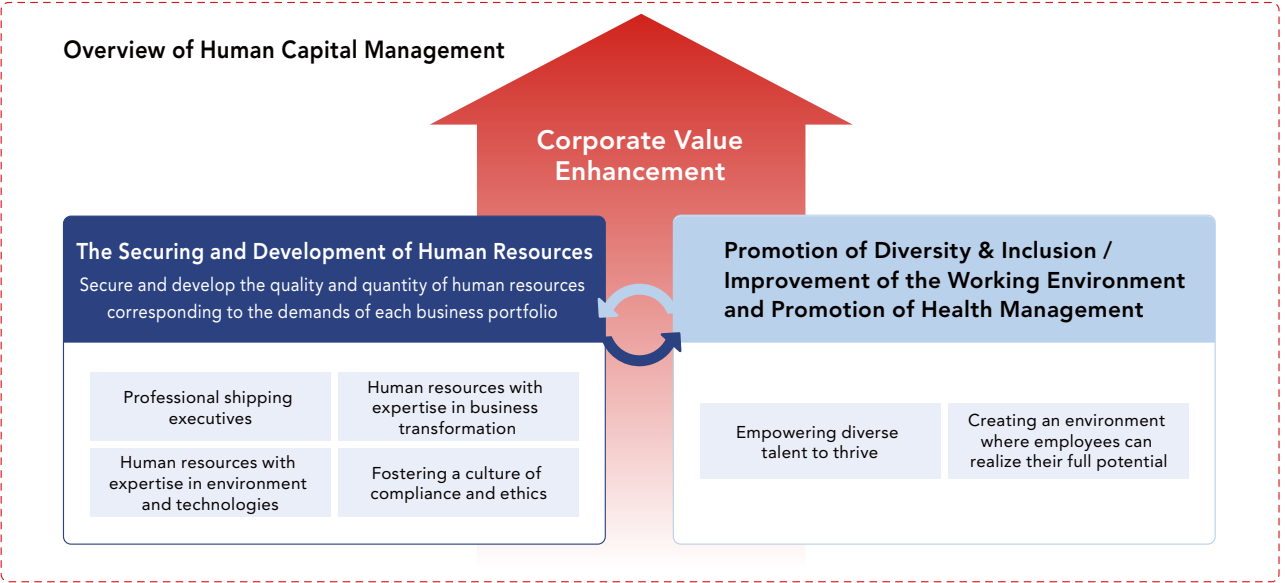
For the globally operating “K” LINE Group, connecting the knowledge and experience of our diverse people across the Group in Japan and overseas is an important source of competitiveness. At “K” LINE, employees build mutual understanding by participating in

development and exchange initiatives, including “K” LINE UNIVERSITY. I believe that when people with different experiences and values engage in open and vigorous discussion across organizational and hierarchical boundaries, inspire one another, and work together to solve problems, they generate new ideas and innovation.

We therefore continue to promote diversity and inclusion and create an environment in which diverse talent can thrive. By implementing health management and workstyle reforms, we are also building workplaces where every employee can realize their full potential. We regard employees’ physical and mental health and engagement as fundamental to every aspect of value creation.

As we look toward the next medium-term management plan and sustainable growth beyond it, the creators of corporate value are our individual employees and their teamwork. The “K” LINE Group regards investment in people as a vital strategic investment that supports future growth and enhanced corporate value.

By building an organization in which people with diverse strengths can realize their full potential, learn from and inspire one another, and continue taking on challenges, we will achieve sustainable growth and create new value.



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HR & Organization

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	Days of leave taken
	(including annual paid leave and up to 7 days per year of Company-provided leave in excess of statutory requirements)
FY2023 7.4 hours	FY2023 15.0 days
FY2024 7.5 hours	FY2024 15.4 days
FY2025 6.9 hours	FY2025 15.4 days
FY2026 (Target) Under 30 hours	FY2026 (Target) 12 days or more

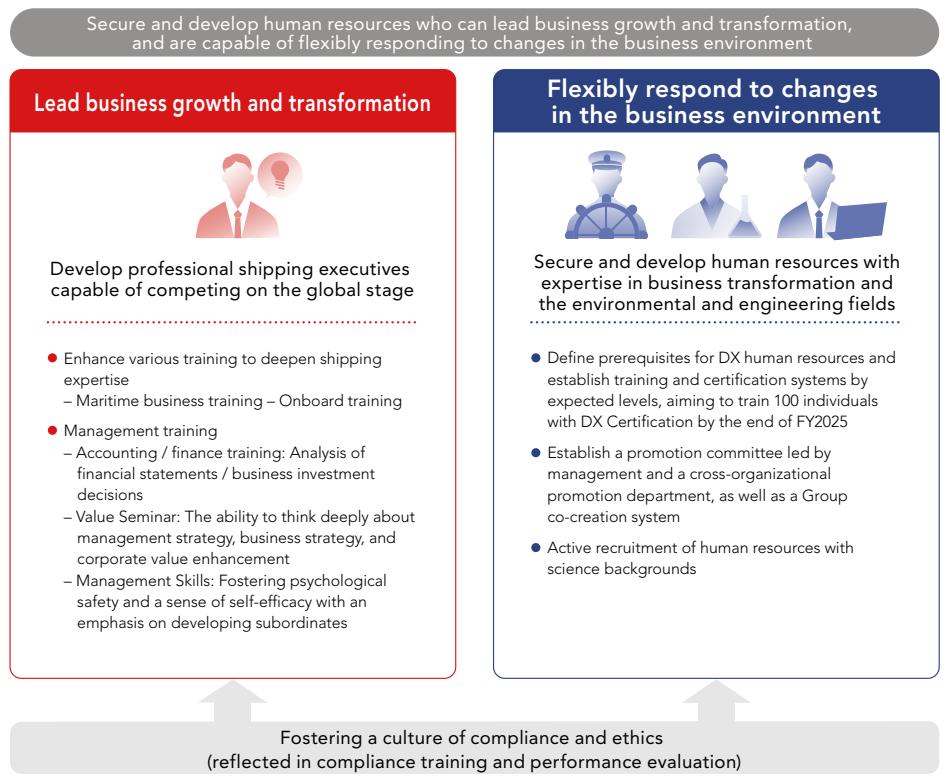
Annual training cost (per employee)	Ratio of male employees taking childcare leave
FY2023 171,000 yen	FY2023 77.8%
FY2024 208,000 yen	FY2024 81.9%
FY2025 265,000 yen	FY2025 82.2%
FY2026 (Target) 322,000 yen	FY2026 (Target) At least 50%

* Total of the childcare leave participation rate and childcare-related leave participation rate

Percentage of female managers
FY2023 6.77%
FY2024 7.41%
FY2025 9.21%
FY2026 (Target) 15%

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 in a balanced manner across business divisions that generate business value, functional divisions that expand business opportunities, and corporate divisions that support our business foundation. While valuing a culture that emphasizes ethics and compliance, we approach personnel training from two perspectives: nurturing professional shipping executives who will lead the sustainable growth and transformation of the business, and developing business transformation personnel as well as environmental and engineering talent who can flexibly respond to changes in the business environment.



Total amount of time spent on employee development training		
FY2023	13,621 hours	FY2024 14,590 hours FY2025 21,728 hours

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HR & Organization

Human Resource Development Program (On Land)

"K" LINE's training structure for human resource development was designed with the goal of developing human resources who embody the values "K" LINE requires for the realization of its corporate principle and vision. The training program was primarily designed with the aim of enhancing four types of skills. Although those skills—core skills, practical maritime skills, general skills, and management skills—can be improved through work, we prepared this training program to encourage growth in employees. The training program is mainly divided into position-based training and maritime training for young employees, management training for managers, and general training for all employees.

Training Structure Chart

	Required			Elective			
Managers	Position-Based Training <ul style="list-style-type: none">• Career Design• Presentations to Management	Training for Newly Appointed Managers <ul style="list-style-type: none">• Labor Management• Organizational Management• Evaluator Training• Developing Team Members• Compliance	DX Human Resource Development Training and Cybersecurity Training Environment & Sustainability Training* Compliance Training	Cafeteria Training (for All Employees) <ul style="list-style-type: none">• Accounting• Finance• VALUE Seminar*2	Cafeteria Training (for Managers) <ul style="list-style-type: none">• Organizational Management• Coaching• Financial Literacy	In-House Language Training (English) Correspondence Courses	
Mid-Career Employees	• Career Design • Presentations to Management	Compliance Training (For Employees in Their 10th Year)		Maritime Training <ul style="list-style-type: none">• In-House Lectures• External Lectures	Onboard Training		BRM Training*3
Younger Employees	• Goal-Oriented Problem Solving • Problem Solving for Existing Issues • Career Design • JOB Crafting • Problem Solving for Existing Issues • Logical Thinking						
New Employees	New Employee Training <ul style="list-style-type: none">• Developing a Professional Mindset• Business Writing• Risk Management• Business Etiquette• Joint Training for Group Companies	<ul style="list-style-type: none">• Site Visits• Compliance• PC Skills					
Prospective Employees	Pre-Employment Training <ul style="list-style-type: none">• Developing a Professional Mindset before Joining• Team Building• Business Etiquette			TOEIC / Level 3 Bookkeeping Correspondence Courses			

Courses outlined in red boxes are available to all employees, including temporary and agency staff.

*1 Includes human rights.

*2 Drawing on accounting, finance, corporate strategy, business strategy, marketing, and other fields, this training develops employees' ability to think about enhancing corporate value and what they should do to increase the Company's value.

*3 BRM (Bridge Resource Management) Training: Practical training to develop ship-handling proficiency through simulations using state-of-the-art equipment that faithfully reproduces a ship's bridge. Using actual maritime accidents as case studies, trainees operate a ship-handling simulator that recreates the navigational conditions at the time of the accident, analyze and identify contributing factors, and verify and review the effectiveness of accident prevention measures.

Human Resource Evaluation Systems

Our human resource evaluation system carefully recognizes each employee's daily efforts and achievements and connects their growth to the development of the Company as a whole. In particular, we regard the development of professional shipping executives who support our growth and competitiveness as a key management issue, and have established a framework that fairly and transparently reflects individual contributions in evaluations.

Evaluations are based on two pillars: target management, which assesses achievement of annual targets, and behavioral assessments, which review how well employees demonstrate the behavior expected of their job category and grade. By assessing both contributions to performance and day-to-day behavior from multiple perspectives, we work to make evaluations more objective and better understood and accepted by employees.

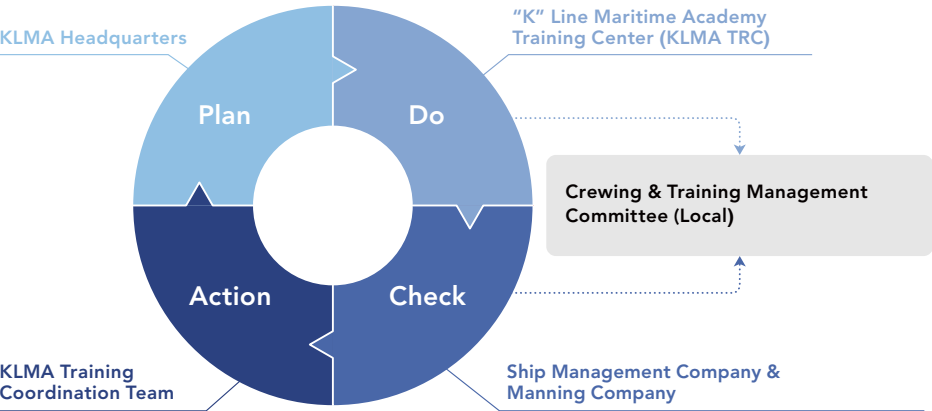
(1) Target management: At the beginning of the fiscal year, each employee sets goals for contributing to the Company's performance targets according to the scope of their responsibilities, as defined by their job category and grade, and their achievement is evaluated at year-end.

(2) Behavioral assessments: At the end of the fiscal year, employees are assessed on whether they have consistently demonstrated the behavior expected of them to fulfill the roles required by their job category and grade.

For employees to better understand and accept their evaluations, managers and their team members must engage in sufficient dialogue to develop a shared understanding of targets and expected roles. Through regular interviews and feedback, we review each employee's efforts based on objective facts, helping them better understand and accept their evaluation results and supporting their further growth.

Human Resource Development Program (At Sea)

The "K" Line Maritime Academy (KLMA) is a generic term for our educational philosophy, which includes educational policies for fostering personnel indispensable to implementing the Group's basic commitment to "safety in navigation and the protection of human lives, cargoes, and the natural environment at sea." These personnel include ships' crews (officers and ratings) and seafarers ("K" LINE seafarers), who have the knowledge and skills that enable them to excel in "K" LINE Group onshore duties (ship management, crew management and training, and sales division support). Under the KLMA, we foster maritime officers according to our KLMA Master Plan and transfer knowledge of the "K" LINE Group's maritime technical expertise, amassed over many years, to the next generation. All Group companies are united in the goal of fostering exceptional maritime officers.



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Embedding Our Corporate Principle

For exercising “K” LINE’s corporate principle and vision, every employee must put into daily practice the “K” LINE Spirit (independence and autonomy, free and broad-mindedness, and an enterprising spirit), which has supported our ambitions and value creation for a century, and the six values the “K” LINE Group cherishes: “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,” and “Respecting individuals and ensuring fair business activities by embracing diverse values.”

We provide opportunities to deepen understanding of our corporate principle and vision through new employee training, position-based training, managerial training, and other programs, and incorporate our core values into the behavioral assessment criteria in our human resource evaluation system to help every employee embody our corporate principle.

Improvement of the 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, 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, stipulates that “the “K” LINE Group will consistently respect human rights, and we will positively consider personality, individuality and diversity of its corporate members and improve work safety and conditions to offer them comfort and affluence.” The improvement of 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 morals and compliance.

Improvement of the 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. Specifically, in addition to leave for advanced infertility treatment and childcare leave, we have introduced a Company-specific system of childcare leave of up to 10 consecutive days for fathers, in order to encourage men’s participation in childcare. 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

- 1. Flexible working hours
- 2. Reduced working-hour program
- 3. Teleworking system
- 4. Expanded leave programs

Support for life events

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

For more details, please visit our website.
➤ https://www.kline.co.jp/en/sustainability/social/labor_health.html

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 health measurement events, we support participants in improving their lifestyle habits by measuring estimated vegetable intake and vascular age, and providing health consultations with nutritionists. Holding these events in our in-house café lounge also encourages communication among employees.

Walking events are held annually for employees insured under our Health Insurance Society and their families. These events use a smartphone app to help participants develop regular exercise habits while having fun, with initiatives such as prize drawings for those who meet their goals, making participation more accessible.

Stress check and follow-up

We conduct an annual stress check. Employees respond via a dedicated platform, which measures and monitors their psychological strain and stress levels as well as 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.

Stress check examination rate



Employee Voice



Logistics, Port and Affiliated Business Group
Business Management Team No. 2
Manager
K.A.

I joined “K” LINE as a mid-career hire in 2016. What struck me most when I joined was the Company’s emphasis on thinking for yourself. My experience here has taught me to start by thinking things through, forming a hypothesis, and moving forward, even in areas where I lack sufficient experience or knowledge. With AI becoming more widely used, I feel more strongly than ever the importance of understanding the essence of an issue and thinking it through thoroughly.

I currently work in the Logistics, Port and Affiliated Business Group, where I am responsible for governance, corporate management, and investment decisions concerning affiliated companies. Although we sometimes disagree with affiliated companies, I make a conscious effort to identify and proactively propose the measures needed to enhance corporate value across the Group. Drawing on the support I have received in my own development, I hope to help younger colleagues develop their ability to think for themselves.

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SPECIAL
FEATURE

Employee Roundtable Discussion

For Diverse Talent to Thrive: Exploring DE&I on the International Day for Women in Maritime



We regard creating an environment where diverse talent can realize their full potential as an important management issue and promote DE&I (Diversity, Equity & Inclusion). We believe that, to achieve sustainable growth amid a rapidly changing business environment, it is vital for people with diverse values and experiences to thrive and to expand the pool of talent that will shape the future. As part of these efforts, to mark the International Maritime Organization's (IMO) "International Day for Women in Maritime," we held an in-person event for female students on May 18, 2026.

Female maritime and technical professionals working in the shipping, aviation, and railway industries took the stage to discuss their careers, the appeal of their work, and how they balance work with life events, sharing the wide range of possible career paths. Here, drawing on interviews with employees involved in planning the event and a look at the event itself, we introduce our initiatives to create an environment in which diverse talent can thrive and develop the next generation of professionals.

MEMBER PROFILES

Atsumi Harasawa*¹

Independent & Outside
Director
Appointed in March 2025



Eri Noguchi

Captain, Technical & Quality
Management Team, Car Carrier
Quality and Operations Group,
joined in January 2007 (20th year
with the Company as of 2026)



Miyu Morinaga

Third Officer, joined in
October 2024 (2nd year
with the Company as of
2026)



Hideaki Endo

Corporate Officer,
joined in October 1994
(32nd year with the
Company as of 2026)



Aya Hariu

Maritime Strategy Group,
joined in April 2007 (20th
year with the Company as of
2026; transferred to
KMSOL*² in November 2025)

*¹ Ms. Harasawa resigned from her position as
Director on September 24, 2026.

*² KMSOL: "K" Line Marine Solutions Co., Ltd.

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— What was the background to the event?

Hariu: The International Day for Women in Maritime was established to build momentum for promoting women’s advancement and closing the gender gap in the maritime industry. From my own experience as a seafarer, I have come to appreciate the importance of making the maritime industry more open to diverse talent. In 2024, we held an online seminar for students, but the desire to provide opportunities for deeper dialogue and interaction led us to plan this in-person event.

Endo: For the maritime industry to achieve sustainable growth, it is essential to create an environment where diverse talent can demonstrate their abilities and to cultivate the people who will shape its future. We believe that when people with different values and experiences thrive, they generate new perspectives and ideas, while also enhancing the industry’s ability to respond to a rapidly changing business environment and strengthening its competitiveness.

At the Company, female seafarers are steadily taking on a wider range of roles, with 11 currently employed. Some serve as captains, and steady progress continues in creating an environment where diverse talent can demonstrate their abilities. At the event, we wanted students to learn about real-world working styles and career possibilities while also building connections with potential future talent for the maritime industry, thereby broadening the talent pool.

— What did the event consist of?

Hariu: First, Professor Junko Harada of the Open University of Japan, who researches women’s career development in the transportation and maritime fields, delivered a presentation. In her lecture, she shared insights into the current status of women’s advancement in the transportation industry, gender-related issues, and the importance of creating workplace environments where diverse talent can demonstrate their abilities. This was followed by a panel discussion involving female technical professionals from the shipping, aviation, and railway industries. They exchanged views on topics including what led them to choose their professions, career development, balancing their careers with life events, along with the challenges they had faced in the workplace and how they overcame them.

— The panel discussion featured not only employees from the Company but also employees from JAL Engineering Co., Ltd. (“JALEC”) and Central Japan Railway Company (“JR Central”). Could you tell us how they came to participate?

Endo: We thought there was something we could learn from exchanging views on the advancement of women in highly specialized technical fields, not only in shipping but also in aviation and railways. By having technical professionals from different industries share their experiences, we believed this would encourage students to consider career possibilities from a broad range of perspectives while also providing a learning opportunity for ourselves.



EVENT REPORT

Here, we present highlights of the panel discussion held at the event. In addition to two “K” LINE female maritime professionals and an Outside Director, female technical professionals from JALEC and JR Central also participated in the panel discussion.

— What inspired you to choose a technical career?

Noguchi: When I was in junior high school, I saw a television program showing sail training in Northern Europe, and became fascinated by it. There were various other professions I wanted to pursue, but I felt it would be difficult to become a seafarer later because the profession requires a high degree of specialized expertise, so I enrolled at Tokyo University of Mercantile Marine (now Tokyo University of Marine Science and Technology).

Morinaga: When I was in my third year of junior high school, I first learned about the seafaring profession when I heard a career talk given by an older student who had gone on to Tokyo University of Marine Science and Technology. I wanted to pursue a career that would allow me to work internationally at sea. Another reason I chose to become a seafarer was that I thought acquiring specialized expertise would make it easier to resume my career after a break due to life events.

— What initiatives are being taken to support the long-term retention of women in technical roles?

A.A. (JR Central): To help employees balance work with life events, we offer working from home and flextime systems, as well as ongoing career development opportunities, such as training that can be taken remotely even while working reduced hours. In my workplace, taking childcare leave has also become the norm regardless of gender, and a culture is gradually developing in which work handovers before childcare leave and the allocation of duties during an employee’s absence can be adjusted flexibly. In addition to having comprehensive systems in place, I feel that a workplace culture in which those systems are easy to use, and understanding among colleagues provide an essential foundation for the long-term retention of women in technical roles.

Noguchi: As I gained experience progressing from Third

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Officer to Second Officer and then Chief Officer, my aspiration to become a captain grew stronger. When I became pregnant, I had concerns about balancing family life with my career, but after discussing the matter with HR, I returned to a seagoing position after working ashore for two years, then became a captain after giving birth. Today, progress is being made not only in support systems but also in creating an environment that helps employees balance work and family life. I believe what matters is not gender, but having an environment in which each individual can believe in their own potential and continue taking on challenges.

— Were there any duties that you initially thought might pose difficulties because of your gender but found you could perform without any real problems?

M.M. (JALEC): Before joining the company, I was worried that I might fall behind those around me when it came to physically demanding work. However, a senior colleague told me, “If you’re not strong enough, use tools,” and I learned that using tools properly meant that I did not need great physical strength. In fact, there are situations where being small can be an advantage, such as installing small components or working in confined spaces. As I earned qualifications, I was also entrusted with greater responsibilities, and looking back, I realize that many of my

concerns were unfounded.

Morinaga: Before joining the Company, I had concerns about my physical fitness and strength. In particular, I was worried about whether I could handle tasks such as carrying heavy objects and opening and closing stiff valves, but in reality, there was a lot of paperwork and checking, and the job did not demand as much physical strength as I had imagined. Tasks requiring strength can also be handled with tools, and there is an environment where the other crew members naturally provide support when needed.

— In closing, please share a message with the students.

M.M. (JALEC): There is a great sense of accomplishment in identifying equipment malfunctions yourself and repairing them. The knowledge and skills you acquire become assets that no one can take away from you. I encourage you to think about what kind of expertise you would like to acquire in the future.

A.A. (JR Central): Being involved in work on the Tokaido Shinkansen and the Chuo Shinkansen has turned out to be a more exciting challenge than I had imagined when I was job hunting. Technical professions allow you to continue working over the long term by leveraging your expertise even when life events occur. I think they are a way to broaden your possibilities.

Noguchi: I think it is important to pursue the work you truly want to do, regardless of gender. One of my favorite sayings is, “I can’t change the direction of the wind, but I can adjust my sails to always reach my destination.*” I hope you will believe in your own potential and continue taking on challenges.

Harasawa: Acquiring a high degree of expertise can greatly expand your future possibilities. In addition to putting systems in place, it is important to build a workplace culture where everyone can demonstrate their abilities. Preconceptions and concerns about work can be overcome with skills, ingenuity, and teamwork. I hope you will believe in your potential and continue taking on challenges.



— How did you feel the event went?

Endo: The event reaffirmed for me the importance of breaking down preconceptions and barriers in the workplace and of creating an environment where diverse talent can demonstrate their abilities. We are creating an environment where people with diverse values and experiences can demonstrate their abilities, and the increasing number of female seafarers is one example of these efforts. This event was not only an opportunity to create connections with the next generation of talent who will lead the maritime industry, but also an opportunity for us to once again consider how to build an organization where diverse talent can thrive. With these initiatives, we aim to broaden our talent pool and enhance our organization’s vitality and competitiveness.

Hariu: Seafaring is a specialized profession that anyone can pursue regardless of gender, and I believe we were able to show students how women are actively forging their own career paths. I feel that this initiative was highly meaningful in making role models more visible and providing the participating students with an opportunity to envision their future careers more concretely. By continuing activities such as these, we also hope to help broaden the pool of people aspiring to careers in the maritime field.

Harasawa: I feel that this event provided the participating students with a valuable opportunity to gain a clearer sense of the appeal of working in technical professions and the career opportunities they offer. It was also highly meaningful that we were able to present diverse role models by sharing the experiences of technical professionals working in the shipping, aviation, and railway industries. As human capital becomes increasingly important, creating an environment where diverse talent can demonstrate their abilities and developing the people who will shape the future are essential for companies to achieve sustainable growth. I believe initiatives such as this not only broaden the talent pool but also help foster an organizational culture that respects diversity. By continuing these activities, I hope that they will lead to greater talent competitiveness and the sustainable enhancement of corporate value. I also believe that continuing to build on these efforts will contribute to the industry’s overall development.

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* You can’t run from the wind. You trim your sails, face the music, and keep going. (From “White Squall,” 1996)

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Key Points of Corporate Governance

Message from the Chairperson of the Board



Yukikazu Myochin
Director, Chairperson
of the Board

Toward a Board That Drives Sustainable Corporate Value Enhancement

In March 2025, “K” LINE transitioned to a company with a Nominating Committee, etc., with the aim of sustainably enhancing corporate value. This was not merely a change in organizational design, but an important reform intended to both strengthen the Board of Directors’ supervisory function and make business execution more agile.

Under the new structure, substantial authority has been delegated to executive management, enabling swift and decisive decision-making, while the Board of Directors focuses on setting the broad direction of management and overseeing its implementation. However, separating supervision from execution does not mean creating a gap between the two. I believe that candid dialogue grounded in mutual trust and the shared objective of enhancing corporate value is essential to making governance more effective.

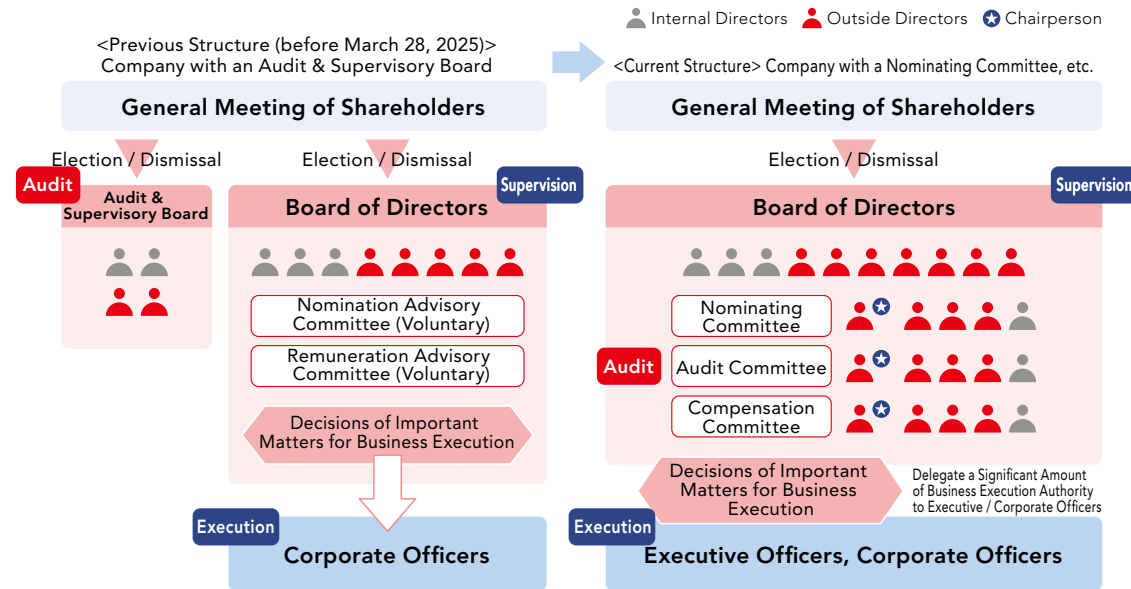
Since the transition, the Board of Directors has been shifting its focus from deliberating individual matters to discussing management strategies based on the business portfolio and capital structure, as well as sustainable growth through appropriate risk-taking. To continuously generate returns above the cost of capital, we engage in vigorous discussion of key issues, including Companywide strategy, capital policy, investment discipline, and Group governance, drawing on diverse perspectives that include those of outside directors.

As chairperson, my role is to focus discussion on fundamental management issues and draw fully on the insights of each director to ensure that our deliberations lead to enhanced corporate value. This requires not only ongoing dialogue with executive management, but also incorporating the views of shareholders, investors, and other stakeholders into Board discussions. I believe the Board of Directors should objectively supervise business execution while, when appropriate, supporting executive management in resolving important issues and thereby improve its effectiveness.

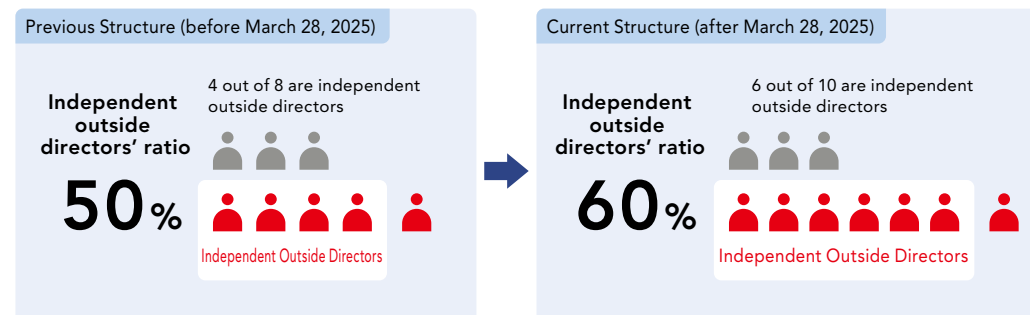
The Board of Directors will continue to set the direction of management and support business execution while ensuring objectivity and transparency, thereby pursuing sustainable growth and medium- to long-term enhancement of corporate value.

Key Points of Corporate Governance (As of June 19, 2026)

Point 1 Separation of Supervision and Execution Through Governance Reform



Point 2 Ensuring a High Degree of Board Independence



List of Directors, Executive Officers, and Corporate Officers (As of September 25, 2026) * Number of shares owned is as of the end of May 2026.

Directors

<div></div> <div>Yukikazu Myochin Chairperson of the Board</div> <div>Term in office as director: 10 years Board meeting attendance: 19/19 Number of the Company's shares held: 148,000 shares</div> <div>Born in March 1961</div> <div><div>Apr 1984</div><div>Joined the Company</div></div> <div><div>Jan 2010</div><div>General Manager of Containerships Business Group</div></div> <div><div>Apr 2011</div><div>Corporate Officer</div></div> <div><div>Apr 2016</div><div>Managing Corporate Officer</div></div> <div><div>Jun 2016</div><div>Director, Managing Corporate Officer</div></div> <div><div>Apr 2018</div><div>Representative Director, Senior Managing Corporate Officer</div></div> <div><div>Apr 2019</div><div>Representative Director, President & CEO</div></div> <div><div>Mar 2025</div><div>Director, Chairperson of the Board (Current)</div></div>	<div></div> <div>Takenori Igarashi Director Representative Executive Officer, President & CEO</div> <div>Term in office as director: 1 year and 3 months Board meeting attendance: 19/19 Number of the Company's shares held: 8,300 shares</div> <div>Born in March 1967</div> <div><div>Oct 1991</div><div>Joined the Company</div></div> <div><div>Oct 2016</div><div>General Manager of Corporate Planning Group</div></div> <div><div>Apr 2019</div><div>Corporate Officer</div></div> <div><div>Apr 2021</div><div>Managing Corporate Officer</div></div> <div><div>Apr 2024</div><div>Senior Managing Corporate Officer</div></div> <div><div>Mar 2025</div><div>Director, Representative Executive Officer, President & CEO (Current)</div></div>	<div></div> <div>Kunihiro Arai Director</div> <div>Term in office as director: 1 year and 3 months Board meeting attendance: 19/19 Number of the Company's shares held: 39,000 shares</div> <div>Born in November 1959</div> <div><div>Apr 1982</div><div>Joined the Company</div></div> <div><div>Aug 2001</div><div>General Manager, "K" LINE PTE LTD, Trade Management Division</div></div> <div><div>Jul 2012</div><div>Representative in Beijing, China (Representative Office closed in December 2012)</div></div> <div><div>Jul 2012</div><div>Managing Director of KLINE (CHINA) LTD. (retired in June 2019)</div></div> <div><div>Jan 2014</div><div>Managing Director of "K" LINE (HONG KONG) LIMITED (retired in January 2019)</div></div> <div><div>Apr 2015</div><div>Managing Corporate Officer</div></div> <div><div>Apr 2019</div><div>Special Advisor</div></div> <div><div>Jun 2019</div><div>Audit & Supervisory Board Member</div></div> <div><div>Mar 2025</div><div>Director (Current)</div></div>	<div></div> <div>Keiji Yamada Independent & Lead Outside Director</div> <div>Term in office as director: 7 years Board meeting attendance: 19/19 Number of the Company's shares held: 2,600 shares</div> <div>Born in April 1954</div> <div><div>Apr 1977</div><div>Joined Ministry of Home Affairs (currently Ministry of Internal Affairs and Communications)</div></div> <div><div>Jul 1982</div><div>Superintendent of Amakusa Tax Office, National Tax Agency</div></div> <div><div>Jul 1983</div><div>Manager of Local Affairs Division, General Affairs Department, Wakayama Prefecture</div></div> <div><div>Sep 1985</div><div>Deputy General Manager of San Francisco Tourism Promotion Office, Japan National Tourist Organization</div></div> <div><div>Apr 1989</div><div>Manager of Finance Division, General Affairs Department, Kochi Prefecture</div></div> <div><div>Jan 1992</div><div>Investigator, Local Administration Division, Local Administration Bureau, Ministry of Home Affairs</div></div> <div><div>Jul 1992</div><div>Counselor, Cabinet Legislation Bureau</div></div> <div><div>Jul 1997</div><div>Manager, Land Information Division, Land Bureau, National Land Agency (currently Ministry of Land, Infrastructure, Transport and Tourism)</div></div> <div><div>Aug 1999</div><div>Director, General Affairs Department, Kyoto Prefecture</div></div> <div><div>Jun 2001</div><div>Vice-Governor, Kyoto Prefecture</div></div> <div><div>Apr 2002</div><div>Governor, Kyoto Prefecture (retired in April 2018)</div></div> <div><div>Apr 2011</div><div>President, National Governors' Association (retired in April 2018)</div></div> <div><div>Apr 2018</div><div>Vice-President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University</div></div> <div><div>Jun 2019</div><div>Outside Director of the Company (Current)</div></div> <div><div>Mar 2020</div><div>Outside Audit & Supervisory Board Member, HORIBA, Ltd. (Current)</div></div> <div><div>Apr 2020</div><div>Special Advisor to the President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University</div></div> <div><div>Nov 2020</div><div>Outside Director, TOSE CO., LTD. (Current)</div></div> <div><div>Apr 2021</div><div>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</div></div> <div><div>Jun 2024</div><div>President, The Educational Corporation of Kyoto Sangyo University, Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University (Current)</div></div>
<div></div> <div>Ryuhei Uchida Outside Director</div> <div>Term in office as director: 7 years Board meeting attendance: 19/19 Number of the Company's shares held: 0 shares</div> <div>Born in October 1977</div> <div><div>Apr 2002</div><div>Joined Mitsubishi Corporation</div></div> <div><div>Dec 2009</div><div>Joined Innovation Network Corporation of Japan, Vice-President of Investment</div></div> <div><div>Dec 2012</div><div>Joined Effissimo Capital Management Pte Ltd., Director (Current)</div></div> <div><div>Jun 2019</div><div>Outside Director of the Company (Current)</div></div>	<div></div> <div>Koji Kotaka Independent Outside Director</div> <div>Term in office as director: 3 years Board meeting attendance: 19/19 Number of the Company's shares held: 34,800 shares</div> <div>Born in May 1958</div> <div><div>Apr 1987</div><div>Joined Sato and Tsuda Law Office (retired in March 1988)</div></div> <div><div>Aug 1990</div><div>Joined Goldman Sachs Japan Co., Ltd.</div></div> <div><div>Nov 1998</div><div>Managing Director, Goldman Sachs Japan Co., Ltd.</div></div> <div><div>Nov 2006</div><div>Partner, Goldman Sachs Japan Co., Ltd. (retired in November 2008)</div></div> <div><div>Nov 2009</div><div>Counsel, Nishimura & Asahi (retired in December 2010)</div></div> <div><div>Jan 2011</div><div>Representative Attorney, Koji Kotaka & Associates (Current)</div></div> <div><div>Sep 2012</div><div>Senior Advisor, Apollo Global Management LLC (Current)</div></div> <div><div>Jun 2013</div><div>Outside Director, Monex Group, Inc. (retired in June 2018)</div></div> <div><div>Feb 2016</div><div>Outside Director, LINE Corporation (retired in February 2021)</div></div> <div><div>Mar 2018</div><div>Outside Director, Kenedix, Inc. (retired in March 2021)</div></div> <div><div>Mar 2021</div><div>Member of the Management Committee, Kenedix, Inc. (Current)</div></div> <div><div>May 2022</div><div>Senior Advisor, Greenhill & Co., Japan Ltd. (retired in December 2023)</div></div> <div><div>Jun 2023</div><div>Outside Director of the Company (Current)</div></div>	<div></div> <div>Hiroyuki Maki Independent Outside Director</div> <div>Term in office as director: 3 years Board meeting attendance: 19/19 Number of the Company's shares held: 0 shares</div> <div>Born in November 1980</div> <div><div>Aug 2004</div><div>Representative Director, Melco Asset Management Limited (retired in October 2006)</div></div> <div><div>Nov 2006</div><div>Representative Director, Melco Asset Management Pte. Ltd. (retired in September 2007)</div></div> <div><div>Oct 2007</div><div>Representative Director, MAM PTE. LTD (retired in May 2014)</div></div> <div><div>Jun 2011</div><div>Director, MELCO HOLDINGS INC. (currently BUFFALO INC.)</div></div> <div><div>Jun 2014</div><div>President & CEO, MELCO HOLDINGS INC.</div></div> <div><div>May 2018</div><div>President & CEO, BUFFALO INC. (retired in March 2025)</div></div> <div><div>May 2020</div><div>President & CEO, Buffalo IT Solutions Inc. (retired in May 2023)</div></div> <div><div>Oct 2020</div><div>President & CEO, Melco Financial Holdings Inc. (retired in April 2023)</div></div> <div><div>May 2021</div><div>President & CEO, BIOS Corporation (retired in May 2022)</div></div> <div><div>May 2022</div><div>Director, Shimadaya Corporation (retired in June 2025)</div></div> <div><div>Jun 2022</div><div>Outside Director, Saison Information Systems Co., Ltd. (currently Saison Technology Co., Ltd.) (retired in June 2023)</div></div> <div><div>Jun 2023</div><div>Outside Director of the Company (Current)</div></div> <div><div>Jun 2023</div><div>President and CEO, MELCO Group Inc. (Current)</div></div> <div><div>Apr 2025</div><div>President & CEO, BUFFALO INC. (Current)</div></div>	<div></div> <div>Takako Masai Independent Outside Director</div> <div>Term in office as director: 2 years Board meeting attendance: 19/19 Number of the Company's shares held: 800 shares</div> <div>Born in March 1965</div> <div><div>Nov 1988</div><div>Joined Scotiabank, Tokyo</div></div> <div><div>Jul 1989</div><div>Joined the Toronto-Dominion Bank, Tokyo</div></div> <div><div>Mar 1998</div><div>Head of Financial Products Division, Tokyo Branch, Cr�dit Agricole Indosuez Bank (currently Cr�dit Agricole CIB)</div></div> <div><div>May 2007</div><div>General Manager, Capital Markets Division, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</div></div> <div><div>Apr 2013</div><div>Executive Officer, Head of Markets Research Department, Markets Sub-Group, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</div></div> <div><div>Jul 2015</div><div>Executive Officer, General Manager of Markets Research Division, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</div></div> <div><div>Jun 2016</div><div>Member of the Policy Board, Bank of Japan (retired in June 2021)</div></div> <div><div>Jun 2016</div><div>Director, SBI Financial and Economic Research Institute Co., Ltd. (Current)</div></div> <div><div>Jul 2021</div><div>Outside Director, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) (retired in June 2023)</div></div> <div><div>Jul 2021</div><div>Outside Director, TOBISHIMA CORPORATION (currently TOBISHIMA HOLDINGS Inc.) (Current)</div></div> <div><div>Jul 2021</div><div>Advisory Board member of Sim Kee Boon Institute for Financial Economics (Current)</div></div> <div><div>Aug 2021</div><div>Representative Director (currently Chairperson), SBI Financial and Economic Research Institute Co., Ltd. (Current)</div></div> <div><div>Aug 2021</div><div>Outside Director, BlackRock Japan Co., Ltd. (retired in August 2023)</div></div> <div><div>Apr 2022</div><div>Guest Professor, Jissen Women's University (retired in March 2025)</div></div> <div><div>Jun 2024</div><div>Outside Director of the Company (Current)</div></div> <div><div>Jun 2024</div><div>Outside Director, Daio Paper Corporation (Current)</div></div> <div><div>Aug 2024</div><div>Outside Director (Audit and Supervisory Committee Member), Bewith, Inc. (Current)</div></div> <div><div>Dec 2024</div><div>Director, TNL Mediagene (retired in June 2025)</div></div>

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Directors

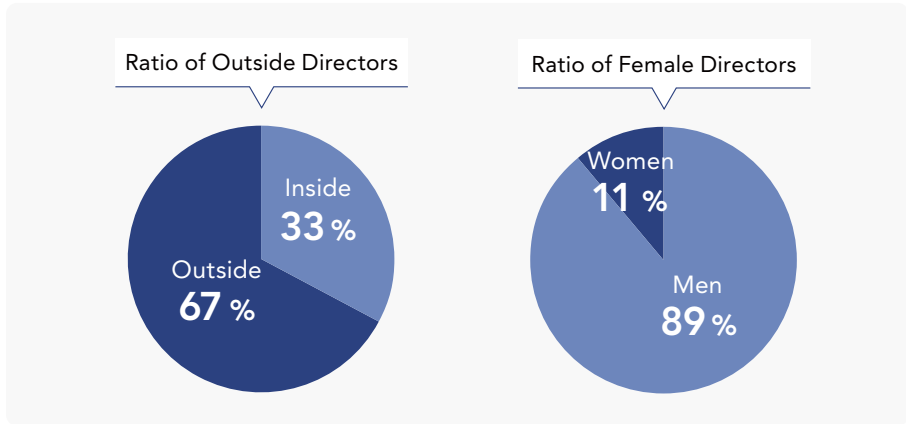


Shinsuke Kubo
Independent Outside Director

Term in office as director: 1 year and 3 months
Board meeting attendance: 19/19
Number of the Company's shares held: 6,600 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. (retired in June 2026)
Jun 2020	Outside Audit & Supervisory Board Member of the Company
Mar 2025	Outside Director (Current)



CEO: Chief Executive Officer

CFO: Chief Financial Officer

CHRO: Chief Human Resource Officer

CSO: Chief Safety Officer

CDIO: Chief Digital Information Officer

CTO: Chief Technical Officer

CCO: Chief Compliance Officer

CAO: Chief Administrative Officer

Executive Officers

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

Corporate officers

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

Toshikazu Ito
Managing Corporate Officer

In charge of Finance, Accounting

Michitomo Iwashita
Senior Managing Corporate Officer

Responsible for Dry Bulk Carriers Unit

Fumiyoshi Sato
Corporate Officer

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

Masatoshi Taguchi
Senior Managing Corporate Officer

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

Kenichiro Matsui
Corporate Officer

In charge of Bulk Carriers, Dry bulk Planning

Satoshi Kanamori
Senior Managing Corporate Officer

Responsible for Environmental Strategy & Solutions Unit, Responsible for Energy Transportation Business Unit, In charge of LNG Marketing, LNG/CCS Strategy

Hideaki Endo
Corporate Officer

In charge of Marine Sector

Akihiro Fujimaru
Senior Managing Corporate Officer

Responsible for Marine Sector Unit, CSO

Kei Onishi
Corporate Officer

In charge of Environment/Technical Strategy, Seawing, Fuel Strategy, In charge of Electricity Business, Energy Planning and Administration

Hisashi Nakayama
Managing Corporate Officer

Supervising Electricity Business, In charge of Crude Oil and LPG, Offshore Wind Business

Takeshi Mikami
Corporate Officer

In charge of Coal & Iron Ore Carrier Business, Coal & Iron Ore Carrier Planning & Operation

Hiroshi Uchida
Managing Corporate Officer

Responsible for Technical Unit (Digital Strategy (DX & Data Management), IT & Process Transformation), CDIO

Atsushi Takenoshita
Corporate Officer

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

Shingo Ikeda
Managing Corporate Officer

Responsible for Technical Unit (Ship Technical and Ocean Technology), CTO

Yosuke Yokoyama
Corporate Officer

In charge of Car Carrier Planning & Development, Car Carrier Business Operation, Car Carrier Quality and Operations, General Manager of Car Carrier Business Operation Group, General Manager of Car Carrier Quality and Operations Group

Haruhiko Sugimoto
Managing Corporate Officer

Responsible for Product Logistics Business Unit (Car Carriers), In charge of Car Carrier Business

Harunobu Akiyama
Corporate Officer

In charge of Ship Technical, Ocean Technology, General Manager of Ship Technical Group

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Director Skill Matrix (As of September 25, 2026)

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. In 2026, we reviewed the skill categories and clarified the definition of each skill.

Name	Position	Committees			Skills								
		Nominating Committee	Audit Committee	Compensation Committee	Corporate Management	Legal, Risk Management & Compliance	Finance, Accounting & Capital Policy	Human Resources, Organization & Diversity	Safety & Quality	Environment & Sustainability	Technology & DX	Global	Shipping & Logistics
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	○		●	●		●	●			●	●	
Shinsuke Kubo	Independent Outside Director		○		●	●	●						

●: Chairperson
The above table presents the skills that the Company particularly expects each director to demonstrate, and does not represent all the skills possessed by each director.

Skill Category	Skill Definition
Corporate Management	The ability to evaluate management and guide strategy formulation based on knowledge and experience in corporate management / The ability to provide direction for strategy based on experience in managing multiple businesses and understanding of portfolio management
Legal, Risk Management & Compliance	The ability to oversee based on specialized knowledge and experience in legal affairs / The ability to oversee the development of internal control systems, and risk management and compliance frameworks
Finance, Accounting & Capital Policy	The ability to oversee based on specialized knowledge and experience in finance and accounting / The ability to guide strategy formulation based on knowledge and experience in addressing capital policy challenges and dialogue with the capital markets
Human Resources, Organization & Diversity	The ability to identify and raise issues regarding initiatives in human resource development and organizational development / The ability to oversee the promotion of respect for human rights and diversity, and the development of health and working environment
Safety & Quality	The ability to oversee the development of safety and quality management frameworks
Environment & Sustainability	The ability to identify and raise issues based on knowledge and experience in global environmental challenges including low-carbon and decarbonization initiatives / The ability to guide contributions to the global environment and a sustainable society
Technology & DX	The ability to identify and raise issues based on knowledge and experience in the development and use of technology / The ability to provide direction for strategy aimed at advancing DX and the utilization of IT and data
Global	The ability to provide direction for strategy from the perspective of managing companies and organizations operating globally / The ability to guide strategy formulation based on knowledge of business environments outside Japan and international affairs
Shipping & Logistics	The ability to provide direction for strategy based on an in-depth understanding of shipping, international logistics, and supply chains

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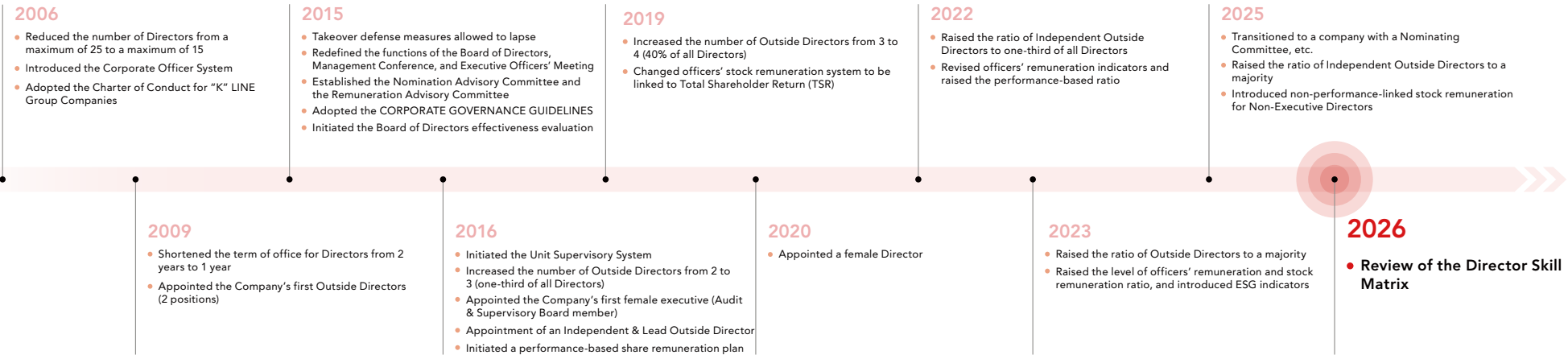
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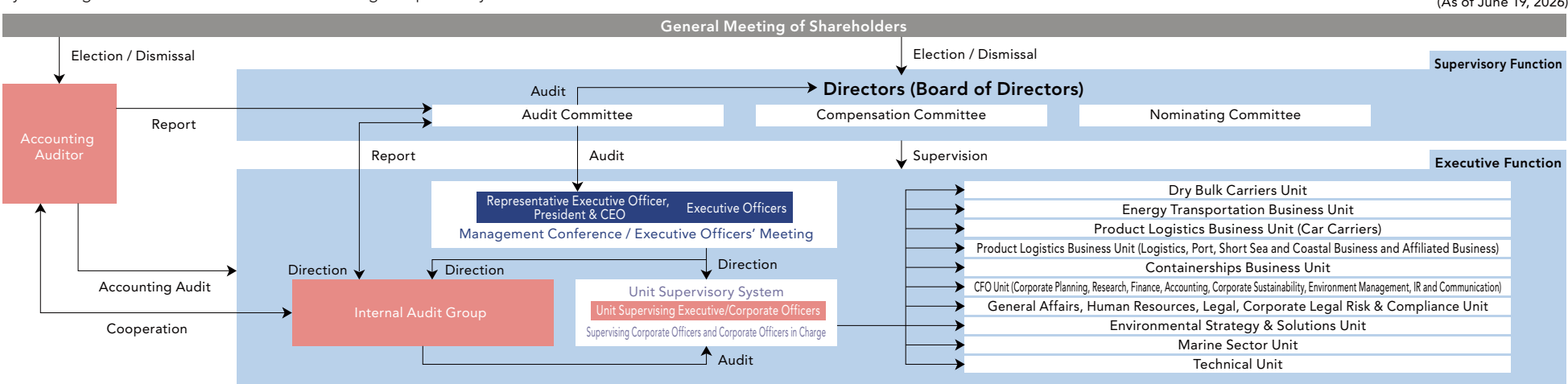
Key Initiatives to Enhance Corporate Governance

“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.



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Specific Agendas Discussed at Meeting of the Board of Directors in FY2025

- Long-Term Management Vision and Medium-Term Management Plan
- Capital Policy (Business Investment Plan / Shareholder 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 FY2025 Effectiveness Evaluation

Evaluation method

For the FY2025 evaluation of the effectiveness of the Board of Directors, questionnaires and interviews were conducted with all Directors by an independent third-party evaluation organization, and the Board of Directors held discussions based on the evaluation results.

Analysis of evaluation results

As a result of the FY2025 evaluation, the Board of Directors was assessed as generally functioning effectively. In particular, many opinions positively evaluated the governance structure that places emphasis on the supervisory function following the transition to a Company with a Nominating Committee, etc. 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
- Improvement of discussions and issues based on issues from the effectiveness evaluation in the previous year
- Discussion and supervision regarding potential risks for the entire Group and methods for dealing with them, the crisis management system, etc.
- Follow-up on the progress of the management plan
- Constructive dialogues with shareholders and investors, and feedback for the Board of Directors

On the other hand, it has been recognized that there is room for further enhancement in areas such as the usage of data, digital technologies and discussions at the Board of Directors reflecting constructive dialogue with shareholders and investors, etc. These points will continue to be identified as issues to be addressed to further improve governance.

Review of FY2025 Issues

Follow-up on the progress of the management plan (continuing issue)

Improvement was observed in follow-up on progress compared to the previous year. On the other hand, we recognize the need to continue further follow-up beyond progress reporting alone.

Discussions regarding the medium- to long-term capital policy (continuing issue)

There were opinions that sufficient discussion had been conducted regarding capital policy and the optimal capital structure. Looking ahead to the next Medium-Term Management Plan, further in-depth discussions on capital policy were considered necessary from a medium- to long-term corporate value perspective.

Strengthen group governance (continuing issue)

While necessary measures regarding internal controls have been implemented, we recognize that enhancing the effectiveness of supervision over overseas subsidiaries and affiliated companies, including the containership business integration company (OCEAN NETWORK EXPRESS PTE. LTD.), remains a continuing issue.

Create value that utilizes data and digital technologies (continuing issue)

We recognize that it is an issue to enhance reporting to the Board of Directors on strategies for promoting digital transformation and to establish a structure that enables effective discussion and supervision by the Board.

FY2026 Key Issues in Light of the Above

Based on the above analysis and evaluation results, we will work on the following key issues for FY2026 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
- Discussions reflecting dialogue with shareholders and investors

COLUMN

Dialogue between Outside Directors and Investors

“K” LINE holds small-group meetings where Outside Directors, institutional investors, and analysts exchange views and share information on enhancing governance, increasing corporate value, and other topics.

For more details, please visit our website.

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

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Message from the Chairperson of the Nominating Committee

Navigating the Rough Waters of the Shipping Industry Through the Collective Strength of Our People



Keiji Yamada
Chairperson of the Nominating Committee

The Company transitioned to a company with a Nominating Committee, etc. in March 2025. Under this structure, the Board of Directors is required to establish three committees—the Nominating Committee, Audit Committee, and Compensation Committee—and clearly separate management supervision from business execution. This structure is intended to enable the Board of Directors to focus on management oversight while

Executive Officers handle day-to-day business execution, thereby achieving both prompt decision-making and stronger governance. Furthermore, to ensure objectivity in the evaluation of corporate management and transparency in its processes, a majority of the members of each committee must be Outside Directors.

The Nominating Committee has significant authority over one of the Company's most important matters, namely the election and dismissal of Directors. Precisely because of this authority, I believe it is essential to fully recognize the challenges inherent in operating the system effectively.

(1) Can Outside Directors, who have limited day-to-day contact with the Company and are not experts in the shipping industry, make appropriate evaluations after gaining a sufficient understanding of the individuals concerned?

(2) Personnel decisions should not be made from a short-term perspective but should consider the continuity of the Company. To what extent can Outside Directors, whose terms are subject to certain limits, consider succession planning over the long term?

I was involved in personnel appointments for 16 years as a governor. I have probably encountered a greater diversity of people than anyone else at the Company, and what I have come to feel through that experience is that nothing causes employees more dissatisfaction with a company than personnel decisions. The number of positions is limited, and selections must be made from among them. As a result, many people inevitably feel that they have not been properly evaluated. The Nominating Committee will be called upon to demonstrate that it is making Director appointments fairly and impartially and, in particular, that it is considering CEO succession in a planned and consistent manner. It is not enough simply to select Directors; those decisions must motivate employees and lead to enhanced corporate value. For that reason, it is essential to maintain close dialogue with executive management, including the CEO, in order to develop a deeper understanding of the Company and its people.

At the same time, however, if the relationship with executive management becomes too close, doubts may arise regarding impartiality and transparency. I therefore feel that, while this system can be understood in theory, it is extremely difficult to operate in practice. I expect there will continue to be a process of trial and error, but I hope to fulfill this important responsibility by engaging in repeated discussions and obtaining insights from a variety of sources.

When it comes to personnel decisions, I do not believe it is enough to select a single superstar. Rather, I believe greater emphasis should be placed on the combination of people. For an outstanding leader to fully demonstrate their abilities, a strong support team is essential. For “K” LINE to navigate the rough waters of the highly volatile shipping business and enhance corporate value, I believe personnel management must be approached as a team. I will make every effort to work hand in hand with the executive side and create a team worthy of the name “Team Kawasaki.”

Nominating Committee

Structure of the Nominating Committee (As of June 19, 2026)

Members		Meetings Attended / Meetings Held
Chairperson	Keiji Yamada (Independent Outside Director)	11/11
Ryuhei Uchida (Outside Director)		11/11
Koji Kotaka (Independent Outside Director)		11/11
Takako Masai (Independent Outside Director)		11/11
Yukikazu Myochin (Director, Chairperson of the Board)		11/11

Role of the Nominating Committee

The Nominating Committee consists of a majority of independent outside directors, with the chair 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

The CORPORATE GOVERNANCE GUIDELINES stipulate that the Nominating Committee shall deliberate on the draft succession plan formulated each fiscal year by the incumbent Representative Executive Officer, President & CEO, and that the Board of Directors shall confirm the reasonableness of the draft based on the Committee’s report.

The Company’s Nominating Committee is chaired by an Independent Outside Director and is composed of a majority of Independent Outside Directors. Under this highly independent structure, the Nominating Committee continuously deliberates on succession for the Representative Executive Officer, President & CEO in accordance with the process stipulated in the CORPORATE GOVERNANCE GUIDELINES.

To improve the effectiveness of the Board of Directors, the Nominating Committee continuously considers Director succession in terms of the skills, composition, and diversity required of the Board. Through these initiatives, we seek to strengthen management personnel and the Board of Directors, while ensuring management continuity and the effectiveness of the supervisory function, thereby working to sustainably enhance corporate value.

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Audit Committee

Message from the Chairperson
of the Audit Committee

Ensuring Sound
Management Through
Effective Auditing



Koji Kotaka

Chairperson of the
Audit Committee

As a company with a Nominating Committee, etc., the Company has established an Audit Committee within the Board of Directors. The purpose of the Audit Committee is to audit the business execution by Directors and Executive Officers and ensure sound management of the Company and the effectiveness of corporate governance. Audit Committee members attend important meetings and monitor and verify the business execution by Directors and Executive Officers. Their principal responsibilities include monitoring and verifying the operation of the internal control system and preparing audit reports. The Committee also determines the content of proposals regarding the appointment, dismissal, reappointment, or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders and consents to auditor remuneration.

In FY2025, the Committee met 13 times and deliberated on and reviewed the status of operational and accounting audits, as well as the operation of the internal control system. In addition, to ensure effective audits, on-site audits of affiliated companies were conducted at 12 companies in Japan and 10 overseas, confirming the effectiveness of local internal control systems.

Going forward, we will continue to closely monitor the audit status of affiliated companies in response to changes in the environment surrounding Group management while further strengthening the Group’s audit framework. By balancing audit quality and efficiency, we will contribute to the development of a governance structure that supports the enhancement of corporate value over the medium to long term.

Audit Committee

Structure of the Audit Committee

(As of June 19, 2026)

Members		Meetings Attended / Meetings Held
Chairperson	Koji Kotaka (Independent Outside Director)	13/13
	Hiroyuki Maki (Independent Outside Director)	13/13
	Atsumi Harasawa (Independent Outside Director)	13/13
	Shinsuke Kubo (Independent Outside Director)	13/13
	Kunihiko Arai (Director and Standing Member of the Audit Committee)	13/13

Role of the Audit Committee

The Audit Committee is composed of directors, the majority of whom are independent outside directors, and is chaired by an independent outside director.

The Audit Committee shares part of the supervisory function of the Board of Directors and strives to establish a sound corporate governance system through audits of the business execution by executive officers and directors.

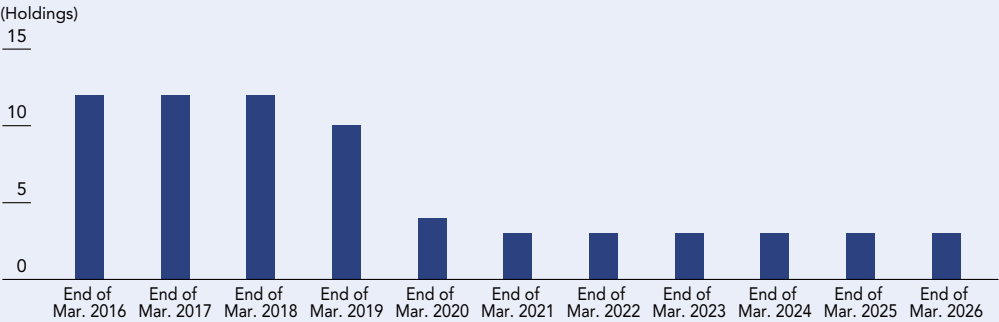
Governance TOPICS

Strategic Shareholding Policy

In principle, the Company does not hold Strategic Shareholdings. However, the Company may exceptionally hold such shares only when it is deemed necessary for capital and business alliances or for maintaining and growing the Company’s business. At least once a year, the Board of Directors conducts a detailed examination of whether the purpose of the shareholding is appropriate, whether the benefits and risks associated with the shareholding are commensurate with the cost of capital, and whether there is sufficient business rationale for continued ownership. If the significance of a Strategic Shareholding is deemed to have diminished, the Company seeks to reduce the shareholding. When exercising voting rights, the Company carefully examines whether the relevant proposals would contribute to the enhancement of the corporate value of the investee companies and the Company, as well as the common interests of the Company’s shareholders, before making its decision.

The Company has been reducing Strategic Shareholdings, and as of March 31, 2026, the number of Strategic Shareholdings of listed shares was three.

Strategic Shareholdings



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Compensation Committee

Message from the Chairperson
of the Compensation Committee

Enabling Value Creation
Through a Strategic
Compensation System



Takako Masai

Chairperson of the
Compensation Committee

In March 2025, the Company transitioned to a company with a Nominating Committee, etc., and the Compensation Committee has now completed its first year of activities under the new governance structure. The Committee has worked to appropriately operate a compensation system that supports enhanced corporate value while ensuring transparency and objectivity.

The Company has established a compensation structure combining short-term incentives (STI) and medium- to long-term incentives (LTI), creating an internationally competitive system that emphasizes both motivation to improve performance and the sharing of value with shareholders. We believe that the compensation system is an important management foundation not only for securing and retaining outstanding management personnel, but also for steadily executing the medium-term management plan and achieving sustainable enhancement of corporate value beyond that.

At a company with a Nominating Committee, etc., evaluating the CEO is the Compensation Committee's most important responsibility. Toward achieving the sustainable enhancement of corporate value that the Company aims for, we evaluate management results from a comprehensive perspective, looking not only at business performance and financial indicators but also at the status of execution of the medium-term management plan, improvements in capital efficiency, safety and quality, human resource strategy, sustainability initiatives, and other outcomes that lead to medium- to long-term corporate value enhancement. The "K" LINE incentive system is also designed on this basis to encourage the enhancement of corporate value over the medium to long term.

Going forward, while looking ahead to the next medium-term management plan, we will continually examine KPIs and evaluation indicators in light of their alignment with management strategy, the balance between fixed compensation and performance-linked compensation, and how value should be shared with shareholders, while also incorporating trends in Japan and overseas and the expertise of external specialists. Through this process, we will continue working to operate a compensation system characterized by transparency, fairness, and objectivity.

Compensation Committee

Structure of the Compensation Committee

(As of June 19, 2026)

Members		Meetings Attended / Meetings Held
Chairperson	Takako Masai (Independent Outside Director)	8/8
	Keiji Yamada (Independent Outside Director)	8/8
	Ryuhei Uchida (Outside Director)	8/8
	Koji Kotaka (Independent Outside Director)	8/8
	Yukikazu Myochin (Director, Chairperson of the Board)	8/8

Role of the Compensation Committee

The Compensation Committee consists of a majority of independent outside directors, with the chair 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.

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 of further sharing value with shareholders and strengthening incentives for officers to pursue medium- to long-term growth in corporate value. 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} 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} 2. The composition ratio for TSR indicators: ROE indicators: ESG indicators is set at 90:5:5.

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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. Currently appointed Outside Directors shared their candid views on their roles following the transition to a company with a Nominating Committee, etc. in March 2025, and on “K” LINE’s challenges and strengths toward increasing its corporate value.

Bridging Strategy and Execution to Build Trust with the Capital Markets



Ryuhei Uchida
Outside Director

My role is to reflect the perspective of the capital markets in discussions by the Board of Directors, Nominating Committee, and Compensation Committee and in management strategy, thereby contributing to the medium- to long-term enhancement of the Company’s corporate value. The change in organizational design has enabled more agile business management, while allowing the Board of Directors to focus on important management issues such as Companywide strategy, optimal capital structure, and Group governance. I believe the executive side and the Board of Directors must share the objective of enhancing corporate value, engage in candid discussions grounded in mutual trust, establish management policies to sustainably achieve high capital efficiency, and steadily advance them through a management structure capable of effective execution.

To sustainably achieve “K” LINE’s ROE target of 15% or higher, it is important to maximize the Company’s potential by effectively allocating management resources and implementing other measures. Under the leadership of the President, I look forward to further initiatives to strengthen cash flow generation capabilities that are less affected by market fluctuations and to evolve the business model.

I believe that the Board of Directors, acting as one team to establish a solid management structure for the medium- to long-term enhancement of corporate value and to demonstrate strategy together with the ability to execute it, will lead to the building of long-term relationships of trust with the capital markets.

The Power to Overcome Contradictions: Toward Sustainable Corporate Value Enhancement



Hiroyuki Maki
Independent Outside Director

One year after the transition to a company with a Nominating Committee, etc., I have once again recognized that the role of an Outside Director and Audit Committee Member is not limited to confirming legality after the fact, but also involves questioning the premises underlying important decisions and improving the quality of those decisions. Separating supervision and execution does not mean increasing the distance between them. Through healthy tension and candid dialogue, it is important to verify whether management strategy and capital policy are helping enhance corporate value over the medium to long term and build trust with society. I will bring the perspective of the capital markets and my experience as a manager to help improve the effectiveness of the Audit Committee and the Board of Directors.

The Company’s most important challenge going forward is to transform earnings generated by market conditions into sustainable competitiveness rather than temporary profits. The shipping business is highly volatile and requires enormous amounts of capital. For precisely this reason, it is necessary to continually examine the business portfolio based on the cost of capital and the return on invested capital, and to clearly present policies for allocating capital among growth investments, shareholder returns, and financial capacity. At the same time, it is essential not to treat decarbonization and DX as separate issues, but to connect them to improved profitability and to develop and select management personnel who will lead the next generation. I hope the Company will translate “power to overcome contradictions” it has cultivated into stable and sustainable enhancement of corporate value.

Achieving Sustainable Growth Through the Optimal Use of Management Resources



Shinsuke Kubo
Independent Outside Director

As a certified public accountant, I have accumulated experience in auditing, support for initial public offerings and venture companies, business revitalization, financial due diligence, M&A support, and an assignment in Hong Kong. Leveraging this experience, I see my role as an Outside Director as taking a bird’s-eye view of the entire “K” LINE Group, primarily from financial and management perspectives, speaking from an independent standpoint at Board of Directors meetings, and providing advice to management for the benefit of shareholders and other stakeholders.

Companies operate their businesses using management resources such as people, physical assets, IT systems, customers, suppliers, and capital. To achieve sustainable growth, it is necessary to expand these management resources and contribute to society. I also believe it is important to present our management philosophy and business plans in a way that resonates with the providers of these management resources (stakeholders), thereby securing their continued support and cooperation. Particularly important among these are relationships of trust with customers, and maintaining, strengthening, and expanding relationships with customers in growth sectors will lead to revenue growth. To increase profits, it is necessary to sufficiently secure management resources such as people, assets, capital, and technology and use them efficiently to raise productivity. At the same time, it is important to proactively engage in research and development activities within reasonable limits to pursue new business opportunities and, in fields where internal resources are insufficient, to respond through M&A and business alliances. Through these initiatives, I believe it is vital to maintain and enhance key indicators such as ROE, profit margin, labor share ratio, base dividends plus additional performance-linked dividends, and an A credit rating in order to achieve the Company’s sustainable growth.

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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.

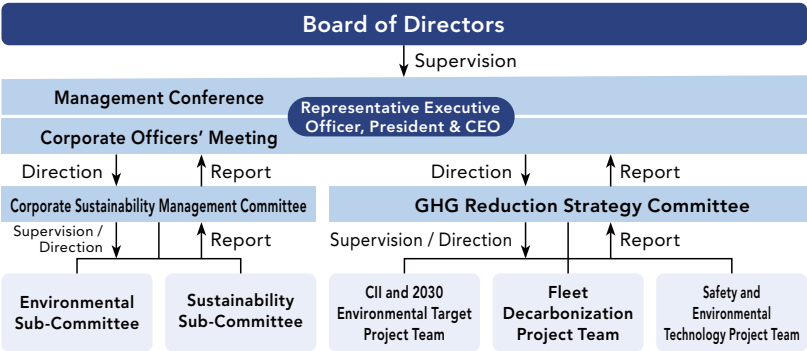
Promotion System

Amid accelerating changes in global values and behavioral patterns, as well as growing societal expectations for responses to environmental and social issues, including climate change, the “K” LINE Group positions sustainability management as one of its key priorities for enhancing corporate value over the medium to long term. In FY2026, we reorganized the governance structure for sustainability as a whole and established the Corporate Sustainability Management Council and the Environment & Technology Initiatives Council. Together with the newly established Geoeconomics Management Council and Digital Technology Initiatives Council, these councils constitute the Integrated Strategy Council framework, which organizes strategic issues and formulates and reviews important measures in light of changes in the external environment. The Corporate Sustainability Management Council deliberates on policies and strategies related to materiality and key measures, while the Environment & Technology Initiatives Council focuses on medium- to long-term strategies and measures in the environmental and technological fields. Through these councils, we promote initiatives that advance both solutions to social issues and business growth, thereby contributing to the sustainable enhancement of corporate value.

Committee meetings held in FY2025

- Corporate Sustainability Management Committee: Twice
- Environmental Sub-Committee: Once
- Sustainability Sub-Committee: Twice
- GHG Reduction Strategy Committee (Management Conference/Functional Strategy Conference): 5 times

Organization Structure until FY2025



Organization Structure from FY2026 Onward



For more details, please visit our website.
➤ https://www.kline.co.jp/en/sustainability/sustainability_management/management.html

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, responding to environmental and social issues, including climate change, is an important management issue that supports the sustainable growth of our businesses. The “K” LINE Group positions sustainability as an important element of its management strategy (materiality) and aims to enhance corporate value over the medium to long term by achieving both responses to these issues and business growth.

In recent years, the business environment surrounding our Group has changed significantly due to factors such as progress toward a low-carbon and decarbonized society, heightened geopolitical risks, and accelerating innovation in AI and DX technologies. While these changes present management risks, they also create new business opportunities. We believe it is important for our Group to advance initiatives that address environmental issues, including climate change measures and marine conservation, by leveraging environmental and digital technologies, in addition to the maritime expertise and technological capabilities we have cultivated over many years. By integrating these initiatives into our business strategies, we aim to leverage the technologies and knowledge cultivated through these efforts to create new value and strengthen competitiveness.

To respond to these changes while achieving sustainable growth, in FY2026 we reviewed and reorganized our promotion structure to more deeply integrate sustainability into our business strategies. Under the new promotion structure, we will continue to discuss sustainability-related risks and opportunities at the management level, create a virtuous cycle between resolving social issues and enhancing corporate value, and contribute to the realization of a sustainable society.

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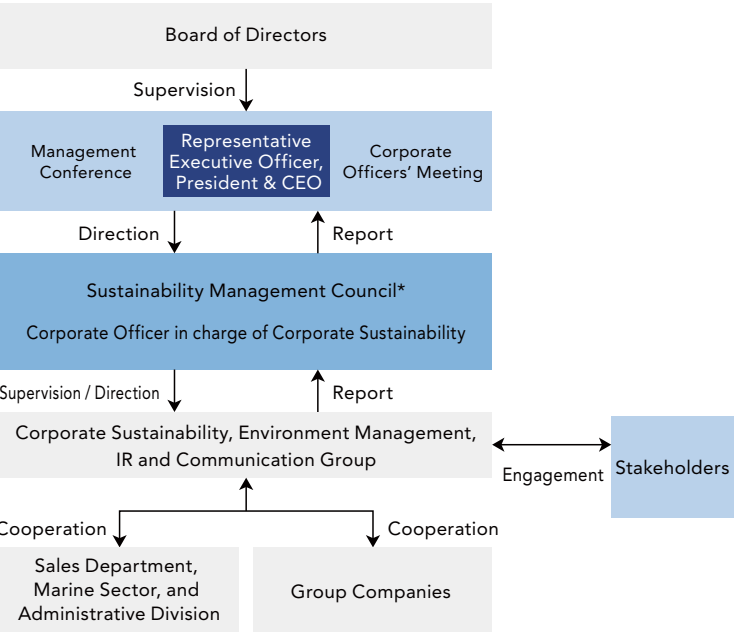
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Respect for Human Rights

The business activities of the “K” LINE Group, a logistics company rooted in the shipping industry, depend on people at every stage. Respecting the human rights of the Group’s employees and those in our supply chain is closely linked to strengthening the “K” LINE Group’s corporate value. As a global company, the “K” LINE Group also recognizes our impacts on local and international communities. Conducting business with this awareness is a key aspect of the Group’s corporate social responsibility. To enhance corporate value while also fulfilling our social responsibility, the “K” LINE Group promotes initiatives to respect the human rights of all stakeholders involved in our business.

Human Rights Due Diligence System

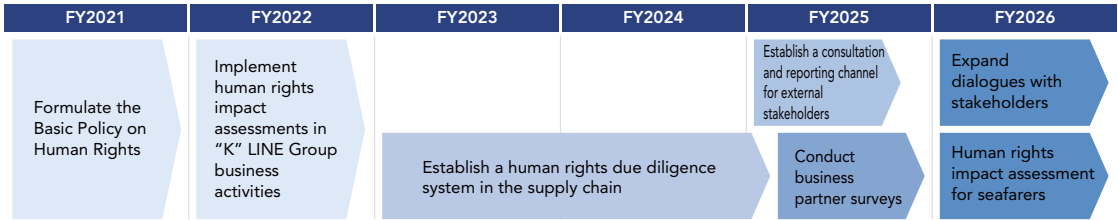
In accordance with the “K” LINE Group Basic Policy on Human Rights, the Corporate Sustainability, Environment Management, IR and Communication Group leads efforts to promote respect for human rights across the “K” LINE Group under the supervision of the Sustainability Management Council (the Corporate Sustainability Management Committee until FY2025) and the direction of the corporate officer in charge of corporate sustainability. In cooperation with other departments and Group companies, the Corporate Sustainability, Environment Management, IR and Communication Group conducts human rights due diligence, including assessing and addressing human rights risks related to the “K” LINE Group’s business. It is also responsible for strengthening internal systems for human rights, promoting employees’ awareness of human rights, and engaging in dialogue with rights holders and stakeholders.



* The Corporate Sustainability Management Committee until FY2025

Promotion of Human Rights Due Diligence

Respecting human rights across the entire “K” LINE Group, which includes group companies with diverse geographic locations and business operations, requires cooperation with both internal and external stakeholders. In FY2025, building on past human rights impact assessments and the establishment of the human rights due diligence system, we worked to promote respect for human rights in partnership with Group companies around the world and external stakeholders, including business partners.



Guidelines Revision and Business Partner Surveys

We reviewed the Purchasing Policy (formulated in FY2006) and the CSR Guidelines for Supply Chain (published in FY2016) to formulate the Sustainable Procurement Policy and Supplier Sustainability Guidelines in August 2025. Based on these guidelines, we also launched a survey for business partners regarding their initiatives to promote sustainability, including human rights, and 30 business partners responded in FY2025. We plan to expand the scope of the survey in FY2026.

Consultation and Reporting Desk for External Stakeholders

In July 2025, the “K” LINE Group became a member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which provides effective grievance mechanisms based on the United Nations Guiding Principles on Business and Human Rights. Through JaCER’s “Engagement and Remedy Platform,” we established a consultation and reporting channel for external stakeholders, including business partners, to raise human rights-related concerns. Reports can be submitted in Japanese, English, and 32 other languages, and may also be submitted anonymously. In FY2025, the number of incidents reported through JaCER was zero.

Amid various factors that could affect stakeholders’ human rights, from heightened geopolitical tensions to the worsening impacts of climate change, the “K” LINE Group remains committed to respecting human rights in cooperation with internal and external stakeholders in accordance with international standards such as the United Nations Guiding Principles on Business and Human Rights. In FY2026, we will expand stakeholder dialogue by participating in a stakeholder engagement program organized by the Caux Round Table Japan, in which companies, NGOs/NPOs, and experts discuss human rights due diligence. Additionally, we will conduct a human rights impact assessment for seafarers, who work in a unique environment.

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Promotion and Reinforcement of Compliance

As a global corporate group, the “K” LINE Group continuously works to establish, operate, and improve its compliance management system throughout the Group to comply with laws and regulations, social norms, and corporate ethics, and to promote fair and transparent business activities.

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, which was approved by the Board of Directors and with which all officers and employees must comply. The Compliance Committee, which is chaired by the Representative Executive Officer, 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 established a “Business Partner Consultation and Reporting Desk” to receive consultations 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. Furthermore, we are working to strengthen the compliance system and awareness of competition laws by conducting regular training programs and promoting educational activities through a dedicated department. With respect to contact with competing companies, we strictly enforce procedures for prior reporting and approval, as well as for recording and storing details of each contact. In addition, we conduct annual audits and monitor the implementation status of measures.

Our Efforts to Combat Bribery and Corruption

To enhance the effectiveness of efforts to prevent bribery and corruption, we communicate the individual policy concerning Anti-Corruption Law throughout the “K” LINE Group and to related parties, such as agents and ship management companies, and require compliance with this policy. We have also implemented the Regulations for Prevention of Bribery and Regulations for Gifts to actively combat bribery. Additionally, 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, we are strengthening our efforts to prevent bribery and 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 these regulations. This includes verifying parties involved in the transaction chain and capital relationships in connection with 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 growing global emphasis on personal information protection laws and their stricter enforcement, we have established a policy requiring all officers and employees to comply with them. Through technical measures such as access control and enhanced monitoring systems, as well as strict management of external contractors, we strive to reduce the risk of personal information leakage. We also conduct regular education and training programs for our officers and employees to deepen 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 distribute 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 programs on topics such as competition law and anti-corruption, compliance seminars by external lecturers, and training sessions tailored to different organizational levels.

Related data

		FY2023	FY2024	FY2025
Number of reports received via the reporting system*	Reports	6	3	22
Cost of fines, penalties or settlements in relation to bribery and corruption	Cases	0	0	0
	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 (all officers and employees in Headquarters)	Number of participants	902	996	1,024
	Participation rate (%)	99	100	100

* From FY2025, the criteria for counting reports received through the whistleblowing system have been revised to better reflect actual conditions.

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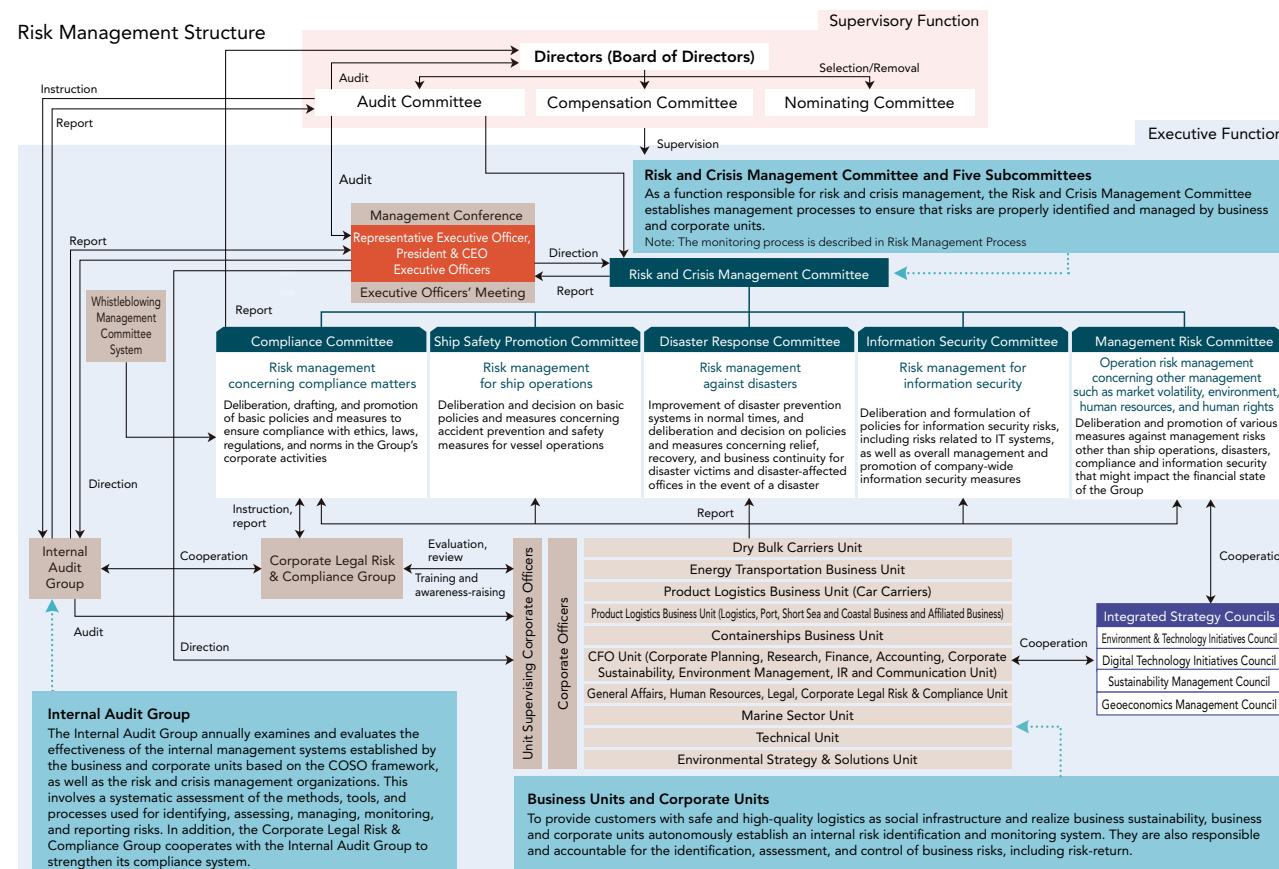
Enterprise Risk Management

Risk Management System

Based on Enterprise Risk Management (ERM), we view and manage risks not only as potential threats but also as strategic opportunities across the Group. To further integrate changes in the business environment, including geopolitical, market, social, and technological developments, with our business strategies and strengthen the execution of our functional strategies, we established a cross-functional Integrated Strategy Council in April 2026 (Table 2). These councils provide driving and steering functions to enhance the execution of medium- to long-term strategies and key initiatives. The Risk and Crisis Management Committee oversees overall risk management and serves a coordinating and integrating role across the Company's various committees and councils.

No.	Major Risks	Responsible Organizations (From April 2026)
①	Human Resources and Human Rights	Management Risk Committee / Sustainability Management Council
②	Legal and Compliance	Compliance Committee
③	Ship Operation	Ship Safety Promotion Committee
④	Market Volatility	Management Risk Committee / Geoeconomics Management Council / Sustainability Management Council / Environment & Technology Initiatives Council
⑤	Information Systems and Information Security	Information Security Committee / Digital Technology Initiatives Council
⑥	Disaster	Disaster Response Committee
⑦	Climate Change	Management Risk Committee / Sustainability Management Council / Environment & Technology Initiatives Council

Integrated Strategy Councils	Description
Geoeconomics Management Council	Promotes responses and shares information on issues arising from geopolitical factors, organizes key points for discussion, and incorporates them into our strategies.
Sustainability Management Council	Formulates sustainability promotion policies, manages progress on individual issues, and identifies and reviews materiality.
Environment & Technology Initiatives Council	Conducts research and analysis, formulates strategies, and oversees specific initiatives related to decarbonization and innovation within the Company and across society.
Digital Technology Initiatives Council	Prioritizes individual projects, allocates resources, coordinates cross-functional projects, manages progress, and resolves issues.



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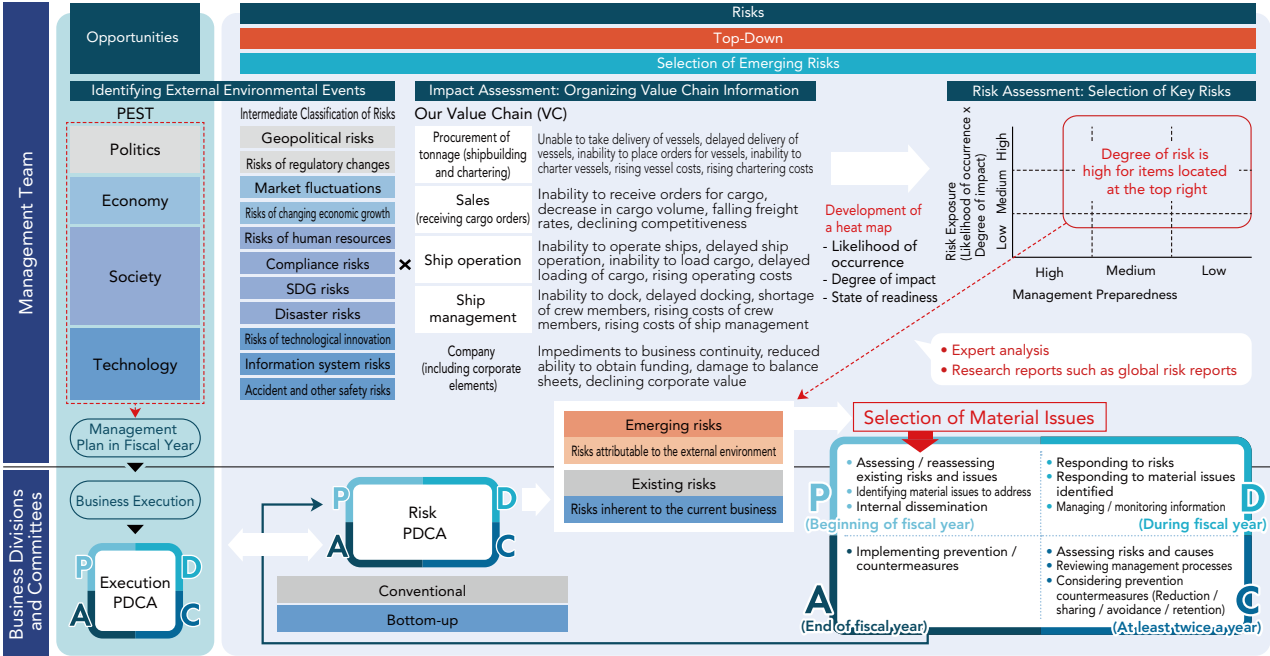
Risk Management

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 material issues 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 material issues and their countermeasures identified at the beginning of the fiscal year, are communicated internally on a regular 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.



KL-CSIRT

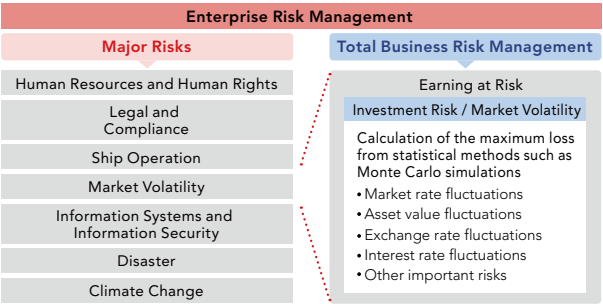
In recent years, increasingly advanced and sophisticated cyberattacks have heightened risks to business continuity and the protection of corporate information assets. In light of these environmental changes, we have established an Information Security Committee and are working to enhance the effectiveness of our Companywide cybersecurity management system, centered on KL-CSIRT (Computer Security Incident Response Team), which is led by the CDIO (Chief Digital Information Officer) under the Committee. Under normal circumstances, we strengthen security measures and promote information sharing with affiliated companies; in the event of an incident, we quickly and systematically assess the extent of the damage and implement recovery measures, thereby ensuring business continuity and enhancing resilience.

See website for details on DX strategy and risk management.

- https://www.kline.co.jp/en/sustainability/dx_strategy.html
- https://www.kline.co.jp/en/sustainability/governance/risk_management.html

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. We have introduced investment and business performance indicators that emphasize business risk-return and realize an optimal business portfolio by utilizing them.



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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

		Value for our Next Century					FY2020 Management Plan	FY2021 Management Plan	FY2022 Medium-Term Management Plan			
		— Action for Future —		Revival for Greater Strides								
		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
		(Million yen)										
Operating results (for the year)	Operating revenues	1,243,932	1,030,191	1,162,025	836,731	735,284	625,486	756,983	942,606	957,939	1,047,944	1,018,364
	Operating income (loss)	9,427	(46,037)	7,219	(24,736)	6,840	(21,286)	17,663	78,857	84,154	102,855	84,164
	Ordinary income (loss)	3,338	(52,388)	1,962	(48,933)	7,407	89,498	657,504	690,839	132,728	308,089	109,100
	Profit (loss) attributable to owners of the parent	(51,499)	(139,478)	10,384	(111,188)	5,269	108,695	642,424	694,904	101,989	305,384	132,986
Financial position (at year-end)	Total assets	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	2,343,989
	Net assets	379,913	245,482	243,094	181,233	200,234	316,162	984,882	1,546,679	1,624,600	1,677,449	1,841,988
	Equity capital	355,375	219,484	217,010	103,576	101,095	218,193	884,634	1,515,399	1,591,925	1,648,434	1,802,703
	Interest-bearing liabilities	525,152	550,512	570,584	550,211	543,451	507,005	423,455	351,692	287,782	344,861	296,049
	Capital expenditures	116,592	68,048	101,105	97,911	81,148	45,332	43,442	71,827	85,398	133,441	90,670
	Depreciation and amortization	48,302	47,421	43,410	40,789	44,253	43,869	42,821	42,396	44,550	49,137	52,379
	Cash flows from operating activities	39,635	(43,919)	1,167	(6,808)	(21,797)	33,397	226,460	456,049	202,449	273,173	264,772
	Cash flows from investing activities	(29,569)	(24,881)	(22,813)	(35,493)	(20,286)	16,987	(5,848)	(46,745)	(66,332)	(126,133)	(35,109)
	Free cash flows	10,066	(68,800)	(21,646)	(42,301)	(42,083)	50,384	220,612	409,304	136,117	147,040	229,663
	Cash flows from financing activities	(14,835)	26,436	22,239	19,290	16,731	(34,845)	(116,001)	(300,790)	(223,182)	(211,646)	(124,753)
Per share data	Earnings (loss) per share (EPS) (Yen)	(61)	(165)	12	(132)	6	129	765	857	141	460	210
	Book-value per share (BPS) (Yen)	421	260	259	123	120	260	1,054	2,043	2,252	2,610	2,852
	Cash dividends applicable to the year (Yen)	6	—	—	—	—	—	67	133	83	100	120
	Dividend payout ratio (%)	—	—	—	—	—	—	8.7	15.6	58.9	21.7	57.0
Management index	Ordinary income (loss) on revenue (%)	0.3	(5.1)	0.2	(5.8)	1.0	14.3	86.9	73.3	13.9	29.4	10.7
	Profit (loss) attributable to owners of the parent on revenue (%)	(4.1)	(13.5)	0.9	(13.3)	0.7	17.4	84.9	73.7	10.6	29.1	13.1
	Return on equity (ROE) (%)	(12.9)	(48.5)	4.8	(69.4)	5.1	68.1	116.5	57.9	6.6	18.8	7.7
	Return on assets (ROA) (%)	0.3	(4.8)	0.2	(4.9)	0.8	9.6	51.6	38.1	6.4	14.3	4.8
	Debt equity ratio (DER) (Times)	1.48	2.51	2.63	5.31	5.38	2.32	0.48	0.23	0.18	0.21	0.16
	Equity ratio (%)	31.9	21.0	20.9	10.9	11.3	22.4	56.2	73.8	75.5	74.6	76.9
	Assets turnover (Times)	1.12	0.99	1.12	0.88	0.82	0.64	0.48	0.46	0.45	0.47	0.43
	EBITDA	24,678	(77,180)	67,567	(50,293)	65,745	167,779	712,219	745,269	185,005	376,449	192,852
	EV / EBITDA (Times)	21.51	(8.70)	9.55	(10.40)	7.72	3.66	1.30	1.01	7.83	3.78	8.53
	Price earnings ratio (PER) (Times)	—	—	22.44	—	14.37	2.18	1.16	1.18	14.31	4.40	12.54
	Price book-value ratio (PBR) (Times)	0.57	1.26	1.07	1.07	0.75	1.08	0.85	0.49	0.90	0.78	0.93
	Total shareholders return (TSR) (%)	—	—	—	—	—	—	340.04	428.99	818.81	854.49	1,115.61
	Comparative Indicator: TOPIX Total Return (%)	—	—	—	—	—	—	101.99	107.92	152.53	150.17	202.20
Average during the period	Exchange rate (Yen / US\$)	121	109	111	111	109	106	112	135	144	153	150
	Fuel oil price (US\$ / ton)	295	265	349	450	467	363	551	769	620	610	528

* Rounded down to the nearest million 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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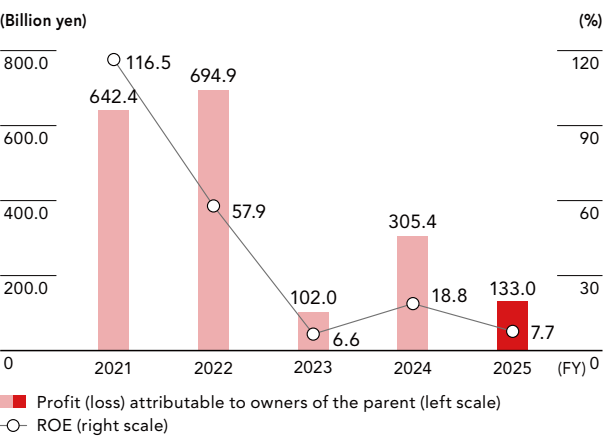
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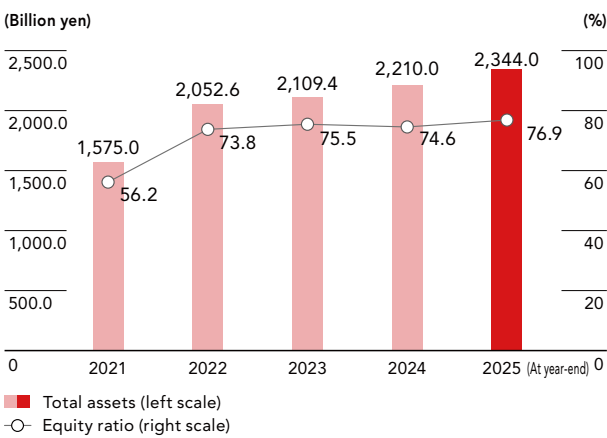
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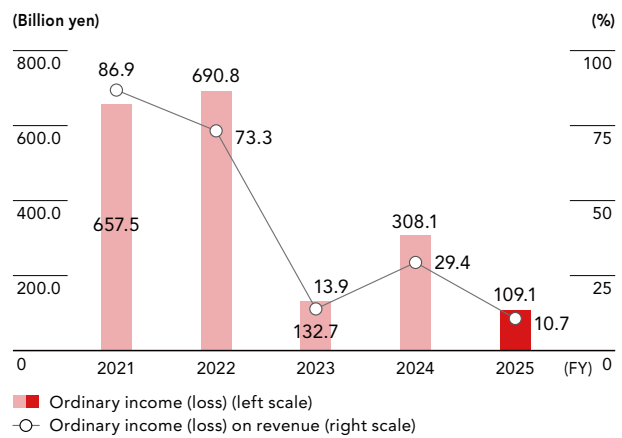
Profit (Loss) Attributable to Owners of the Parent, Return on Equity (ROE)



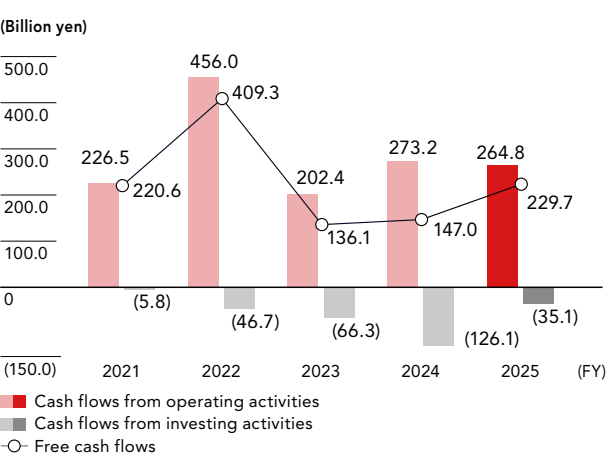
Total Assets, Equity Ratio



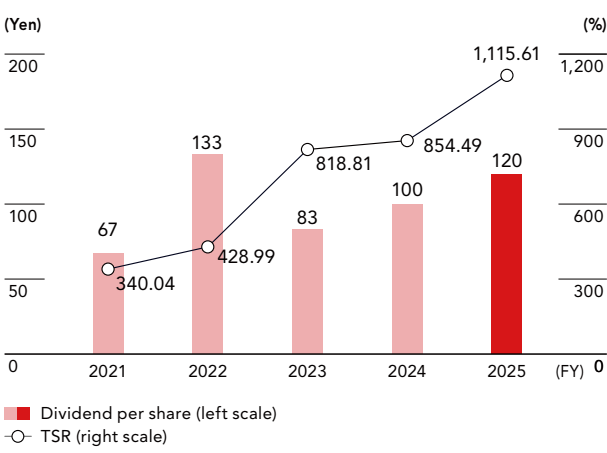
Ordinary Income (Loss), Ordinary Income (Loss) on Revenue



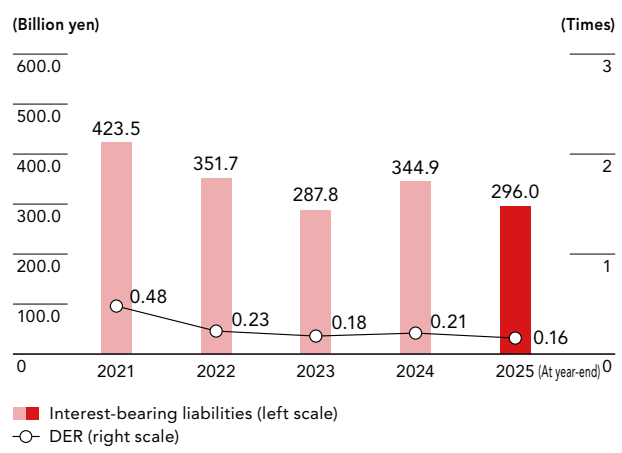
Cash Flows



Dividend per Share, Total Shareholder Return (TSR)



Interest-Bearing Liabilities, Debt Equity Ratio (DER)



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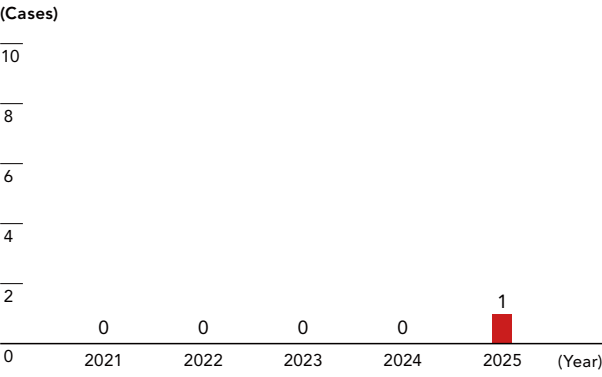
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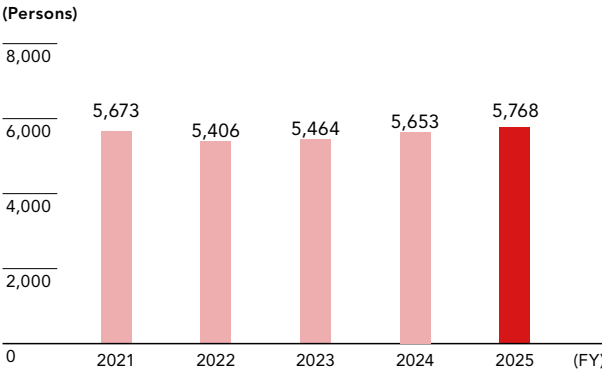
Non-Financial Highlights

Number of Major Accidents*

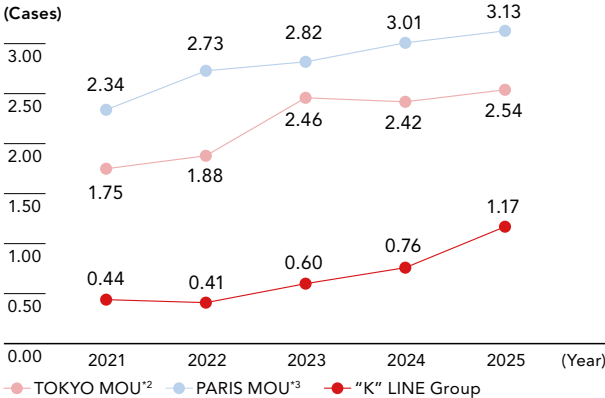


* The scope of calculation is "K" LINE's scope of consolidation, which corresponds to 100% of sales.

Number of Employees (Consolidated)



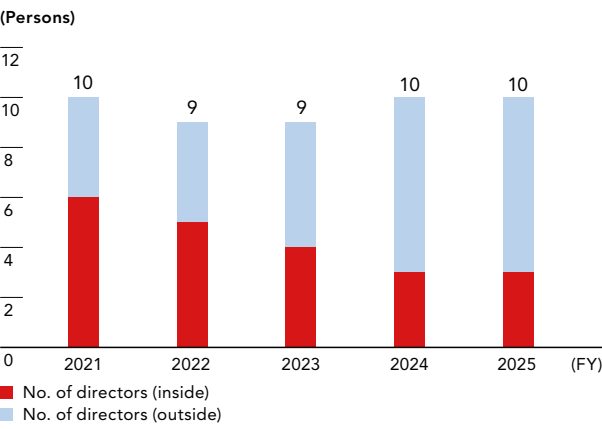
Average Deficiencies per Port State Controls (PSCs)**



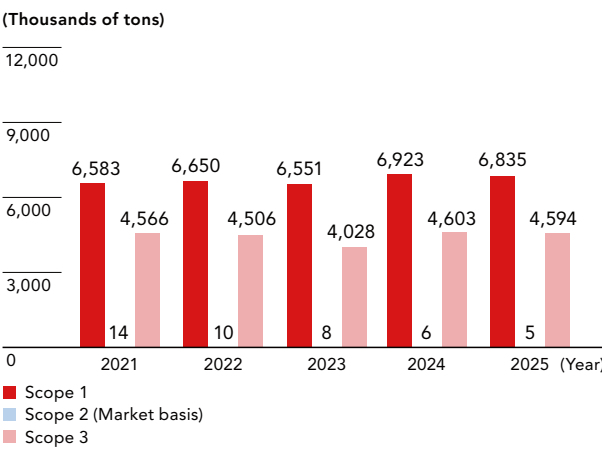
Port State Control (PSC) is a safety inspection of foreign ships conducted by port states to verify that the condition of the ship complies with the requirements of international regulations. Inspectors enter ships to inspect whether they comply with various international regulations. The number of deficiencies 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

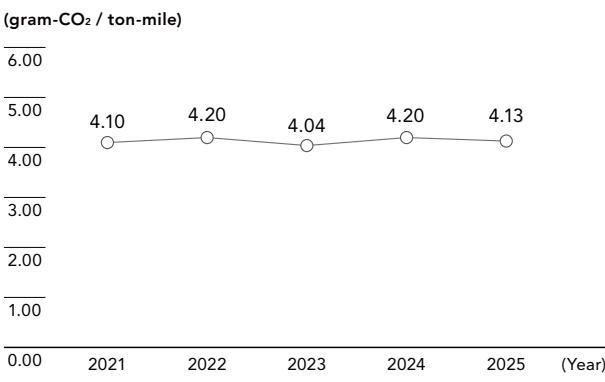
Board of Directors



CO₂ Emissions



CO₂ Emissions per Deadweight Ton-Mile



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			FY2021	FY2022	FY2023	FY2024	FY2025
Human Resource Data	Consolidated employees		5,673	5,406	5,464	5,653	5,768
	Unconsolidated employees		794	804	847	900	962
	On land		585	597	635	690	743
	At sea		209	207	212	210	219
	Women (%)		27.5	29.1	29.0	30.7	31.7
	Persons with disabilities (%) ^{*1}		2.09	1.71	2.11	2.65	1.77
	Number of occupational accidents ^{*2}		0	1	1	1	1
	Average years employed (years) ^{*3}	Men	15.21	14.92	14.58	14.23	13.64
		Women	14.17	13.77	13.52	13.18	12.29
Management ^{*5}	Overall turnover rate (%) ^{*4}		4.45	3.99	3.31	2.94	3.42
	Directors		10	9	9	10	10
	Outside directors		4	4	4	7	7
	Audit & Supervisory Board members ^{*6}		4	4	4	-	-
CO ₂ emissions of “K” LINE Group ^{*7}	Outside Audit & Supervisory Board members ^{*6}		2	2	2	-	-
	Scope 1 (Thousands of tons)		6,583	6,650	6,551	6,923	6,835
	Scope 2 (Thousands of tons)	Location basis	14	12	10	10	10
		Market basis	14	10	8	6	5
Environmental Data of “K” LINE’s Vessels ^{*8}	Scope 3 (Thousands of tons)		4,566	4,506	4,028	4,603	4,594
	Fuel oil (Thousands of tons)		1,981	1,924	1,898	1,957	1,936
	CO ₂ emissions (Thousands of tons)		6,175	5,997	5,914	6,062	5,981
	SO _x emissions (Thousands of tons)		30	29	30	28	28
	NO _x emissions (Thousands of tons)		118	118	117	122	118
Environmental Data per Deadweight Ton-Mile of “K” LINE’s Vessels ^{*9}	Input of energy	Fuel oil (g/ton-mile)	1.31	1.34	1.29	1.34	1.33
		Lub. oil (mL/ton-mile)	0.012	0.012	0.012	0.012	0.013
	CO ₂ emissions (gram-CO ₂ /ton-mile)	All types of vessels	4.10	4.20	4.04	4.20	4.13
	SO _x emissions (gram-SO _x /ton-mile)	All types of vessels	0.020	0.020	0.020	0.020	0.021
	NO _x emissions (gram-NO _x /ton-mile)	All types of vessels	0.078	0.082	0.080	0.083	0.081
Training	Cost of training per employee (Yen)	Onshore	107,000	97,092	171,454	208,861	265,026
		Seafarer	154,664	263,880	393,407	410,222	360,448
	Average training per employee (Days)	Onshore	1	3	3	3	4.5
		Seafarer	8	12	20	18	21
	Average training per employee (Hours)	Onshore	13	24	21	21	32
		Seafarer	64	96	160	144	168

*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 2025, we reported 46,808 tons of biogenic CO₂ emissions from biofuel categorized in Outside of Scopes. In 2025, we conducted carbon offsets totaling 9.8 tons.

*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 vessel DWT (deadweight tonnage).

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Outline of the Company (As of June 30, 2026)

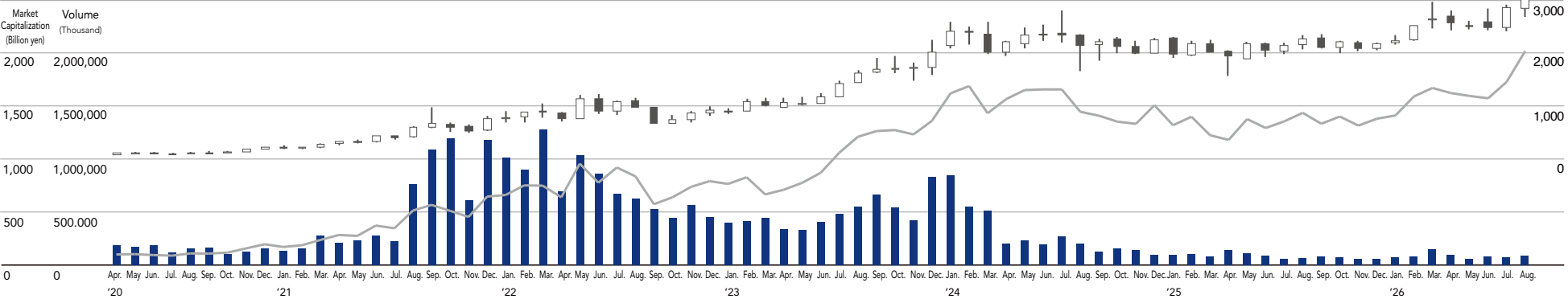
Name	Kawasaki Kisen Kaisha, Ltd. ("K" LINE)		
Established	April 5, 1919		
Paid-in capital	75,457.64 million yen		
President	Takenori Igarashi (effective from March 28, 2025)		
Employees	Non-Consolidated: 1,036 (808 on land, 228 at sea) Consolidated: 5,907		
Business lines	Marine transportation, Land 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	Taipei, Manila, Dubai, Doha		
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		
Consolidated companies	29 (domestic), 257 (overseas)		

Rating Information (As of March 6, 2026)

Type of rating		Type of debt	Rating (Outlook)	Rating Publication Date
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Issuer Rating		A (Stable)	2026.03.06
	CP	Commercial Paper	J-1	2023.02.22

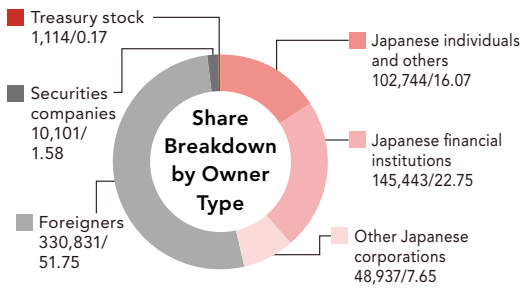
Market Capitalization and Stock Price Trends

— Market capitalization (left scale) ■ Volume (left scale) □ Share price (monthly, right scale)



Stock Information (As of March 31, 2026)

Authorized	1,800,000,000 shares of common stock
Issued	639,172,067 shares of common stock
Number of shareholders	191,201
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Stock Exchange listings	Tokyo Stock Exchange (Prime Market)
Stock Code	9107



Major Shareholders (As of March 31, 2026)

Shareholders	Number of shares held (Thousand)	Percentage of shares held (%)
ECM MF	80,947	12.68
MLI FOR SEGREGATED PB CLIENT	62,862	9.85
The Master Trust Bank of Japan, Ltd. (trust account)	54,593	8.55
JPMSPLC CLIENT ASSETS SK JPY	31,796	4.98
CGML PB CLIENT ACCOUNT/COLLATERAL	27,375	4.29
GOLDMAN SACHS INTERNATIONAL	24,437	3.83
Suntera (Cayman) Limited as trustee of ECM Master Fund	19,716	3.09
IMABARI SHIPBUILDING CO., LTD.	16,956	2.65
Custody Bank of Japan, Ltd. (trust account)	13,777	2.15
Mizuho Bank, Ltd.	12,694	1.98

* Figures for share ownership breakdown do not include treasury stock (1,114,301 shares).

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URL: <https://www.kline.co.jp/en/>



We use easy-to-read characters
based on the concept of
Universal Design (UD).