

May 10, 2021

Notice on recording the provision for losses from Containerships chartering
and appropriation of Dividends (no dividends) from Retained Earnings

Kawasaki Kisen Kaisha, Ltd. (hereinafter “the Company”) announces that it has been decided at Board of Directors meeting held today to record the provision for losses related to containerships chartering as well as to pay no year-end dividend on March 31st, 2021 as record date.

1. Provision for Losses (Operating Expenses) from Containerships chartering

The Company has chartered the containerships to OCEAN NETWORK EXPRESS PTE. LTD., (hereinafter “ONE”). It is expected to incur the losses arose from the contract rate differential affected by market condition, between the Company and shipowners and between shipowners and ONE, therefore, it has been decided to record the provision for losses of 15,556 million yen related to such back spread as rationally estimable amount. This amount is incorporated in the financial result for fiscal year 2020 announced today.

2. Decision of Dividend (no dividends) from Retained Earnings

1) Contents of the Decision

	Amount determined	Most recent dividend forecast (announced on February 3rd, 2021)	Actual dividend in the previous fiscal year
Record date	March 31st, 2021	same as left	March 31st, 2020
Dividend per share	0.00 yen	(Undetermined)	0.00 yen
Total amount of dividends	-	-	-
Effective date	-	-	-
Source of funds for dividends	-	-	-

2) Reason

The Company announced today that our consolidated financial result was significantly improved from initial expectation due to favorable business result of ONE and extraordinary profit by transfer of subsidiary share of overseas terminal which announced earlier. The company’s profit attributable to owners of the parents for fiscal year ended March 31st, 2021 was 108,695 million yen.

The Company's important management task is to maximize returns to our shareholders by implementing stable dividend. However, the Company's basic dividend policy is to comprehensively take all into consideration such as future business condition, investment for sustainable growth and future financial conditions to tackle on the improvement of mid to long term Shareholders' interests. Based on this policy, it is with sincere regret that the Company announces it has decided to pay no dividend for the current fiscal year ending March 31, 2021. With sincerest apologies to all shareholders, the Company further strives to improve the financial positions as well as to strengthen the capital base with a view to early resuming dividend payment.

For further information, please contact:

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Note: The forecasts of financial results set forth in this document were calculated based on available information at the time of announcement. Actual results may differ from the forecast depending on various factors such as future developments in the business environment.