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August 4, 2025

Financial Highlights for 1st Quarter FY2025

(Under Japanese GAAP) (Unaudited)

Company name: Kawasaki Kisen Kaisha, Ltd.
Listing: Prime Market of Tokyo Stock Exchange
Securities code: 9107
URL: <https://www.kline.co.jp/en/>
Representative: Takenori Igarashi, Director, Representative Executive Officer, President & CEO
Inquiries: Yuji Fujimura, General Manager, Corporate Sustainability, Environment Management, IR and Communication Group
Telephone: +81-3-6865-2736
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for Analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	244,918	(8.5)	19,842	(35.4)	21,684	(71.0)	29,947	(58.7)
Three months ended June 30, 2024	267,609	21.2	30,717	58.3	74,846	58.6	72,543	96.7

Note: Comprehensive income for the three months ended June 30, 2025: ¥ (6,265)million [-%]

For the three months ended June 30, 2024: ¥ 148,274million [13.9%]

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Three months ended June 30, 2025	47.40	-
Three months ended June 30, 2024	104.67	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2025	2,179,862	1,653,185	74.2
As of March 31, 2025	2,210,049	1,677,449	74.6

Reference: Shareholders' equity

As of June 30, 2025: ¥ 1,616,656 million

As of March 31, 2025: ¥ 1,648,434 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	-	50.00	-	50.00	100.00
Year ending March 31, 2026	-				
Year ending March 31, 2026 (Forecast)		60.00	-	60.00	120.00

*Revision to the forecast of dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of the parent		Profit (loss) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Cumulative second quarter ending September 30, 2025	489,500	(9.0)	46,500	(23.9)	67,000	(64.2)	74,000	(59.6)	117.11
Year ending March 31, 2026	968,000	(7.6)	90,000	(12.5)	120,000	(61.1)	115,000	(62.3)	181.96

*Revision to Consolidated Financial Forecasts most recently announced: Yes

4. Notes

(1) Significant changes in the scope of consolidation during the quarter period: Yes

Newly included: 1 company (KLKG Logistics Holdings, Co., Ltd.)

Excluded: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:

None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	639,172,067 shares
As of March 31, 2025	639,172,067 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	7,077,834 shares
As of March 31, 2025	7,511,366 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	631,769,213 shares
Three months ended June 30, 2024	693,062,964 shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

*Assumption for the forecast of consolidated financial results for the year ending March 31, 2026

The forecast is based on currently available information that KLINE deems to be reasonable. Actual results may differ from the forecast as a result of various factors.

Refer to “5. Qualitative Information on Quarterly Financial Results (3) Description of Information on Future Outlook, Including Forecast of Consolidated Financial Results” for assumptions related to the forecast.

5. Qualitative Information on Quarterly Financial Results

(1) Description of Operating Results

(Billion yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025	Change	% Change
Operating revenues	267.6	244.9	(22.6)	(8.5%)
Operating income (loss)	30.7	19.8	(10.8)	(35.4%)
Ordinary income (loss)	74.8	21.6	(53.1)	(71.0%)
Profit (loss) attributable to owners of the parent	72.5	29.9	(42.5)	(58.7%)

Exchange Rate (¥/US\$) (3-month average)	155.02	145.32	(9.70)	(6.3%)
Fuel oil price (US\$/MT) (3-month average)	629	550	(79)	(12.6%)

The Company recorded 7.2 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the consolidated cumulative first quarter of this fiscal year and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 3.6 billion yen of this amount.

Performance per segment was as follows.

(Billion yen)

		Three months ended June 30, 2024	Three months ended June 30, 2025	Change	% Change
Dry bulk	Operating revenues	88.3	69.7	(18.6)	(21.1%)
	Segment profit (loss)	7.1	(0.5)	(7.6)	-%
Energy resource transport	Operating revenues	25.6	23.6	(2.0)	(8.1%)
	Segment profit (loss)	1.0	2.3	1.3	125.4%
Product logistics	Operating revenues	151.1	148.9	(2.1)	(1.4%)
	Segment profit (loss)	65.4	24.3	(41.0)	(62.8%)
Other	Operating revenues	2.4	2.6	0.1	6.2%
	Segment profit (loss)	0.4	0.3	(0.1)	(20.6%)
Adjustments and eliminations	Segment profit (loss)	0.7	(4.8)	(5.6)	-%
Total	Operating revenues	267.6	244.9	(22.6)	(8.5%)
	Segment profit (loss)	74.8	21.6	(53.1)	(71.0%)

Since the beginning of this fiscal year, the Company changed the allocation method of a part of Non-operating income and Non-operating expenses to present the condition of each segment in a more appropriate manner. Segment information in the first quarter of both fiscal year 2025 and 2024 are presented based on the changed allocation method.

(i) Dry Bulk Segment

Dry Bulk Business

In the Cape-size sector, although the cargo movement of iron ore and bauxite stayed firm, market rates temporarily softened due to accidents and labor disputes at some loading ports. Market rates temporarily showed a rapid recovery in June, 2025, following the increase in the shipment of iron ore from the major production areas but then started to decline again toward the end of June.

In the medium-small vessel sector, while there were signs of steady cargo movement of grains and steel products, market rates remained weak due to the sluggish movement of coal shipment.

Under these circumstances, the Group focused on managing the market exposures appropriately, reducing operating costs, and improving vessel operation efficiency.

The overall Dry Bulk Segment recorded a year-on-year decrease in revenue and recorded a loss.

(ii) Energy Resource Transport Segment

LNG Carrier, Liquefied Gas Carrier Business, Electricity Business, Crude Oil and Product Business, and Energy Business Strategy

Concerning LNG carriers, LPG carriers, thermal coal carriers, large crude oil tankers (VLCCs), drillship, FPSO (Floating Production, Storage and Offloading system) and others, the business stayed firm for mid- and long-term charter contracts and contributed to securing stable profit.

The overall Energy Resource Transport Segment recorded a year-on-year decrease in revenue due to influences such as exchange rates but recorded an increase in profit as a result of the elimination of temporary factors.

(iii) Product Logistics Segment

Car Carrier Business

In the global car sales market, market rates generally stayed firm, supported by solid demand in various countries, despite the imposition of additional tariffs on cars exported to the United States. In addition, although the situation in the Middle East remained tense, there were no major disruptions to vessel operations, and the Group continued its efforts to improve vessel operation efficiency.

Logistics Business

In the domestic logistics and port business, the container handling volume increased year-on-year. Both the work volume in the towage business and the handling volume in the warehousing business stayed firm. As for the international logistics sector, there was concern about the impact of the U.S. tariff policies, but the demand for ocean and air transportation generally remained strong, in particular for semiconductors and automobiles. In the finished car transportation business, new car sales in Australia, a key factor influencing cargo volume at Australian ports, remained at a high level, and both transportation and storage volumes stayed firm.

Short Sea and Coastal Business

In the short sea business, the transportation volume increased year-on-year due to the significant increase in the transportation volume of biomass fuel and bulk cargo as well as the increase in the transportation volume of steel products. In the coastal business, although the volume of ferry transportation remained almost flat year-on-year, the overall transportation volume decreased year-on-year due to the slow cargo movement of food products and industrial products such as these by liner transportation. The transportation volume for tramp services increased overall.

Containership Business

In the containership business, significant fluctuations in cargo movement and a decline in average freight rates were observed due to the impact of U.S. tariff policies. In April, 2025, advanced shipping demand surged ahead of the imposition of tariffs following an announcement of reciprocal tariffs by the U.S. This was followed by a temporary slowdown in cargo movement. However, in May, 2025, the market regained firmness after the U.S. and China agreed on a 90-day suspension of high tariffs. Each shipping company adjusted vessel supply capacity to manage the fluctuations in cargo movement, which in turn affected cargo movements and freight rates on routes other than those to North America.

As a result, the performance of ONE, an equity-method affiliate of the Company, recorded a year-on-year decrease in both revenue and profit.

The overall Product Logistics Segment recorded a year-on-year decrease in both revenue and profit.

(iv) Other

Other includes but not limited to the Group's ship management service, travel agency service, and real estate rental and administration service. The segment recorded a year-on-year increase in revenue but a decrease in profit.

(2) Description of Financial Position

Total assets at the end of the consolidated first quarter of this fiscal year were ¥2,179.8 billion, a decrease of ¥30.1 billion from the end of the previous fiscal year as a result of a decrease in investment securities and other factors.

Total liabilities decreased by ¥5.9 billion to ¥526.6 billion as a result of a decrease in Long-term loans, less current portion and other factors compared to the end of the previous fiscal year.

Total net assets were ¥1,653.1 billion, a decrease of ¥24.2 billion compared to the end of the previous fiscal year as a result of a decrease in foreign currency translation adjustments and other factors.

(3) Description of Information on Future Outlook, Including Forecast of Consolidated Financial Results
(For consolidated cumulative second quarter of the fiscal year 2025)

(Billion yen)

	Prior Forecast (at the time of announcement made on May 7, 2025)	Current Forecast (at the time of announcement of the 1 st quarter result)	Change	% Change
Operating revenues	476.0	489.5	13.5	2.8%
Operating income (loss)	41.0	46.5	5.5	13.4%
Ordinary income (loss)	57.5	67.0	9.5	16.5%
Profit (loss) attributable to owners of the parent	66.0	74.0	8.0	12.1%

Profit (loss) per share (Yen)	104.49	117.11	12.62	
Exchange Rate (¥/US\$)	141.59	143.46	1.87	1.3%
Fuel Oil Price (US\$/MT)	573	557	(16)	(2.8%)

(For consolidated full fiscal year 2025)

(Billion yen)

	Prior Forecast (at the time of announcement made on May 7, 2025)	Current Forecast (at the time of announcement of the 1 st quarter result)	Change	% Change
Operating revenues	950.0	968.0	18.0	1.9%
Operating income (loss)	80.0	90.0	10.0	12.5%
Ordinary income (loss)	105.0	120.0	15.0	14.3%
Profit (loss) attributable to owners of the parent	100.0	115.0	15.0	15.0%

Profit (loss) per share (Yen)	158.31	181.96	23.65	
Exchange Rate (¥/US\$)	140.79	141.73	0.94	0.7%
Fuel Oil Price (US\$/MT)	574	566	(8)	(1.4%)

Mainly due to the influences of such as exchange rates, the Company revised estimation of Operating revenues, Operating income (loss), Ordinary income (loss), Profit (loss) attributable to owners of the parent and Profit (loss) per share in the consolidated financial forecast for cumulative second quarter and full of fiscal year ending March 31, 2026, from the previously announced forecasts on May 7, 2025.

In the Dry Bulk Segment, despite some concerns, such as the U.S. tariff policies, the uncertainty of the Chinese economy, and the ongoing geopolitical risks in Ukraine and the Middle East, the Group expects that the mid-term vessel demand-supply balance will be tight against the backdrop of limited newbuilt deliveries, with some differences by type of vessel, and that market rates will stay firm overall despite some volatility. The Group will work on increasing vessel operation efficiency and reducing costs, and amid the growing need to deal with environmental issues, taking advantage of its high-quality transportation, the Group will strive to enhance stable sources of revenue by increasing mid- and long-term contracts, and maximize profit, while maintaining appropriate and swift risk control.

In the Energy Resource Transport Segment, the Group will continue efforts to secure stable profit as it expects to ensure smooth business operations, supported by mid- and long-term contracts, with respect to LNG carriers, LPG carriers, thermal coal carriers, large crude oil tankers, drillship, FPSO and others.

As for the Product Logistics Segment, in the car carrier business, a decline in automobile demand in the U.S. is anticipated due to the impact of U.S. tariff policies and other factors, and a decrease in seaborne cargo movement to the U.S. is expected as a result. The Group will closely monitor the latest developments and continue efforts to optimize its fleet and improve the efficiency of vessel operation and allocation.

In the logistics business, regarding the domestic logistics and port business, the container handling volume is expected to increase year-on-year, resulting from an increase in the volume of cargo from ONE and Chinese shipping companies. The work volume in the towage business and the handling volume in the warehousing business are expected to stay flat year-on-year. As for the international logistics sector, in the forwarding business, the Group expects that demand for ocean and air transportation will stay firm, but it may be affected by market fluctuations due to the U.S. tariff policies and the situation in the Middle East, and uncertainty arising from such fluctuations. In the finished car transportation business, both transportation and storage volumes are expected to stay firm.

In the short sea business, the total transportation volume is expected to increase year-on-year due to the increase in the transportation volume of biomass fuel. In the coastal business, the ferry transportation volume is expected to stay flat year-on-year. As for liner transportation, despite the decrease in the transportation volume of paper-related cargo and food and drink products, the Group aims to achieve the total transportation volume at the same level as the previous year by responding to demand in the transportation of steel products and others. In tramp services, the Group anticipates a decrease in demand for the transportation of raw materials by some dedicated vessels due to the decrease in production by steel mills, but expects that the total transportation volume will remain at the same level as the previous year.

In the containership business, the business environment remains uncertain due to geopolitical risks stemming from changes in the Middle East situation and the impact of U.S. tariff policies. ONE will keep watching changes in the situation, continue to provide flexible vessel allocation and efficient operations in line with demand, and strive for steady business operations.

Our basic policy, positioning the maximization of shareholder value as a key management priority, is to improve corporate value and shareholder profits over the medium and long term by proactively promoting shareholder returns, including share buyback. This is achieved by taking cash flow into consideration and actively promoting investments essential for enhancing corporate value while maintaining strict investment discipline, ensuring both capital efficiency and financial stability necessary to improve our corporate value while being conscious of optimal capital structure.

Based on this basic policy, regarding dividend for the current consolidated fiscal year ending March 31, 2026, the Company plans for basic dividend of 40.00 yen and additional dividend of 80.00 yen per share, in total of annual dividend 120.00 yen per share (an interim dividend of 60.00 yen per share and a year-end dividend of 60.00 yen per share), as announced on May 7, 2025.

6. Consolidated Financial Statements

Consolidated Balance Sheet

(Million yen)

	As of March 31, 2025	As of June 30, 2025
ASSETS		
Current assets :		
Cash and deposits	204,716	339,026
Accounts and notes receivable - trade and contract assets	113,917	115,516
Raw materials and supplies	38,308	35,384
Deferred and prepaid expenses	23,848	22,755
Other current assets	23,782	24,477
Allowance for doubtful accounts	(1,197)	(1,123)
Total current assets	403,375	536,036
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	389,939	378,879
Buildings and structures, net	9,455	9,755
Machinery, equipment and vehicles, net	3,144	3,177
Land	15,565	16,022
Construction in progress	63,806	60,057
Other, net	6,755	6,399
Total vessels, property and equipment	488,666	474,291
(Intangible assets)		
Other intangible assets	7,266	9,381
Total intangible assets	7,266	9,381
(Investments and other assets)		
Investment securities	1,230,101	1,079,060
Long-term loans receivable	18,051	17,761
Asset for retirement benefits	4,942	5,193
Other investments and other assets	58,946	59,405
Allowance for doubtful accounts	(1,302)	(1,267)
Total investments and other assets	1,310,739	1,160,153
Total non-current assets	1,806,673	1,643,825
Total assets	2,210,049	2,179,862

Consolidated Balance Sheet

(Million yen)

	As of March 31, 2025	As of June 30, 2025
LIABILITIES		
Current liabilities :		
Accounts and notes payable - trade	69,222	70,017
Short-term loans and current portion of long-term loans	51,412	49,866
Accrued income taxes	6,129	7,300
Provision for loss related to the Anti-Monopoly Act	1,335	1,448
Provision for loss on chartering contracts	3,206	2,407
Other provisions	5,040	2,534
Other current liabilities	69,108	78,487
Total current liabilities	205,455	212,062
Non-current liabilities :		
Bonds	14,000	14,000
Long-term loans, less current portion	229,840	222,289
Provision for directors' and other officers' retirement benefits	37	38
Provision for directors' stock benefits	2,655	1,900
Provision for periodic dry docking of vessels	17,986	18,689
Liability for retirement benefits	5,150	5,098
Other non-current liabilities	57,473	52,598
Total non-current liabilities	327,144	314,615
Total liabilities	532,599	526,677
NET ASSETS		
Shareholders' equity:		
Common stock	75,457	75,457
Capital surplus	32,495	39,059
Retained earnings	1,248,600	1,246,652
Treasury stock	(8,085)	(7,689)
Total shareholders' equity	1,348,467	1,353,480
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	12,991	13,910
Deferred gain (loss) on hedges	3,066	2,808
Revaluation reserve for land	4,576	4,569
Foreign currency translation adjustments	277,190	239,797
Retirement benefits liability adjustments	2,141	2,090
Total accumulated other comprehensive income	299,966	263,175
Non-controlling interests	29,015	36,529
Total net assets	1,677,449	1,653,185
Total liabilities and net assets	2,210,049	2,179,862

Consolidated Statement of Operations

(Million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Marine transportation and other operating revenues	267,609	244,918
Marine transportation and other operating costs and expenses	218,005	204,704
Gross profit (loss)	49,603	40,213
Selling, general and administrative expenses	18,886	20,371
Operating income (loss)	30,717	19,842
Non-operating income :		
Interest income	1,086	1,148
Dividend income	813	1,104
Equity in earnings of unconsolidated subsidiaries and affiliates	37,287	7,241
Foreign exchange gains	6,753	—
Other non-operating income	601	723
Total non-operating income	46,542	10,217
Non-operating expenses :		
Interest expenses	1,697	2,239
Foreign exchange losses	—	5,706
Other non-operating expenses	714	429
Total non-operating expenses	2,412	8,375
Ordinary income (loss)	74,846	21,684
Extraordinary income :		
Gain on sales of non-current assets	2,226	6,043
Gain on sales of shares of subsidiaries and associates	0	2,994
Other extraordinary income	15	55
Total extraordinary income	2,242	9,093
Extraordinary losses :		
Loss on retirement of non-current assets	0	57
Other extraordinary losses	—	6
Total extraordinary losses	0	64
Profit (loss) before income taxes	77,088	30,713
Income taxes :		
Current	3,600	3,204
Deferred	606	(3,079)
Total income taxes	4,206	125
Profit (loss)	72,881	30,588
Profit (loss) attributable to non-controlling interests	338	640
Profit (loss) attributable to owners of the parent	72,543	29,947

Consolidated Statement of Comprehensive Income

(Million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	72,881	30,588
Other Comprehensive income :		
Net unrealized holding gain (loss) on investment securities	438	1,021
Deferred gain (loss) on hedges	(14)	360
Foreign currency translation adjustments	7,279	(3,889)
Retirement benefits liability adjustments	76	(61)
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	67,612	(34,284)
Total other comprehensive income	75,393	(36,853)
Comprehensive income	148,274	(6,265)
(Breakdown)		
Comprehensive income attributable to owners of parent	147,577	(6,835)
Comprehensive income attributable to non-controlling interests	697	570

7. Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not Applicable.

(Notes on Significant Changes in Amount of Shareholders' Equity)

Not Applicable.

(Notes on the quarterly Consolidated Statement of Cash Flows)

The Company does not prepare Consolidated Statement of Cash Flows for the three months ended June 30, 2025. The total amount of Depreciation and Amortization which includes Depreciation and Amortization of Intangible assets is as follows.

(Million yen)

	FY2024 1st quarter (from April 1, 2024 to June 30, 2024)	FY2025 1st quarter (from April 1, 2025 to June 30, 2025)
Depreciation and Amortization	11,771	12,889

Segment information

Three months ended June 30, 2024

(Million yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	86,168	24,720	150,429	2,423	263,741	-	263,741
Other revenues	2,142	977	717	30	3,867	-	3,867
Operating revenues from customers	88,311	25,697	151,146	2,453	267,609	-	267,609
Inter-group revenues and transfers	19	3	1,150	17,081	18,254	(18,254)	-
Total revenues	88,330	25,701	152,297	19,535	285,864	(18,254)	267,609
Segment profit (loss)	7,118	1,049	65,406	491	74,065	780	74,846

Three months ended June 30, 2025

(Million yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	68,699	22,721	148,725	2,573	242,720	-	242,720
Other revenues	1,000	891	274	31	2,197	-	2,197
Operating revenues from customers	69,700	23,613	148,999	2,605	244,918	-	244,918
Inter-group revenues and transfers	16	562	1,389	14,869	16,838	(16,838)	-
Total revenues	69,717	24,175	150,388	17,475	261,756	(16,838)	244,918
Segment profit (loss)	(526)	2,365	24,325	390	26,554	(4,870)	21,684

Since the beginning of this fiscal year, the Company changed the allocation method of a part of Non-operating income and Non-operating expenses to present the condition of each segment in a more appropriate manner. Segment information in the first quarter of both fiscal year 2025 and 2024 are presented based on the changed allocation method.