

March 28, 2025

Kawasaki Kisen Kaisha, Ltd.

Notice Concerning Revisions to the Remuneration System for Executives

Kawasaki Kisen Kaisha, Ltd. (hereinafter referred to as “the Company”) has introduced a share remuneration system (hereinafter referred to as “the Remuneration System”) for Directors (Executive Directors only) and Corporate Officers from 2016.

With the approval of an Extraordinary General Meeting of Shareholders held today, the Company has transitioned from a company with an Audit & Supervisory Board to a company with Nominating Committee, etc. (hereinafter referred to as “the Organizational Change”).

Accordingly, at the meetings of the Board of Directors and the Compensation Committee held today, the Company resolved to revise the Remuneration System (hereinafter referred to as “the Revisions to the Remuneration System”) as follows.

1. Purpose of the Revisions to the Remuneration System

The Company’s basic policy is that the individual remuneration amounts for Executive Officers (including those concurrently serving as Directors; the same shall apply hereinafter) and Corporate Officers shall appropriately reflect performance, consider remuneration levels at comparable peer companies, and account for medium to long-term business performance and potential risks undertaken by these Executive Officers and Corporate Officers, thereby ensuring remuneration is appropriate, fair, and balanced to further enhance their motivation toward maximizing the Company’s sustainable growth and corporate value. In order to further enhance the connection between remuneration and share value and to contribute to raising awareness of the need to contribute to improving the Company’s medium- to long-term performance and increasing corporate value, Executive Officers and Corporate Officers will be subject to the Remuneration System after the Organizational Change.

In addition, the individual remuneration amounts for Directors (excluding those concurrently serving as Executive Officers) shall reflect the amount of time devoted to the Company’s business, and the responsibilities borne by them, and shall not include business performance-linked factors, as a basic policy. With its corporate principle of “trust from all over the world” and its worldwide business operations, the Company decided to grant non-performance-based share remuneration to Directors who do not concurrently serve as Executive Officers, aiming to maintain and secure human resources capable of enhancing governance as a global enterprise and to align their interests with those of its shareholders.

2. Overview of the Revisions to the Remuneration System

The Revisions to the Remuneration System revise the recipients of performance-based remuneration and introduce a non-performance-based share remuneration (fixed remuneration) following the Organizational Change.

1) Overview of the Remuneration System

Prior to the Organizational Change, the remuneration for the Company's Directors (Executive Directors only) and Corporate Officers comprised the following three types of remuneration.

- (i) Fixed remuneration (monetary): Monthly remuneration set for each position to execute business according to the duties and responsibilities.
- (ii) Short-term performance-based remuneration (monetary): Mainly remuneration linked to the level of achievement relative to the initial targets for performance in the current fiscal year.
- (iii) Medium- to long-term performance-based remuneration (stock): Remuneration linked to the total shareholders return (TSR) and other indicators for the past three-year period including the current year.

For details of the medium-term performance-based remuneration (stock), please refer to the "Notification of the Introduction of a Performance-based Share Remuneration Plan" announced on April 28, 2016, and the "Notice Concerning Revisions to the Remuneration System for Executives" announced on March 14, 2023.

2) Overview of the remuneration system after the Revisions to the Remuneration System

With the Revisions to the Remuneration System, the remuneration for Directors, Executive Officers and Corporate Officers of the Company will comprises the following four types of remuneration.

- (i) Fixed remuneration (monetary): Monthly remuneration set for each position to execute business according to the duties and responsibilities.
- (ii) Fixed remuneration (stock): Share remuneration with a fixed amount based on the duties and responsibilities.
- (iii) Short-term performance-based remuneration (monetary): Mainly remuneration linked to the level of achievement relative to the initial targets for performance in the current fiscal year.
- (iv) Medium- to long-term performance-based remuneration (stock): Remuneration linked to the total shareholders return (TSR) and other indicators for the past three-year period including the current year.

The respective remuneration is paid as follows.

Type of remuneration	Eligible persons
Fixed remuneration (monetary)	Directors (excluding those concurrently serving as Executive Officers) Executive Officers (including those concurrently serving as Directors) Corporate Officers
Fixed remuneration (stock)	Directors (excluding those concurrently serving as Executive Officers)
Short-term performance-based remuneration (monetary)	Executive Officers (including those concurrently serving as Directors) Corporate Officers
Medium to long-term performance-based remuneration (stock)	Executive Officers (including those concurrently serving as Directors) Corporate Officers

3) Introduction of non-performance-based share remuneration (fixed remuneration)

Non-performance-based share remuneration (fixed remuneration) will employ the same system “Board Benefit Trust (BBT)” as medium- to long-term performance-based remuneration.

Directors (excluding those concurrently serving as Executive Officers; the same shall apply hereinafter) will be granted points corresponding to their duties and responsibilities, and upon retirement, those who satisfy beneficiary requirements stipulated in the Regulations for Delivery of Shares to Officers will receive the Company’s shares and the amount of cash equivalent to the market price of the Company’s shares in proportion to the number of the granted points from the trust.

The impact of these revisions on the Company’s financial results is immaterial.

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