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May 7, 2025

## Financial Highlights for FY2024

(Under Japanese GAAP) (Unaudited)

Company name:	Kawasaki Kisen Kaisha, Ltd.
Listing:	Prime Market of Tokyo Stock Exchange
Securities code:	9107
URL:	<a href="https://www.kline.co.jp/en/">https://www.kline.co.jp/en/</a>
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 of annual general meeting of shareholders:	June 20, 2025
Scheduled date to commence dividend payments:	June 23, 2025
Scheduled date to file annual securities report:	June 19, 2025
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 fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

#### (1) Consolidated operating results

(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	%
Year ended March 31, 2025	1,047,944	9.4	102,855	22.2	308,089	132.1	305,384	199.4
Year ended March 31, 2024	957,939	1.6	84,154	6.7	132,728	(80.8)	101,989	(85.3)

Note: Comprehensive income for the fiscal year ended March 31, 2025: ¥291,806 million [14.4%]  
For the fiscal year ended March 31, 2024: ¥254,972 million [(67.9)%]

	Profit (loss) per share	Profit (loss) per share-fully diluted	Profit per share ratio in shareholders' equity	Ratio of ordinary income (loss) to total assets	Ratio of operating income (loss) to operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2025	460.11	-	18.8	14.3	9.8
Year ended March 31, 2024	141.37	-	6.6	6.4	8.8

Reference: Equity in earnings of unconsolidated subsidiaries and affiliates

Year ended March 31, 2025: ¥202,052 million  
Year ended March 31, 2024: ¥49,114 million

1. The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. Accordingly, profit (loss) per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2024.
2. Due to a change in accounting policy, results for the fiscal year ended March 31, 2024, have been re-presented retrospectively.

## (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	2,210,049	1,677,449	74.6	2,609.68
As of March 31, 2024	2,109,432	1,624,600	75.5	2,251.81

Reference: Shareholders' equity

As of March 31, 2025:	¥1,648,434 million
As of March 31, 2024:	¥1,591,925 million

1. The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. Accordingly, Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2024.
2. Due to a change in accounting policy, results for the fiscal year ended March 31, 2024, have been re-presented retrospectively.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2025	273,173	(126,133)	(211,646)	201,557
Year ended March 31, 2024	202,449	(66,332)	(223,182)	269,474

\*Due to a change in accounting policy, results for the fiscal year ended March 31, 2024, have been re-presented retrospectively.

## 2. Dividends

	Annual dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Year ended March 31, 2024	Yen -	Yen 100.00	Yen -	Yen 150.00	Yen 250.00	Million yen 59,529	% 58.9	% 3.9
Year ended March 31, 2025	-	50.00	-	50.00	100.00	65,605	21.7	4.1
Year ending March 31, 2026 (Forecast)	-	60.00	-	60.00	120.00		75.8	

1. The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. The dividends per share for the fiscal year ended March 2024 represent the actual amount of dividend before the stock split.

2. Due to a change in accounting policy, payout ratio (consolidated) and ratio of dividends to net assets (consolidated) for the fiscal year ended March 31, 2024, have been re-presented retrospectively.

**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	476,000	(11.5)	41,000	(32.9)	57,500	(69.3)	66,000	(64.0)	104.49
Year ending March 31, 2026	950,000	(9.3)	80,000	(22.2)	105,000	(65.9)	100,000	(67.3)	158.31

**4. Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: None

Excluded: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2025	639,172,067 shares
As of March 31, 2024	714,728,067 shares

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

As of March 31, 2025	7,511,366 shares
As of March 31, 2024	7,773,052 shares

(iii) Average number of shares outstanding during the period

Year ended March 31, 2025	663,714,307 shares
Year ended March 31, 2024	721,415,878 shares

\* The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. Accordingly, total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2024.

**[Reference] Overview of non-consolidated financial results**

**Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2025	840,628	10.0	76,677	27.6	212,330	22.8	211,767	33.9
Year ended March 31, 2024	764,334	5.2	60,099	30.1	172,884	(56.4)	158,142	(61.2)

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Year ended March 31, 2025	318.99	-
Year ended March 31, 2024	219.17	-

\* The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. Accordingly, profit (loss) per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2024.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	885,498	500,325	56.5	791.88
As of March 31, 2024	844,085	523,505	62.0	740.34

Reference: Shareholders' equity

As of March 31, 2025: ¥500,325 million  
As of March 31, 2024: ¥523,505 million

\* The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2024. Accordingly, net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2024.

(Reason of change in non-consolidated financial results compared to the results in the previous fiscal year)

The change in non-consolidated financial results were mainly due to currency exchange fluctuation and other reasons.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* 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 Financial Results (1) Description of Operating Results 2) Prospect for Fiscal year 2025” for assumptions related to the forecast.

## 5. Qualitative Information on Financial Results

### (1) Description of Operating Results

#### 1) Summary of Consolidated Operating Results for FY2024

(Billion yen)

	Fiscal Year 2023 (Ended March 31, 2024)	Fiscal Year 2024 (Ended March 31, 2025)	Change	% Change
Operating revenues	957.9	<b>1,047.9</b>	90.0	9.4%
Operating income (loss)	84.1	<b>102.8</b>	18.7	22.2%
Ordinary income (loss)	132.7	<b>308.0</b>	175.3	132.1%
Profit (loss) attributable to owners of the parent	101.9	<b>305.3</b>	203.3	199.4%

Exchange Rate (¥/US\$) (12-month average)	¥143.82	<b>¥152.73</b>	¥8.91	6.2%
Fuel oil price (US\$/MT) (12-month average)	US\$620	<b>US\$610</b>	US\$(10)	(1.7%)

The Company recorded 202.0 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the fiscal year 2024 and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 201.2 billion yen of this amount.

The Company has changed the currency conversion method into Japanese yen in income and expenses of foreign consolidated subsidiaries from using spot rate on the financial closing date to average rate of during the term from the beginning of the fiscal year ended March 31, 2025. Due to this change, the Company has compared the results for the fiscal year ended March 31, 2025, and the results for the fiscal year ended March 31, 2024, that have been re-presented retrospectively.

Performance per segment was as follows.

(Billion yen)

		Fiscal Year 2023 (Ended March 31, 2024)	Fiscal Year 2024 (Ended March 31, 2025)	Change	% Change
Dry bulk	Operating revenues	293.5	<b>322.3</b>	28.8	9.8%
	Segment profit (loss)	3.5	<b>13.5</b>	10.0	278.4%
Energy resource transport	Operating revenues	105.6	<b>101.9</b>	(3.7)	(3.5%)
	Segment profit (loss)	7.5	<b>4.9</b>	(2.5)	(33.5%)
Product logistics	Operating revenues	548.6	<b>612.8</b>	64.1	11.7%
	Segment profit (loss)	128.6	<b>294.3</b>	165.7	128.8%
Other	Operating revenues	10.0	<b>10.8</b>	0.7	7.2%
	Segment profit (loss)	1.4	<b>0.9</b>	(0.4)	(32.4%)
Adjustments and eliminations	Segment profit (loss)	(8.4)	<b>(5.7)</b>	2.6	-%
Total	Operating revenues	957.9	<b>1,047.9</b>	90.0	9.4%
	Segment profit (loss)	132.7	<b>308.0</b>	175.3	132.1%

**(i) Dry Bulk Segment**

Dry Bulk Business

In the Cape-size sector, market rates declined temporarily at the beginning of the year along with a decrease in shipment due to the rainy season and stormy weather in the production areas of iron ore but generally stayed firm thanks to transportation demand.

In the medium-small vessel sector, market rates stayed firm in the first half of the fiscal year, softened in the second half of the fiscal year due to the slow movement of maize and coal to China, but took an upward trend at the end of the fiscal year.

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 increase both in revenue and profit.

**(ii) Energy Resource Transport Segment**

LNG Carrier, Electricity Business, Tanker Carrier and Offshore Business

Concerning LNG carriers, thermal coal carriers, large crude oil tankers (VLCCs), LPG carriers, drillship and FPSO (Floating Production, Storage and Offloading system), 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 both revenue and profit due to temporary factors.

**(iii) Product Logistics Segment**

Car Carrier Business

In the global car sales market, the recovery trend continued as the supply shortages of semiconductors and auto parts were largely resolved. Meanwhile, the Group continued its efforts to restore freight rates and improve operational efficiency.

Logistics Business

In the domestic logistics and port business, the container handling volume, the work volume in the towage business, and the handling volume in the warehousing business all stayed firm. As for the international logistics sector, the cargo volume of semiconductors and automobiles in the forwarding business increased year-on-year, resulting in a recovery in revenue. In the finished car transportation business, robust new car sales in Australia, a key factor influencing cargo volume at Australian ports, continued. The impact of reduced port calls due to quarantine issues, which had persisted since the second quarter, lessened, leading to a recovery in handled vehicle volume from the beginning of 2025.

Short Sea and Coastal Business

In the short sea business, the transportation volume increased year-on-year due to new contracts for steel products and the steady transportation of biomass fuel. In the coastal business, the cargo movement of agricultural and fishery products and construction materials by liner transportation stayed firm, but the total transportation volume decreased year-on-year due to the decrease in vessel operation for ferry transportation and service reductions on some routes. The transportation volume for tramp services increased year-on-year due to stable operations.

## Containership Business

The performance of ONE, an equity-method affiliate of the Company, remained strong, supported by steady personal consumption, the prolonged use of the Cape of Good Hope route due to the Middle East situation, and increased demand for vessel capacity caused by port congestion.

Although freight rates have been on a downward trend since the Lunar New Year due to sluggish cargo movements and an oversupply of vessels, both revenue and profit achieved significant year-on-year growth.

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

### (iv) Other

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

### 2) Prospect for Fiscal year 2025

For the fiscal year ending March 31, 2026, the Group is projecting the performance as follows.

(Billion yen; Percentages indicate year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of the parent	
Fiscal Year 2025 (End March 2026)	950.0	(9.3%)	80.0	(22.2%)	105.0	(65.9%)	100.0	(67.3%)

(Exchange Rate(¥/US\$) : ¥140.79/ Fuel Oil Price(US\$/MT) : US\$574)

In the Dry Bulk Segment, the mid-term vessel supply-demand balance will be tight against the backdrop of the limited building of new ships, and market rates are expected to stay firm overall despite some volatility. Nevertheless, a year-on-year decrease in profit is expected due to the impact of U.S. tariff policies, which have introduced uncertainties and reflected risks of fluctuations in cargo movements and other factors.

While closely monitoring changes in cargo trends, the Group will continue efforts to improve vessel operation efficiency and reduce costs, and amid the growing need to deal with environmental problems, taking advantage of its high-quality transportation, the Group will strive to secure stable profit by increasing mid- and long-term contracts and maximize profit while maintaining appropriate and prompt 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, thermal coal carriers, large crude oil tankers, LPG carriers, drillship and FPSO.

As for the Product Logistics Segment, in the car carrier business, while the 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 strive to optimize its fleet and improve the efficiency of vessel operation and allocation flexibly.

In the logistics business, regarding the domestic logistics and port business, the container handling volume is expected to increase year-on-year. The handling volume in the warehouse business and the work volume in the towage business are expected to stay at the same level as the previous 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 US tariff policy 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 transportation volume of steel products on par with the previous year and the increase in the transportation volume of biomass fuel. In the coastal business, although the decreasing trend in the demand for liner transportation of paper-related cargo will continue, the total transportation volume is expected to be on par with the previous year due to demand for redevelopment in Hokkaido. The volume of ferry transportation is expected to grow due to the increase in the number of voyages. In tramp services, the Group expects operation on par with the previous year for dedicated vessels and the transportation volume on par with the previous year for general cargo ships.

In the containership business, the business environment has become increasingly uncertain due to heightened geopolitical risks and U.S. tariff policies, raising concerns over potential declines in cargo volumes and freight rates on certain routes. 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.

## (2) Analysis of Financial Position

### 1) Assets, Liabilities and Net Assets

Consolidated assets at the end of March 2025 were ¥2,210.0 billion, an increase of ¥100.6 billion from the end of the previous fiscal year. Current assets decreased by ¥84.9 billion from the end of the previous fiscal year, due mainly to a decrease in cash and deposits. Non-current assets increased by ¥185.5 billion, mainly as a result of an increase in investment securities.

Consolidated liabilities increased by ¥47.7 billion to ¥532.5 billion from the end of the previous fiscal year, mainly as a result of an increase in long-term loans, less current portion.

Consolidated net assets were ¥1,677.4 billion, an increase of ¥52.8 billion compared to the end of the previous fiscal year, mainly as a result of an increase in retained earnings.

### 2) Cash Flows

Total cash and cash equivalents at the end of fiscal year 2024 were ¥201.5 billion, a decrease of ¥67.9 billion over the end of the previous fiscal year. Details of each cash flow source are as follows:

Cash flows from operating activities were a net cash inflow of ¥273.1 billion (compared to a net cash inflow of ¥202.4 billion in the previous fiscal year) due mainly to profit before income taxes.

Cash flows from investing activities resulted in a net cash outflow of ¥126.1 billion (compared to a net cash outflow of ¥66.3 billion in the previous fiscal year) due mainly to purchase of vessels, property and equipment.

Cash flows from financing activities resulted in a net cash outflow of ¥211.6 billion (compared to a net cash outflow of ¥223.1 billion in the previous fiscal year) due mainly to purchase of treasury stock, cash dividends paid and repayments of long-term loans.

### Reference: Changes in cash flow-related indicators

	Fiscal Year Ended March 2021	Fiscal Year Ended March 2022	Fiscal Year Ended March 2023	Fiscal Year Ended March 2024	<b>Fiscal Year Ended March 2025</b>
Equity ratio (%)	22.4	56.2	73.8	75.5	<b>74.6</b>
Equity ratio (based on market value) (%)	24.3	47.5	36.4	67.8	<b>57.8</b>
Ratio of debt to cash flow (annual)	15.2	1.9	0.8	1.4	<b>1.3</b>
Interest coverage ratio (x)	3.3	22.0	47.1	20.5	<b>37.8</b>

\*Equity ratio is the shareholders' equity divided by total assets.

Equity ratio (based on market value) is market capitalization divided by total assets.

Ratio of debt to cash flow is interest-bearing liabilities divided by cash flow.

Interest coverage ratio is cash flow divided by interest expenses.

Notes

1. Indicators are calculated on the basis of consolidated figures.
2. Market capitalization is calculated based on the number of shares outstanding, not including treasury stock.
3. Cash flows above refer to cash flows from operating activities.
4. Interest-bearing liabilities are the total of all liabilities on the consolidated balance sheet on which interest is paid. Interest paid shown in the consolidated statement of cash flows is used as interest expenses.

### (3) Basic Dividend Policy and Dividend Payments for Fiscal Year 2024 and Following Fiscal Year

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 terms by proactively promoting shareholder returns, including share buyback. This is done 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 consolidated fiscal year ended March 31, 2025, the Company plans for the annual dividend per share to be 100.00 yen (basic dividend of 40.00 yen per share, additional dividend of 60.00 yen per share) announced on November 5, 2024. Of this, the interim dividend was decided to be 50.00 yen per share, and the year-end dividend is planned to be 50.00 yen per share.

Regarding dividend for the consolidated fiscal year ending March 31, 2026, the Company plans for the annual dividend per share to be 120.00 yen (basic dividend of 40.00 yen per share, additional dividend of 80.00 yen per share). Both of the interim dividend and the year-end dividend are planned to be 60.00 yen per share.

## 6. Basic Approach to Selection of Accounting Standards

To allow reliable year-on-year and company-to-company comparisons, the Group's policy for the time being is to prepare its consolidated financial statements according to Japanese accounting standards.

With respect to application of International Financial Reporting Standards (IFRS), our policy is to respond appropriately based on consideration of various domestic and overseas circumstances.

## 7. Consolidated Financial Statements

### Consolidated Balance Sheet

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>ASSETS</b>		
Current assets :		
Cash and deposits	272,616	204,716
Accounts and notes receivable - trade and contract assets	129,632	113,917
Raw materials and supplies	42,513	38,308
Deferred and prepaid expenses	25,629	23,848
Short-term loans receivable	1,688	4,317
Other current assets	17,609	19,464
Allowance for doubtful accounts	(1,411)	(1,197)
Total current assets	488,278	403,375
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	324,106	389,939
Buildings and structures, net	9,600	9,455
Machinery, equipment and vehicles, net	3,245	3,144
Land	15,548	15,565
Construction in progress	51,364	63,806
Other, net	6,452	6,755
Total vessels, property and equipment	410,318	488,666
(Intangible assets)		
Other intangible assets	6,036	7,266
Total intangible assets	6,036	7,266
(Investments and other assets)		
Investment securities	1,139,971	1,230,101
Long-term loans receivable	20,479	18,051
Asset for retirement benefits	2,387	4,942
Deferred tax assets	3,728	3,834
Other investments and other assets	39,955	55,112
Allowance for doubtful accounts	(1,723)	(1,302)
Total investments and other assets	1,204,799	1,310,739
Total non-current assets	1,621,154	1,806,673
Total assets	2,109,432	2,210,049

## Consolidated Balance Sheet

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>LIABILITIES</b>		
Current liabilities :		
Accounts and notes payable - trade	77,596	69,222
Short-term loans and current portion of long-term loans	49,135	51,412
Lease obligations	11,958	20,379
Accrued income taxes	3,399	6,129
Provision for loss related to the Anti-Monopoly Act	3,821	1,335
Provision for loss on chartering contracts	5,442	3,206
Provision for bonuses	3,393	4,304
Provision for directors' bonuses	418	421
Provision for loss on litigation	-	314
Other current liabilities	54,742	48,729
Total current liabilities	209,908	205,455
Non-current liabilities :		
Bonds	8,000	14,000
Long-term loans, less current portion	206,107	229,840
Lease obligations	12,580	29,229
Deferred tax liabilities	16,519	19,066
Deferred tax liabilities on land revaluation	1,174	1,210
Provision for directors' and audit and supervisory board members' retirement benefits	38	37
Provision for directors' stock benefits	2,300	2,655
Provision for periodic dry docking of vessels	16,542	17,986
Liability for retirement benefits	4,855	5,150
Other non-current liabilities	6,805	7,967
Total non-current liabilities	274,924	327,144
Total liabilities	484,832	532,599
<b>NET ASSETS</b>		
Shareholders' equity :		
Common stock	75,457	75,457
Capital surplus	29,102	32,495
Retained earnings	1,178,723	1,248,600
Treasury stock	(7,648)	(8,085)
Total shareholders' equity	1,275,636	1,348,467
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	13,030	12,991
Deferred gain (loss) on hedges	3,076	3,066
Revaluation reserve for land	4,677	4,576
Foreign currency translation adjustments	294,822	277,190
Retirement benefits liability adjustments	681	2,141
Total accumulated other comprehensive income	316,289	299,966
Non-controlling interests	32,674	29,015
Total net assets	1,624,600	1,677,449
Total liabilities and net assets	2,109,432	2,210,049

## Consolidated Statement of Operations

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Marine transportation and other operating revenues	957,939	1,047,944
Marine transportation and other operating costs and expenses	798,336	865,691
Gross profit (loss)	159,602	182,253
Selling, general and administrative expenses	75,448	79,398
Operating income (loss)	84,154	102,855
Non-operating income :		
Interest income	3,754	5,058
Dividend income	3,340	3,035
Equity in earnings of unconsolidated subsidiaries and affiliates	49,114	202,052
Foreign exchange gains	5,207	824
Other non-operating income	1,868	3,333
Total non-operating income	63,286	214,303
Non-operating expenses :		
Interest expenses	9,564	7,339
Loss on valuation of derivatives	3,469	-
Other non-operating expenses	1,678	1,729
Total non-operating expenses	14,712	9,069
Ordinary income (loss)	132,728	308,089
Extraordinary income :		
Gain on sales of non-current assets	1,923	11,786
Other extraordinary income	1,775	607
Total extraordinary income	3,699	12,394
Extraordinary losses :		
Loss on retirement of non-current assets	33	85
Loss on valuation of marketable securities	1,558	-
Loss on valuation of shares of subsidiaries and affiliates	249	91
Provision for loss related to the Anti-Monopoly Act	2,485	-
Provision for loss on litigation	-	314
Other extraordinary losses	1,207	19
Total extraordinary losses	5,535	510
Profit (loss) before income taxes	130,891	319,973
Income taxes :		
Current	15,586	11,209
Deferred	11,180	1,168
Total income taxes	26,767	12,377
Profit (loss)	104,124	307,596
Profit (loss) attributable to non-controlling interests	2,134	2,211
Profit (loss) attributable to owners of the parent	101,989	305,384

## Consolidated Statement of Comprehensive Income

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Profit (loss)	104,124	<b>307,596</b>
Other Comprehensive income:		
Net unrealized holding gain (loss) on investment securities	6,484	7
Deferred gain (loss) on hedges	613	<b>299</b>
Foreign currency translation adjustments	16,250	<b>(1,472)</b>
Revaluation reserve for land	-	<b>(35)</b>
Retirement benefits liability adjustments	2,754	<b>1,428</b>
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	124,746	<b>(16,017)</b>
Total other comprehensive income	150,848	<b>(15,789)</b>
Comprehensive income	254,972	<b>291,806</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	251,900	<b>289,095</b>
Comprehensive income attributable to non-controlling interests	3,071	<b>2,710</b>

## Consolidated Statement of Changes in Net Assets

Kawasaki Kisen Kaisha Ltd. and Consolidated Subsidiaries for the year ended March 31, 2024

(Million yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2023	75,457	29,102	1,302,769	(6,550)	1,400,779
Cumulative effects of changes in accounting policies			(51,763)		(51,763)
Restated balance	75,457	29,102	1,251,006	(6,550)	1,349,016
Change in items during the year					
Cash dividends			(98,422)		(98,422)
Profit (loss) attributable to owners of the parent			101,989		101,989
Purchase of treasury stock				(56,211)	(56,211)
Disposal of treasury stock		0		159	159
Cancellation of treasury stock		(788)	(54,954)	55,743	-
Disposal of treasury stock for the Board Benefit Trust		788		4,051	4,839
Purchase of treasury stock by the Board Benefit Trust				(4,839)	(4,839)
Changes in a foreign affiliated company's interests in its subsidiary			(20,908)		(20,908)
Change in treasury stock arising from change in equity in entities accounted for under the equity method					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Reversal of revaluation reserve for land			5		5
Net changes in retained earnings from changes in scope of consolidation or equity method			8		8
Net changes in items other than shareholders' equity					
Net changes during the year	-	0	(72,282)	(1,097)	(73,379)
Balance at March 31, 2024	75,457	29,102	1,178,723	(7,648)	1,275,636

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized holding gain (loss) on investments in securities	Deferred gain (loss) on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2023	6,482	2,100	4,682	103,353	(2,000)	114,619	31,280	1,546,679
Cumulative effects of changes in accounting policies				51,763		51,763		-
Restated balance	6,482	2,100	4,682	155,117	(2,000)	166,383	31,280	1,546,679
Change in items during the year								
Cash dividends								(98,422)
Profit (loss) attributable to owners of the parent								101,989
Purchase of treasury stock								(56,211)
Disposal of treasury stock								159
Cancellation of treasury stock								-
Disposal of treasury stock for the Board Benefit Trust								4,839
Purchase of treasury stock by the Board Benefit Trust								(4,839)
Changes in a foreign affiliated company's interests in its subsidiary								(20,908)
Change in treasury stock arising from change in equity in entities accounted for under the equity method								-
Change in ownership interest of parent due to transactions with non-controlling interests								-
Reversal of revaluation reserve for land								5
Net changes in retained earnings from changes in scope of consolidation or equity method								8
Net changes in items other than shareholders' equity	6,548	975	(5)	139,705	2,681	149,905	1,394	151,300
Net changes during the year	6,548	975	(5)	139,705	2,681	149,905	1,394	77,920
Balance at March 31, 2024	13,030	3,076	4,677	294,822	681	316,289	32,674	1,624,600

## Consolidated Statement of Changes in Net Assets

Kawasaki Kisen Kaisha Ltd. and Consolidated Subsidiaries for the year ended March 31, 2025

(Million yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2024	75,457	29,102	1,178,723	(7,648)	1,275,636
Cumulative effects of changes in accounting policies					-
Restated balance	75,457	29,102	1,178,723	(7,648)	1,275,636
Change in items during the year					
Cash dividends			(69,373)		(69,373)
Profit (loss) attributable to owners of the parent			305,384		305,384
Purchase of treasury stock				(166,130)	(166,130)
Disposal of treasury stock		0		238	238
Cancellation of treasury stock		(0)	(165,455)	165,455	-
Disposal of treasury stock for the Board Benefit Trust					-
Purchase of treasury stock by the Board Benefit Trust					-
Changes in a foreign affiliated company's interests in its subsidiary					-
Change in treasury stock arising from change in equity in entities accounted for under the equity method				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		3,392			3,392
Reversal of revaluation reserve for land			33		33
Net changes in retained earnings from changes in scope of consolidation or equity method			(712)		(712)
Net changes in items other than shareholders' equity					
Net changes during the year	-	3,392	69,876	(437)	72,831
Balance at March 31, 2025	75,457	32,495	1,248,600	(8,085)	1,348,467

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized holding gain (loss) on investments in securities	Deferred gain (loss) on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2024	13,030	3,076	4,677	294,822	681	316,289	32,674	1,624,600
Cumulative effects of changes in accounting policies								-
Restated balance	13,030	3,076	4,677	294,822	681	316,289	32,674	1,624,600
Change in items during the year								
Cash dividends								(69,373)
Profit (loss) attributable to owners of the parent								305,384
Purchase of treasury stock								(166,130)
Disposal of treasury stock								238
Cancellation of treasury stock								-
Disposal of treasury stock for the Board Benefit Trust								-
Purchase of treasury stock by the Board Benefit Trust								-
Changes in a foreign affiliated company's interests in its subsidiary								-
Change in treasury stock arising from change in equity in entities accounted for under the equity method								(1)
Change in ownership interest of parent due to transactions with non-controlling interests								3,392
Reversal of revaluation reserve for land								33
Net changes in retained earnings from changes in scope of consolidation or equity method								(712)
Net changes in items other than shareholders' equity	(39)	(9)	(100)	(17,632)	1,459	(16,322)	(3,659)	(19,982)
Net changes during the year	(39)	(9)	(100)	(17,632)	1,459	(16,322)	(3,659)	52,849
Balance at March 31, 2025	12,991	3,066	4,576	277,190	2,141	299,966	29,015	1,677,449

## Consolidated Statement of Cash Flows

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from operating activities:		
Profit (loss) before income taxes	130,891	319,973
Depreciation and amortization	44,550	49,137
Increase (decrease) in liability for retirement benefits	(1,662)	285
(Increase) decrease in asset for retirement benefits	(986)	(2,555)
Increase (decrease) in retirement benefits liability adjustments	3,059	2,052
Increase (decrease) in provision for directors' and audit and supervisory board members' retirement benefits	(44)	(1)
Increase (decrease) in provision for periodic dry docking of vessels	1,680	1,493
Increase (decrease) in provision for loss related to the Anti-Monopoly Act	2,485	-
Increase (decrease) in provision for loss on chartering contracts	(4,166)	(2,236)
Increase (decrease) in provision for loss on litigation	-	314
Increase (decrease) in provision for directors' stock benefits	1,267	355
Interest and dividend income	(7,095)	(8,093)
Interest expenses	9,564	7,339
Foreign exchange losses (gains)	(5,735)	4,283
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(49,114)	(202,052)
(Gain) loss on sales of vessels, property and equipment	(1,916)	(11,785)
(Gain) loss on valuation of marketable securities	1,558	-
Loss on valuation of shares of subsidiaries and affiliates	249	91
Loss on retirement of non-current assets	33	85
(Increase) decrease in accounts and notes receivable - trade and contract assets	(19,248)	15,803
(Increase) decrease in inventories	(3,821)	4,013
(Increase) decrease in other current assets	(3,056)	(1,116)
Increase (decrease) in accounts and notes payable - trade	11,856	(7,937)
Increase (decrease) in other current liabilities	10,335	(4,227)
Other, net	(497)	(39)
Subtotal	<u>120,187</u>	<u>165,183</u>
Interest and dividends income received	106,935	124,564
Interest expenses paid	(9,861)	(7,227)
Payments related to the Anti-Monopoly Act	(459)	(2,344)
Income taxes paid	(14,353)	(7,002)
Net cash provided by (used in) operating activities	<u>202,449</u>	<u>273,173</u>
Cash flows from investing activities:		
Payments into time deposits	(4,630)	(5,148)
Proceeds from withdrawal of time deposits	4,351	4,972
Purchases of marketable securities and investment securities	(8,520)	(29,360)
Proceeds from sales of marketable securities and investment securities	574	4,261
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	33	-
Purchase of vessels, property and equipment	(82,323)	(129,713)
Proceeds from sales of vessels, property and equipment	20,223	33,369
Purchase of intangible assets	(2,183)	(2,377)
Payments of long-term loans receivable	(329)	(1,119)
Collection of long-term loans receivable	7,113	1,182
Other, net	(641)	(2,202)
Net cash provided by (used in) investing activities	<u>(66,332)</u>	<u>(126,133)</u>

## Consolidated Statement of Cash Flows

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from financing activities:		
Increase (decrease) in short-term loans, net	(166)	(445)
Proceeds from long-term loans	26,982	82,634
Repayments of long-term loans and obligations under finance leases	(101,716)	(62,417)
Proceeds from issuance of bonds	8,000	6,000
Purchase of treasury stock	(56,353)	(166,394)
Cash dividends paid	(98,307)	(69,328)
Cash dividends paid to non-controlling interests	(1,707)	(1,812)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(80)
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	134	-
Other, net	(48)	199
Net cash provided by (used in) financing activities	<u>(223,182)</u>	<u>(211,646)</u>
Effect of exchange rate changes on cash and cash equivalents	9,708	(5,332)
Net increase (decrease) in cash and cash equivalents	<u>(77,357)</u>	<u>(69,939)</u>
Cash and cash equivalents at beginning of the year	346,831	269,474
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	0	2,021
Cash and cash equivalents at end of the year	<u>269,474</u>	<u>201,557</u>

## 8. Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

(Change in Accounting Standards)

(Application of the Accounting Standard for Current Income Taxes)

Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been adopted from the beginning of the fiscal year ended March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting standards has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for the tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year ended March 31, 2025. This change in accounting standards was applied retrospectively. Hence, the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting standards has no impact on the consolidated financial statements for the prior fiscal year.

(Changes of currency conversion method into Japanese yen in income and expenses of foreign consolidated subsidiaries)

Income and expenses of foreign affiliate companies had used to be converted into Japanese yen by using spot rate on the financial closing date. Considering the increased importance of foreign consolidated subsidiaries, and these days aggressive movement of currency exchange rate, the method of using the average conversion rate during the term may reflect the business results of foreign subsidiaries to the consolidated financial statements much clearer than using the spot rate on the financial closing date, therefore the Company have changed the conversion rate to average rate during the term from the beginning of the fiscal year ended March 31, 2025.

Regarding figures on the previous fiscal year end, the Company adopt the newly changed conversion method.

By this currency conversion method change, operating revenues of the previous fiscal year end is decreased by ¥4,361 million, operating income (loss) is decreased by ¥609 million, ordinary income (loss) is decreased by ¥3,068 million, profit (loss) before income taxes is decreased by ¥2,856 million, profit (loss) attributable to owners of the parent is decreased by ¥2,786 million and profit (loss) per share is decreased by ¥3.86 comparing to the figures by using the previous method. Moreover, accumulated affecting amount reflects the outstanding balance of net assets as of April 1, 2023 and therefore outstanding balance of retained earnings as of April 1, 2023 is decreased by ¥51,763 million and outstanding balance of foreign currency translation adjustments is increased by the same amount.

(Accounting Standards Issued but Not Yet Effective)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024, ASBJ)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024, ASBJ), etc.

(1) Overview

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS 16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise nonconsolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc. Regarding the method for allocating the lease expenses in the lessee’s accounting treatment, using the same approach as IFRS 16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date of application

To be applied effective from the beginning of the period ending March 2028.

(3) Impact from the application of the accounting standard, etc.

The impact from the application of the “Accounting Standard for Leases,” etc. on the financial statements is currently under evaluation.

## Segment information

Year ended March 31, 2024

(Million yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	290,094	102,507	544,516	9,970	947,088	-	947,088
Other revenues	3,421	3,155	4,154	118	10,850	-	10,850
Operating revenues from customers	293,516	105,662	548,671	10,089	957,939	-	957,939
Inter-group revenues and transfers	94	15	4,330	68,688	73,128	(73,128)	-
Total revenues	293,610	105,678	553,001	78,777	1,031,068	(73,128)	957,939
Segment profit (loss)	3,593	7,512	128,621	1,433	141,161	(8,432)	132,728
Segment assets	248,392	255,602	1,552,490	47,265	2,103,750	5,682	2,109,432
Depreciation and amortization	15,387	10,901	17,277	737	44,303	246	44,550
Interest income	237	742	595	120	1,695	2,058	3,754
Interest expenses	2,329	2,344	309	28	5,012	4,551	9,564
Equity in earnings (loss) of unconsolidated subsidiaries and affiliates	60	2,984	45,718	351	49,114	-	49,114
Investments in subsidiaries and affiliates accounted for by the equity method	720	41,367	1,023,463	5,183	1,070,735	-	1,070,735
Increase in vessels, property and equipment, and intangible assets	11,737	40,032	32,963	268	85,002	396	85,398

Year ended March 31, 2025

(Million yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	316,632	98,036	610,123	10,688	1,035,481	-	1,035,481
Other revenues	5,724	3,880	2,734	124	12,463	-	12,463
Operating revenues from customers	322,357	101,917	612,857	10,812	1,047,944	-	1,047,944
Inter-group revenues and transfers	77	365	5,385	74,205	80,033	(80,033)	-
Total revenues	322,434	102,282	618,243	85,017	1,127,978	(80,033)	1,047,944
Segment profit (loss)	13,596	4,992	294,329	968	313,887	(5,798)	308,089
Segment assets	246,239	289,864	1,621,241	33,634	2,190,980	19,069	2,210,049
Depreciation and amortization	16,344	11,834	19,782	822	48,783	353	49,137
Interest income	353	1,139	1,147	103	2,744	2,313	5,058
Interest expenses	1,943	2,664	799	25	5,433	1,906	7,339
Equity in earnings (loss) of unconsolidated subsidiaries and affiliates	119	(218)	201,967	183	202,052	-	202,052
Investments in subsidiaries and affiliates accounted for by the equity method	670	49,207	1,086,473	5,479	1,141,831	-	1,141,831
Increase in vessels, property and equipment, and intangible assets	35,425	11,089	86,061	109	132,685	756	133,441

The Company has changed the currency conversion method into Japanese yen in income and expenses of foreign consolidated subsidiaries from using spot rate on the financial closing date to average rate of during the term from the beginning of the fiscal year ended March 31, 2025. Due to this change, the Company has compared the results for the fiscal year ended March 31, 2025, and the results for the fiscal year ended March 31, 2024, that have been re-presented retrospectively.

(Significant Subsequent Event)

Not applicable.