(Translation)

NOTICE OF THE 157TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 157th term

(From April 1, 2024 to March 31, 2025)

Kawasaki Kisen Kaisha, Ltd.

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Dear Shareholders,

I would first like to express my sincere gratitude to you, our shareholders, for your continued support. I hereby announce the 157th Ordinary General Meeting of Shareholders of Kawasaki Kisen Kaisha, Ltd.

Following approval at the Extraordinary General Meeting of Shareholders held on March 28, 2025, the Company transitioned to a company with Nominating Committee, etc. On the same date, I assumed office as Representative Executive Officer, President & CEO. Although the environment surrounding the shipping industry remains uncertain due to geopolitical risks and changes in international trade and energy policies, we will aim for further enhancement in corporate value by working adaptively and strategically on our growth-driver businesses and environmental investments in decarbonization initiatives, based on our new corporate governance structure, which enables quick decision-making and greater supervision of these decisions.

We will continue to make every effort to meet the expectations of our shareholders and look forward to your unwavering support as we do so.

Takenori Igarashi
Director, Representative Executive Officer, President & CEO

(Securities Code: 9107)
May 30, 2025

To our Shareholders:

Takenori Igarashi
Director, Representative Executive Officer, President & CEO
Kawasaki Kisen Kaisha, Ltd.
8 Kaigan-dori, Chuo-ku, Kobe, Japan

Notice of the 157th Ordinary General Meeting of Shareholders

We are pleased to announce the 157th Ordinary General Meeting of Shareholders of Kawasaki Kisen Kaisha, Ltd. (hereinafter referred to as “the Company”), details of which are set forth below.

If you are not attending the meeting in person, please review the after-mentioned “Reference Materials for the General Meeting of Shareholders” and exercise your voting rights in advance either via the Internet, etc. or in writing (by post) in accordance with “Guidance for Exercise of Voting Rights” on page 6. Please ensure that your votes reach the Company no later than 5:00 p.m., Thursday, June 19, 2025 (Japan Standard Time).

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the website shown below to review the information.

The Company’s Website: https://www.kline.co.jp/ir/stock/meeting.html (in Japanese)

In addition, apart from posting matters for which measures for providing information in electronic format are to be taken on the Company’s website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE) and the website of Sumitomo Mitsui Trust Bank. Please refer below.

The Tokyo Stock Exchange website (Listed Company Search): https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show (in Japanese)

(Access the TSE website indicated above, enter “Kawasaki Kisen” in the “Issue name (company name)” or the Company’s securities code “9107” in the “Code” and Search. Then select “Basic information” followed by “Documents for public inspection/PR information” and review the information from the “Notice of General Shareholders Meeting/Information Materials for a General Shareholder Meeting” under “Filed information available for public inspection.”)

The Portal of Shareholders’ Meeting (Sumitomo Mitsui Trust Bank, Limited): https://www.soukai-portal.net (in Japanese)

Please scan the QR Code on the Voting Rights Exercise Form or access the above URL and enter your ID and password.

1. Date and time: 10:00 a.m., Friday, June 20, 2025 (Japan Standard Time)
(Reception desk scheduled to open at 9:00 a.m.)

2. Location: Iino Hall, 4th floor, Iino Building,
1-1, Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo

3. Agenda:

Matters to be reported:

Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements and Audit Reports by the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements for the Fiscal Year from April 1, 2024 to March 31, 2025

Matters to be resolved:

Proposition 1 Appropriation of Surplus
Proposition 2 Election of ten (10) Directors

- We will send paper-based documents stating the items concerning measures for providing information in electronic format to shareholders who requested the delivery of paper-based documents, but in accordance with the provisions of relevant laws and regulations and the Company's Articles of Incorporation, these paper-based documents do not include the following items.

  - "Core Business"
  - "Principal Lenders"
  - "Matters Related to Stock Acquisition Rights"
  - "Status of Accounting Auditor"
  - "System to Ensure Proper Business Operations"
  - "Outline of Operational Status of System to Ensure Proper Business Operations"
  - "Consolidated Statement of Changes in Net Assets"
  - "Notes to Consolidated Financial Statements"
  - "Non-consolidated Statement of Changes in Net Assets"
  - "Notes to Non-consolidated Financial Statements"

  The Audit Committee and the Accounting Auditor have audited the documents subject to audit, including the above items.

- If there are any amendments to items concerning measures for providing information in electronic format, a statement that the items have been amended, as well as the items before and after the amendment, will be posted on each of the aforementioned websites where the Company takes measures for providing information in electronic format.

- For those attending the meeting on the day, please submit the Voting Rights Exercise Form at the reception desk.
- In the event that the voting rights have been exercised in writing with the Voting Rights Form and where no vote for or against a proposal has been indicated on the Voting Rights Form, it shall be treated as a vote for the proposal.
- In the event that the exercise of votes is duplicated by both the method of postal mail and the Internet, etc., the vote received last shall be deemed valid. However, if the duplicate votes are received on the same date, the vote via the Internet, etc. shall be deemed valid. If you exercise your voting rights via the Internet, etc. multiple times, the vote exercised last shall be deemed valid.
- This General Meeting of Shareholders will be livestreamed on the day of the meeting, and the video will be posted on the aforementioned Company's website at a later date.

Guidance for Exercise of Voting Rights

Please exercise your voting rights after reviewing the Reference Materials for the General Meeting of Shareholders listed on pages 9 to 24.
You may exercise your voting rights by one of the following three methods.

1. By attending the shareholders' meeting
Please submit the enclosed Voting Rights Exercise Form to the reception at the meeting venue.

2. By submitting Voting Rights Exercise Form by postal mail
Please indicate your approval or disapproval of each of the Propositions on the Voting Rights Exercise Form and send it by postal mail to arrive at the Company no later than 5:00 p.m., Thursday, June 19, 2025 (Japan Standard Time).

3. By exercising voting rights via the Internet
Please follow the instructions on the following page and exercise your voting rights by 5:00 p.m., Thursday, June 19, 2025 (Japan Standard Time).
Please see the following page for details.

Exercise of Voting Rights via the Internet, etc.

Exercise of Voting Rights via a smartphone, etc.
You can simply login to the Voting Right Exercise Website without entering your voting right exercise code and password.

1. Please scan the QR Code® printed on the lower right-hand side of the Voting Rights Exercise Form.
   * "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Tap the "To Exercise of Voting Rights" button on the Portal of Shareholders' Meeting top screen.

3. Indicate your approval or disapproval by following the instructions on the screen.

Please note that exercising voting rights by using "Smart Vote®" method is available only once.
If you need to change your votes after exercising your voting rights, please login to the Voting Right Exercise Website for PC by using your "Voting Right Exercise Code" and "Password" printed on the Voting Rights Exercise Form, and exercise your voting rights again.
* If you rescan the QR Code, you can access the Voting Right Exercise Website for PC.

Exercise of Voting Rights via a PC, etc.
Access the URL shown below, by entering the Portal of Shareholders' Meeting Login ID and Password printed on the Voting Rights Exercise Form.
After logging in, please indicate your approval or disapproval by following the instructions on the screen.

The Portal of Shareholders' Meeting https://www.soukai-portal.net (in Japanese)

You can continue to use the Voting Right Exercise Website (https://www.web54.net). (in Japanese)

Acceptance of questions in advance We will accept questions from shareholders in advance. Login to the Portal of Shareholders' Meeting and tap or click the "Questions in advance" button on the top screen. The "Enter questions in advance" screen will appear, so please enter your questions following the instructions on the screen. (1) Deadline for questions: 5:00 p.m., Tuesday, June 10, 2025 (Japan Standard Time) (2) Points to note We plan to answer the questions received from shareholders that are of high interest on the day of the General Meeting of Shareholders. Questions not answered on the day of the General Meeting of Shareholders will be responded to on our website after the conclusion of the meeting. Please understand that we do not guarantee a response to every question received.

* If you exercise your voting rights via the Internet, etc. multiple times, the vote exercised last will be recorded as the effective vote.
* If you exercise your voting rights both via the Internet, etc. and by postal mail, the vote that reaches us last will be recorded as the effective vote. If both votes via the Internet, etc. and by postal mail arrive on the same day, the one exercised via the Internet, etc. will be recorded as the effective vote.

If you have any technical inquiries regarding the operation of a PC, etc. for voting on this site, please contact the following:

Dedicated phone line for Securities Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

[Telephone number within Japan] 0120-652-031 (Toll free)
(Business hours: 9:00 – 21:00, Japan Standard Time)

Please refer to the Q&A using the QR Code.

* Institutional investors may also use the "Electronic Voting Rights Exercise Platform" operated by ICJ, Inc. to electronically exercise the voting rights for this General Meeting of Shareholders.

Reference Materials for the General Meeting of Shareholders

Proposition 1: *Appropriation of Surplus*

The Company proposes the appropriation of surplus as follows:

Matters related to the year-end dividend

The Company's basic policy is to improve 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 ensuring the investment level and financial stability necessary to improve our corporate value while being conscious of optimal capital structure and cash allocation. In accordance with this basic policy, the Company would like to pay the below year-end dividend for the current fiscal year.

1. Type of dividend property
   Cash
2. Allotment of dividend property and total amount of their aggregate amount
   50 yen per common stock of the Company
   Total amount of 31,902,980,400 yen
3. Effective date of dividends of surplus
   June 23, 2025

Proposition 2: ***Election of ten (10) Directors***

The terms of office for all ten (10) Directors will expire upon the conclusion of this meeting.
Therefore, the Company requests that ten (10) Directors be elected at this meeting based on the decision of the Nominating Committee.
The candidates are as follows:

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summaries, positions and areas of responsibility in the Company
(Significant concurrent positions)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="10">1</td><td rowspan="10">Yukikazu Myochin
(March 27, 1961)

<Reappointed>

Attendance at Board meetings:

100%
(19/19 meetings)

Term of office as Director: 9 years</td><td>April, 1984</td><td>Joined the Company</td><td rowspan="10">144,300 shares</td></tr>
<tr><td>January, 2010</td><td>General Manager of Containerships Business Group</td></tr>
<tr><td>April, 2011</td><td>Corporate Officer</td></tr>
<tr><td>April, 2016</td><td>Managing Corporate Officer</td></tr>
<tr><td>June, 2016</td><td>Director, Managing Corporate Officer</td></tr>
<tr><td>April, 2018</td><td>Representative Director, Senior Managing Corporate Officer</td></tr>
<tr><td>April, 2019</td><td>Representative Director, President & CEO</td></tr>
<tr><td>March, 2025</td><td>Director, Chairperson of the Board (Current)</td></tr>
<tr><td></td><td>Member of the Nominating Committee
Member of the Compensation Committee
President, The Japanese Shipowners' Association</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for Director:
Mr. Yukikazu Myochin has served as Representative Director, President & CEO since April 2019, and assumed office as Director, Chairperson of the Board in March 2025. Further, he formulated and executed management plans amid an ongoing difficult and unstable business environment due to the spread of COVID-19 from the beginning of 2020 and achieved substantial improvement in business results since the fiscal year ended March 31, 2021. His broad and deep knowledge and experience as a leader are essential for strengthening the management supervision under the new corporate governance system and enhancing corporate value over the medium to long term. Accordingly, the Company requests his election as Director. There is no special interest between Mr. Myochin and the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summaries, positions and areas of responsibility in the Company
(Significant concurrent positions)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="7">2</td><td rowspan="7">Takenori Igarashi
(March 5, 1967)

<Reappointed>

Attendance at Board meetings:

100%
(1/1 meeting)

Term of office as Director: 3 months</td><td>October, 1991</td><td>Joined the Company</td><td rowspan="7">4,600 shares</td></tr>
<tr><td>October, 2016</td><td>General Manager, Corporate Planning Group</td></tr>
<tr><td>April, 2019</td><td>Corporate Officer</td></tr>
<tr><td>April, 2021</td><td>Managing Corporate Officer</td></tr>
<tr><td>April, 2024</td><td>Senior Managing Corporate Officer</td></tr>
<tr><td>March, 2025</td><td>Director, Representative Executive Officer, President & CEO (Current)</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for Director:
Mr. Takenori Igarashi assumed office as Director, Representative Executive Officer, President & CEO of the Company in March 2025. Following many years of experience in the Car Carrier Division, he joined the Corporate Planning Group in 2014, where he was involved in the development of the previous medium-term management plan and the establishment of the integrated containership business. He also promoted advanced management practices, forming the foundation for the business portfolio strategy currently being pursued under the current medium-term management plan. Since assuming the role of Corporate Officer of Car Carrier Division in 2019, he has played a key role in improving the division's performance by optimizing the fleet and enhancing operational and vessel allocation efficiency, even amidst the challenges of the COVID-19 pandemic. His leadership, backed by extensive knowledge and experience, is demonstrated by these achievements. The Company believes his capabilities are essential for completing the current medium-term management plan and formulating the next, and therefore, the Company requests again his election as Director. There is no special interest between Mr. Igarashi and the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summaries, positions and areas of responsibility in the Company
(Significant concurrent positions)</th><th>Number of the Company’s shares held</th></tr>
<tr><td rowspan="10">3</td><td rowspan="10">Kunihiko Arai
(November 16, 1959)

<Reappointed>

Attendance at Board meetings:

100%
(19/19 meetings)

Term of office as Director: 3 months</td><td>April, 1982</td><td>Joined the Company</td><td rowspan="10">38,400 shares</td></tr>
<tr><td>August, 2001</td><td>General Manager, “K” LINE PTE LTD Trade Management Division</td></tr>
<tr><td>July, 2012</td><td>Representative in Beijing, China (Representative Office closed in December 2012)
Managing Director, KLINE (CHINA) LTD. (retired in June 2019)</td></tr>
<tr><td>January, 2014</td><td>Managing Director, “K” LINE (HONG KONG) LIMITED (retired in January 2019)</td></tr>
<tr><td>April, 2015</td><td>Managing Corporate Officer</td></tr>
<tr><td>April, 2019</td><td>Special Advisor</td></tr>
<tr><td>June, 2019</td><td>Audit & Supervisory Board Member</td></tr>
<tr><td>March, 2025</td><td>Director (Current)</td></tr>
<tr><td></td><td>Standing Member of the Audit Committee</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for Director:
Mr. Kunihiko Arai primarily engaged in the containership business until his retirement as Corporate Officer in March 2019. His extensive experience includes assignments at subsidiaries of “K” LINE in Chile, Singapore, and China. He was appointed as Audit & Supervisory Board Member in June 2019, and appointed as Director in March 2025. Mr. Arai possesses broad and deep business knowledge contributing to effective monitoring of business operations, as well as considerable expertise in finance and accounting. Based on his track record of conducting effective audits since his appointment as Audit & Supervisory Board Member, the Company requests again his election as Director. If he is reelected, he is expected to assume again the role of the Standing Member of the Audit Committee. There is no special interest between Mr. Arai and the Company.</td></tr>
</table>

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)	Number of the Company's shares held
4	Keiji Yamada (April 5, 1954) <Reappointed> <Independent & Outside Director> Attendance at Board meetings: 100% (19/19 meetings) Term of office as Outside Director: 6 years	April, 1977 Joined Ministry of Home Affairs (currently known as Ministry of Internal Affairs and Communications) July, 1982 Superintendent of Amakusa Tax Office, National Tax Agency July, 1983 Manager of Local Affairs Division, General Affairs Department, Wakayama Prefecture September, 1985 Deputy General Manager of San Francisco Tourism Promotion Office, Japan National Tourist Organization April, 1989 Manager of Finance Division, General Affairs Department, Kochi Prefecture January, 1992 Investigator, Local Administration Division, Local Administration Bureau, Ministry of Home Affairs July, 1992 Counsellor, Cabinet Legislation Bureau July, 1997 Manager, Land Information Division, Land Bureau, National Land Agency (currently known as Ministry of Land, Infrastructure, Transport and Tourism) August, 1999 Director, General Affairs Department, Kyoto Prefecture June, 2001 Vice-Governor, Kyoto Prefecture April, 2002 Governor, Kyoto Prefecture (retired in April 2018) April, 2011 President, National Governors' Association (retired in April 2018) April, 2018 Vice-President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University June, 2019 Outside Director of the Company (Current) March, 2020 Outside Audit & Supervisory Board member, HORIBA, Ltd. (Current) April, 2020 Special Advisor to the President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University November, 2020 Outside Director, TOSE CO., LTD. (Current) April, 2021 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	2,100 shares

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)		Number of the Company's shares held
		June, 2024	President, The Educational Corporation of Kyoto Sangyo University, Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University (Current) Director, Lead Outside Director Chairperson of the Nominating Committee Member of the Compensation Committee	
		Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Keiji Yamada has experience in prominent positions with central/local governmental offices such as former Ministry of Home Affairs, and also served 4 terms (16 years) as Governor of Kyoto Prefecture. He has been an Outside Director of the Company since June 2019. Mr. Yamada does not have prior experience of direct involvement in corporate management by methods other than serving as an outside director, however, his wide range of experience/personal network and insight has been utilized in the Company's management. He has served as the Lead Outside Director and been fulfilling his role of making active suggestions at the Board of Directors meetings and supervising the Company's management and execution of business through his activities in his position as Chairperson of the Nomination Advisory Committee and Member of the Remuneration Advisory Committee. Therefore, the Company requests that he again be elected as Outside Director. Following his appointment, the Company expects that he will continue to fulfill these roles. There is no special interest between Mr. Yamada and the Company. As Mr. Yamada satisfies the criteria for independence of Outside Director provided by the Company, the Company has designated him as an independent director pursuant to the regulations of the Tokyo Stock Exchange where its stock is listed, and if he is reelected, the Company plans to continue to appoint him as an independent director.		

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)	Number of the Company's shares held
5	Ryuhei Uchida (October 6, 1977) <Reappointed> <Outside Director> Attendance at Board meetings: 100% (19/19 meetings) Term of office as Outside Director: 6 years	April, 2002 Joined Mitsubishi Corporation December, 2009 Joined Innovation Network Corporation of Japan, Vice-President of Investment December, 2012 Joined Effissimo Capital Management Pte Ltd, Director (Current) June, 2019 Outside Director of the Company (Current) Member of the Nominating Committee Member of the Compensation Committee Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Ryuhei Uchida first joined Mitsubishi Corporation, mainly served for supporting investments for Japanese and foreign non-listed companies, then joined Innovation Network Corporation of Japan, being in charge of investments for foreign non-listed companies and supporting business start-ups for Japanese non-listed companies, as well as also serving as an Outside Director for both British and Chilean companies. Currently he is in charge of managing investments of Japanese-listed companies as a Director of our shareholder, Effissimo Capital Management Pte Ltd. He has been an Outside Director of the Company since June 2019 and his abundant experience and insight in corporate value enhancement has been utilized in the Company's management. The Company judges that his proactive opinions given as a Director with the perspective of our shareholder and his supervision on its management and the execution of business will bring common benefits to shareholders and contribute to improving the Group's corporate governance. Therefore, the Company requests that he again be elected as Outside Director. Following his appointment, the Company expects that he will continue to appropriately fulfill these roles. There is no special interest between Mr. Uchida and the Company. Mr. Uchida satisfies the requisite for Outside Director in the Companies Act; however, due to conflicts with the shareholder requisite in the criteria for independence of Outside Directors provided by the Company, the Company requests him to be elected as a non-independent Outside Director.	0 shares

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)		Number of the Company's shares held
6	Koji Kotaka (May 14, 1958) <Reappointed> <Independent & Outside Director> Attendance at Board meetings: 100% (19/19 meetings) Term of office as Outside Director: 2 years	April, 1987	Joined Sato and Tsuda Law Office (retired in March 1988)	33,100 shares
		August, 1990	Joined Goldman Sachs Japan Co., Ltd.	
		November, 1998	Managing Director, Goldman Sachs Japan Co., Ltd.	
		November, 2006	Partner, Goldman Sachs Japan Co., Ltd. (retired in November 2008)	
		November, 2009	Counsel, Nishimura & Asahi (retired in December 2010)	
		January, 2011	Representative Attorney, Koji Kotaka & Associates (Current)	
		September, 2012	Senior Advisor, Apollo Global Management LLC (Current)	
		June, 2013	Outside Director, Monex Group, Inc. (retired in June 2018)	
		February, 2016	Outside Director, LINE Corporation (retired in February 2021)	
		March, 2018	Outside Director, Kenedix, Inc. (retired in March 2021)	
		March, 2021	Member of the Management Committee, Kenedix, Inc. (Current)	
		May, 2022	Senior Advisor, Greenhill & Co., Japan Ltd. (retired in December, 2023)	
		June, 2023	Outside Director of the Company (Current) Member of the Nominating Committee Chairperson of the Audit Committee Member of the Compensation Committee	

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)	Number of the Company's shares held
		Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Koji Kotaka, in addition to being a lawyer, has experience in roles such as a company director in a broad range of industries including securities, investment banking, IT and real estate, and has substantial insight on finance and accounting. The Company judges that his expertise in law, particularly his abundant insight into the investment area contributes to the Company's management. Accordingly, he has been elected as Outside Director of the Company since June 2023. He draws on his abundant experience in law, finance and accounting and broad insight, which also includes investment and IR, to appropriately fulfill his role of actively making suggestions at the Board of Directors meetings and supervising the execution of business as Outside Director of the Company through his activities in his position as Chairperson of the Remuneration Advisory Committee and Member of the Nomination Advisory Committee. Therefore, the Company requests that he again be elected as Outside Director. After his appointment, the Company expects that he will continue to appropriately fulfill these roles and, as Chairperson of the Audit Committee, he will conduct effective audits from an independent and external perspective. There is no special interest between Mr. Kotaka and the Company. As Mr. Kotaka satisfies the criteria for independence of Outside Director provided by the Company, the Company has designated him as an independent director pursuant to the regulations of the Tokyo Stock Exchange where its stock is listed, and if he is reelected, the Company plans to continue to appoint him as an independent director.	

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)		Number of the Company's shares held
7	Hiroyuki Maki (November 15, 1980) <Reappointed> <Independent & Outside Director> Attendance at Board meetings: 100% (19/19 meetings) Term of office as Outside Director: 2 years	August, 2004	Representative Director, Melco Asset Management Limited (retired in October 2006)	0 shares
		November, 2006	Representative Director, Melco Asset Management Pte. Ltd. (retired in September 2007)	
		October, 2007	Representative Director, MAM PTE. LTD. (retired in May 2014)	
		June, 2011	Director, MELCO HOLDINGS INC. (currently known as BUFFALO INC.)	
		June, 2014	President & CEO, MELCO HOLDINGS INC.	
		May, 2018	President & CEO, BUFFALO INC. (retired in March 2025)	
		May, 2020	President & CEO, Buffalo IT Solutions Inc. (retired in May 2023)	
		October, 2020	President & CEO, Melco Financial Holdings Inc. (retired in April 2023)	
		May, 2021	President & CEO, BIOS Corporation (retired in May 2022)	
		May, 2022	Director, Shimadaya Corporation (scheduled to retire in June 2025)	
		June, 2022	Outside Director, Saison Information Systems Co., Ltd. (currently known as Saison Technology Co., Ltd.) (retired in June 2023)	
		June, 2023	Outside Director of the Company (Current)	
		July, 2023	President and CEO of MELCO Group Inc. (Current)	
		April, 2025	President & CEO, BUFFALO INC. (Current)	
			Member of the Audit Committee	

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)	Number of the Company's shares held
		Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Hiroyuki Maki is the President & CEO of BUFFALO INC., mainly engaged in IT related business and food business, and President and Director of its subsidiary companies. The Company judges that his abundant experience in Group business administration and substantial insight on finance and accounting contribute to the Company's management. Accordingly, he has been elected as Outside Director of the Company since June 2023. He draws on his abundant experience as a corporate manager and broad insight in the IT and digital realm to appropriately fulfill his role of actively making suggestions at the Board of Directors meetings and supervising the execution of business as Outside Director of the Company through his activities in his position as Member of the Nomination Advisory Committee and Member of the Remuneration Advisory Committee. Therefore, the Company requests that he again be elected as Outside Director. After his appointment, the Company expects that he will continue to appropriately fulfill these roles and, as Member of the Audit Committee, he will conduct effective audits from an independent and external perspective. There is no special interest between Mr. Maki and the Company. As Mr. Maki satisfies the criteria for independence of Outside Director provided by the Company, the Company has designated him as an independent director pursuant to the regulations of the Tokyo Stock Exchange where its stock is listed, and if he is reelected, the Company plans to continue to appoint him as an independent director.	

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)		Number of the Company's shares held
8	Takako Masai (March 8, 1965) <Reappointed> <Independent & Outside Director> Attendance at Board meetings: 100% (14/14 meetings) Term of office as Outside Director: 1 year	November, 1988	Joined Scotiabank, Tokyo	300 shares
		July, 1989	Joined the Toronto-Dominion Bank, Tokyo	
		March, 1998	Head of Financial Products Division, Tokyo Branch, Crédit Agricole Indosuez Bank (currently known as Crédit Agricole CIB)	
		May, 2007	General Manager, Capital Markets Division, Shinsei Bank, Limited (currently known as SBI Shinsei Bank, Limited)	
		April, 2013	Executive Officer, Head of Markets Research Department, Markets Sub-Group, Shinsei Bank, Limited.	
		July, 2015	Executive Officer, General Manager of Markets Research Division, Shinsei Bank, Limited.	
		June, 2016	Member of the Policy Board, Bank of Japan (retired in June 2021)	
		June, 2021	Director, SBI Financial and Economic Research Institute Co., Ltd. (Current)	
		July, 2021	Outside Director, Mitsubishi Chemical Holdings Corporation (currently known as Mitsubishi Chemical Group Corporation) (retired in June 2023)	
		July, 2021	Outside Director, TOBISHIMA CORPORATION (currently known as TOBISHIMA HOLDINGS Inc.) (Current) Advisory Board member of Sim Kee Boon Institute for Financial Economics (Current)	
		August, 2021	Representative Director (currently Chairperson), SBI Financial and Economic Research Institute Co., Ltd. (Current) Outside Director, BlackRock Japan Co., Ltd. (retired in August 2023)	
		April, 2022	Guest Professor, Jissen Women's University (retired in March 2025)	
		June, 2024	Outside Director of the Company (Current) Outside Director, Daio Paper Corporation (Current)	
		August, 2024	Outside Director (Audit and Supervisory Committee Member), Bewith, Inc. (Current)	
		December, 2024	Director, TNL Mediagene (Current) Member of the Nominating Committee Chairperson of the Compensation Committee	

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)	Number of the Company's shares held
		Reasons for nomination as candidate for Outside Director and summary of expected roles: Ms. Takako Masai has experience in promoting business related to the financial market in both foreign and domestic banks. She has also been involved in the formulation of monetary policy as a deliberation member of the Policy Board at the Bank of Japan. The Company judges that her abundant experience in the financial market, insights of financial economics, and knowledge on diversity will contribute to the Company's management. Accordingly, she has been elected as Outside Director of the Company since June 2024. Since her appointment, she has drawn on her broad insight to appropriately fulfill her role of making suggestions at the Board of Directors meetings and supervising the execution of business as Outside Director of the Company through her activities in her position as Member of the Nomination Advisory Committee and Member of the Remuneration Advisory Committee. Therefore, the Company requests that she again be elected as Outside Director. After her appointment, the Company expects that she will continue to appropriately fulfill these roles. There is no special interest between Ms. Masai and the Company. As Ms. Masai satisfies the criteria for independence of Outside Director provided by the Company, the Company has designated her as independent director pursuant to the regulations of the Tokyo Stock Exchange where its stock is listed, and if she is reelected, the Company plans to continue to appoint her as independent director.	

No.	Name (Date of birth)	Career summaries, positions and areas of responsibility in the Company (Significant concurrent positions)		Number of the Company's shares held
9	Atsumi Harasawa (August 28, 1967) <Reappointed> <Independent & Outside Director> Attendance at Board meetings: 100% (19/19 meetings) Term of office as Outside Director: 3 months	April, 1992	Joined Japan Airlines Co., Ltd. (resigned in March 2004)	1,600 shares
		December, 2009	Registered with Tokyo Bar Association Joined Sonderhoff & Einsel Law and Patent Office (resigned in June 2014)	
		June, 2014	Joined Digital Arts Inc. (resigned in March 2015)	
		April, 2015	Joined Yamasaki & Partners (resigned in October 2016)	
		November, 2016	Partner, Igarashi Watanabe & Esaka Law Office (Current)	
		April, 2018	Outside Auditor, Lawson Bank, Inc. (Current)	
		June, 2019	Outside Audit & Supervisory Board Member of the Company	
		June, 2020	Outside Director, RICOH LEASING COMPANY, LTD. (Current)	
		September, 2020	Outside Auditor, GiXo Ltd. (Current)	
		March, 2025	Outside Director of the Company (Current) Member of the Audit Committee	
		Reasons for nomination as candidate for Outside Director and summary of expected roles: Ms. Atsumi Harasawa is a qualified lawyer in Japan and possesses specialized knowledge and experience in corporate law, labor law, and intellectual property law, gained through her work at law firms. Furthermore, during her time at Japan Airlines Co., Ltd., she obtained a First-Class Aircraft Maintenance Technician license and contributed to the company's safe operations from a technical perspective, demonstrating her knowledge and experience in the transportation industry. While she has no prior experience directly participating in company management outside of serving as outside officer, she has served as Outside Audit & Supervisory Board Member since June 2019, demonstrating a proven track record of conducting effective audits from an independent, external perspective. Accordingly, the Company requests again her election as Outside Director. Following her appointment, the Company expects her to continue to appropriately fulfill the aforementioned roles and oversee business operations as Member of the Audit Committee. There is no special interest between Ms. Harasawa and the Company. As Ms. Harasawa satisfies the criteria for independence of Outside Director provided by the Company, the Company has designated her as independent director pursuant to the regulations of the Tokyo Stock Exchange where its stock is listed, and if she is reelected, the Company plans to continue to appoint her as independent director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summaries, positions and areas of responsibility in the Company
(Significant concurrent positions)</th><th>Number of the Company’s shares held</th></tr>
<tr><td rowspan="12">10</td><td rowspan="12">Shinsuke Kubo
(March 4, 1956)

<Reappointed>

<Independent & Outside Director>

Attendance at Board meetings:

100%
(19/19 meetings)

Term of office as Outside Director: 3 months</td><td>April, 1979</td><td>Joined Sanwa & Co. (currently known as Deloitte Touche Tohmatsu LLC)</td><td rowspan="12">6,000 shares</td></tr>
<tr><td>March, 1982</td><td>Registered as Certified Public Accountant</td></tr>
<tr><td>June, 1998</td><td>Representative Partner, Tohmatsu & Co. (currently known as Deloitte Touche Tohmatsu LLC)</td></tr>
<tr><td>September, 2017</td><td>Retired from Deloitte Touche Tohmatsu LLC</td></tr>
<tr><td>October, 2017</td><td>Managing Partner, Shinsuke Kubo CPA Office (Current)</td></tr>
<tr><td>January, 2018</td><td>Representative Director, Japan Enterprise Sustainable Transformation Advisory Co., Ltd. (retired in December 2020)</td></tr>
<tr><td>May, 2018</td><td>Representative Partner, Kyoei Accounting Office (Current)</td></tr>
<tr><td>June, 2018</td><td>Outside Audit & Supervisory Board Member, Japan Airlines Co., Ltd. (Current)</td></tr>
<tr><td>June, 2020</td><td>Outside Audit & Supervisory Board Member of the Company</td></tr>
<tr><td>March, 2025</td><td>Outside Director (Current)</td></tr>
<tr><td></td><td>Member of the Audit Committee</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for Outside Director and summary of expected roles:
Mr. Shinsuke Kubo is a Certified Public Accountant in Japan and possesses diverse experience and knowledge in auditing, supporting the listing of privately held companies, and corporate restructuring and M&A, gained through his work at audit firms both domestically and internationally. He also has extensive experience in founding and managing venture companies and businesses supporting corporate revitalization. He has served as Outside Audit & Supervisory Board Member since June 2020, demonstrating a proven track record of conducting effective audits from an independent, external perspective. Accordingly, the Company requests again his election as Outside Director. Following his appointment, the Company expects him to continue to appropriately fulfill the aforementioned roles and oversee business operations as Member of the Audit Committee. There is no special interest between Mr. Kubo and the Company.
As Mr. Kubo satisfies the criteria for independence of Outside Director provided by the Company, the Company has designated him as an independent director pursuant to the regulations of the Tokyo Stock Exchange where its stock is listed, and if he is reelected, the Company plans to continue to appoint him as an independent director.</td></tr>
</table>

Notes: 1) Messrs. Keiji Yamada, Ryuhei Uchida, Koji Kotaka, Hiroyuki Maki, Mses. Takako Masai and Atsumi Harasawa, and Mr. Shinsuke Kubo are candidates for Outside Director.

2) The Company has concluded a limited liability contract with Messrs. Yukikazu Myochin, Kunihiko Arai, Keiji Yamada, Ryuhei Uchida, Koji Kotaka, Hiroyuki Maki, Mses. Takako Masai and Atsumi Harasawa, and Mr. Shinsuke Kubo pursuant to Article 427, Paragraph (1) of the Companies Act. If the proposition is accepted, the Company intends to extend the contract with them. The overview of the contract is as follows.

Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, when acting in good faith and in the absence of any serious negligence, Directors (excluding those who are Executive Directors, etc.) may bear liability of 10,000,000 yen or the minimum liability amount stipulated in Article 425, Paragraph (1) of the Companies Act, whichever is higher, for the liabilities stipulated in Article 423, Paragraph (1) of the Companies Act.

3) The Company has concluded liability insurance contracts with an insurance company for Directors and Officers, etc., as stipulated in Article 430-3, Paragraph (1) of the Companies Act. The scope of the said contracts is for Directors, Audit & Supervisory Board Members, Executive Officers and Corporate Officers of the Company and its subsidiaries, and the insured does not bear the premium. The said contract covers damages that may arise from the insured assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, the coverage excludes illegal acts and the like of the insured carried out intentionally so that the properness of the execution of duties by the insured is not impaired. If the proposition is accepted, all candidates for Director will be insured under the policy. The term of said policy is one year and will be renewed upon a resolution by the Board of Directors before expiration of the term.

4) Ms. Takako Masai’s official name in the household register is Takako Nishida.

5) Attendance of Mr. Kunihiko Arai, Ms. Atsumi Harasawa, and Mr. Shinsuke Kubo at Board meetings includes their attendance as Audit & Supervisory Board Members.

<For your reference>
Policies and Procedures for Nomination of Candidates for Directors

To achieve the management plan, the Company's Board of Directors shall consist of a variety of individuals including the aspects of gender, internationality, career and age such as those with experience in managing corporations and other large organizations and those with expertise in the operational, technical, financial and other aspects of the shipping industry. This is to ensure constructive discussions and supervision based on diverse backgrounds and knowledge. The Company shall give extra consideration to such diversity when selecting candidates for Directors.
Directors shall possess broad and deep experience and insight that enable them to monitor operational execution while being of excellent character and highly aware of the importance of compliance with laws, regulations and social norms. With respect to the size of the Board of Directors, for the time being, the number of Directors shall be around 10, of whom one third or more shall be Independent Outside Directors.
Candidates for Directors shall be determined by the Nominating Committee chaired by an Independent Outside Director, the majority of which is comprised of Independent Outside Directors, through fair, transparent and rigorous deliberations. Based on these decisions, the Board of Directors shall then submit propositions regarding the appointment and dismissal of Directors to the general meeting of shareholders.

Director Skill Matrix

The expertise of candidates for director is as follows:

Name	Expertise							
	Corporate Management & Strategy	Legal & Risk Management	Finance & Accounting	Human Resources & Labor	Safety & Quality	Environment & Technology	Global	Sales & Marketing
Yukikazu Myochin	●	●		●	●	●	●	●
Takenori Igarashi	●	●	●		●	●	●	●
Kunihiko Arai	●	●	●				●	●
Keiji Yamada		●		●	●	●	●	
Ryuhei Uchida	●		●				●	
Koji Kotaka		●	●				●	
Hiroyuki Maki	●		●	●		●	●	●
Takako Masai	●		●				●	●
Atsumi Harasawa		●			●	●	●	
Shinsuke Kubo	●	●	●				●	

The Company has identified the skills (knowledge, experience, abilities, etc.) required of the Board of Directors based on the Company's materialities (priority issues) in its 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.

<For your reference>
Planned Composition of the Committees

If Proposition 2, "Election of ten (10) Directors," is approved as originally proposed, the composition of the Committees will be as follows.
The members and chairpersons of the committees will be selected at the Board of Directors and Committee meetings following the conclusion of this general meeting of shareholders.

Committee	Member (planned)	
Nominating Committee	Keiji Yamada	(Chairperson of the Nominating Committee, Outside Director)
	Ryuhei Uchida	(Outside Director)
	Koji Kotaka	(Outside Director)
	Takako Masai	(Outside Director)
	Yukikazu Myochin	(Director)
Audit Committee	Koji Kotaka	(Chairperson of the Audit Committee, Outside Director)
	Hiroyuki Maki	(Outside Director)
	Atsumi Harasawa	(Outside Director)
	Shinsuke Kubo	(Outside Director)
	Kunihiko Arai	(Director, Standing Member of the Audit Committee)
Compensation Committee	Takako Masai	(Chairperson of the Compensation Committee, Outside Director)
	Keiji Yamada	(Outside Director)
	Ryuhei Uchida	(Outside Director)
	Koji Kotaka	(Outside Director)
	Yukikazu Myochin	(Director)

<For your reference>
Criteria for Independence of Outside Directors

In addition to the requirements prescribed in the Companies Act, the Company specifies the criteria for the independence of Outside Directors for the purpose of electing them. An overview is provided below.

An Outside Director shall be judged to be independent if none of the following criteria apply.

1. A person who has been a business executor (meaning a business executor as provided for in Article 2, Paragraph (3), Item (6) of the Regulation for Enforcement of the Companies Act; the same shall apply hereinafter) of a corporate group for whom the "K" LINE Group ("the Group") is a major client within the past three years.
   "A corporate group for whom the Group is a major client" refers to a corporate group that has recorded sales to the Group in each of the years in this three-year period accounting for over 2% of consolidated sales in each such year for that corporate group.
2. A person who has been a business executor of a corporate group that is a major client of the Group within the past three years.
   "A corporate group that is a major client of the Group" refers to a corporate group to whom the Group has recorded sales in each of the years in the three-year period accounting for over 2% of the Group's consolidated sales in each such year.
3. A person who has, within the past three years, been a business executor of a financial institution or another principal creditor, or its parent company or important subsidiary that plays a critical role in the Group's financing to such a degree that it is irreplaceable for the Group.
4. A person who annually has been paid 10 million yen or more or has received other assets in an amount equivalent thereto other than officer's remuneration from the Group in the past three years; or a person who has, within the past three years, belonged to an audit firm, tax accounting firm, law firm, consulting firm or other professional advisory firm that has annually been paid 10 million yen or more or other assets in an amount equivalent thereto by the Group accounting for over 2% of the total revenues of such juridical person, etc. in the latest fiscal year. However, this shall not apply to a person who belongs to such juridical person in outline but has substantially no conflict of interest with the Group (a person who does not receive any compensation from such juridical person, for example).
5. A shareholder holding over 10% of the voting rights of the Company. If the shareholder is a juridical person, a person who has been a business executor of the shareholder or its parent company or subsidiary within the past three years.
6. A person who is a spouse or a relative of the second or less degree of a person falling under any of the above criteria.

<For your reference>

Key Initiatives to Enhance Corporate Governance

Basic principle of corporate governance

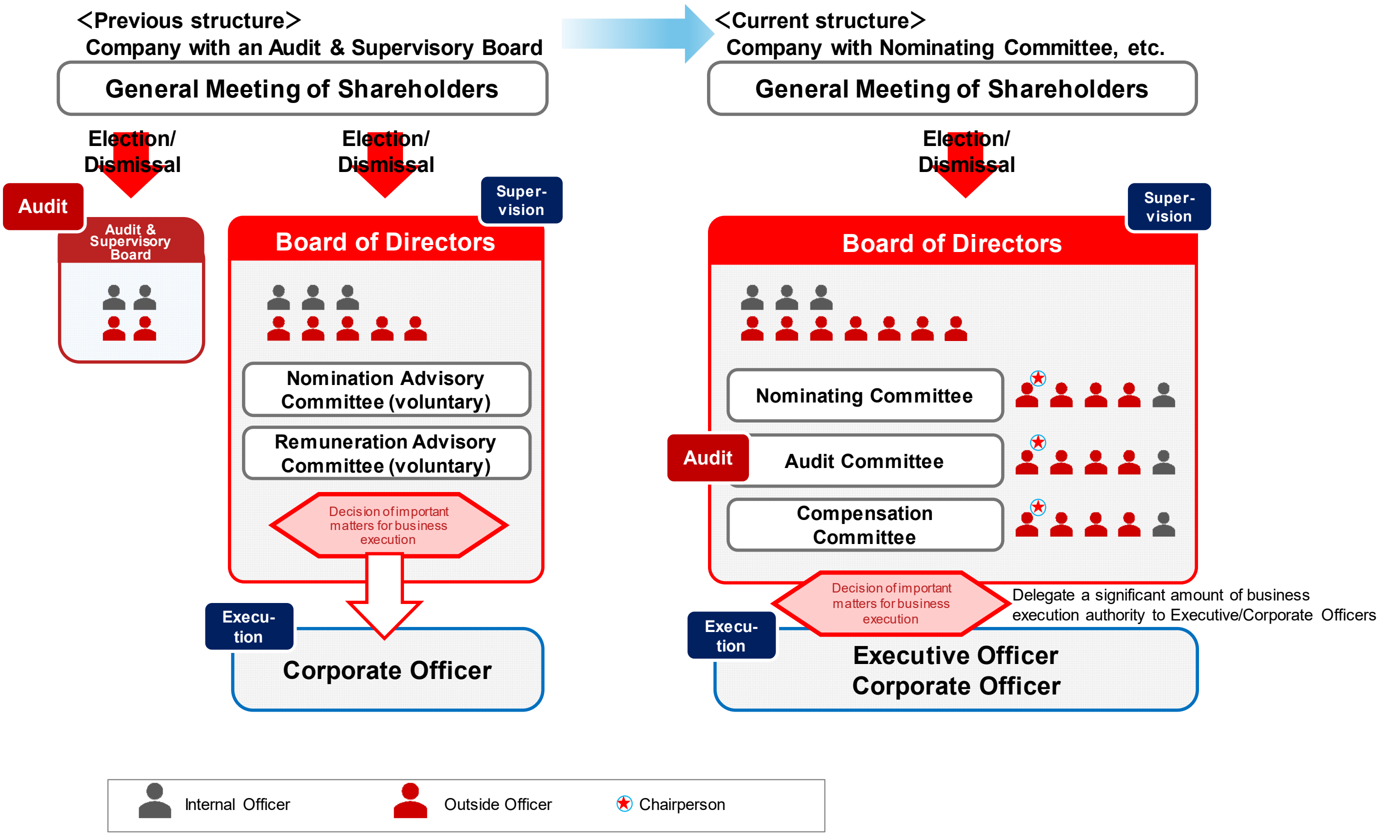
Solid corporate governance is essential for a company to fulfill its social responsibility, respond to the mandate bestowed by stakeholders and achieve sustainable growth.
The Company engages in initiatives to strengthen its framework of corporate governance and to develop and enhance systems for risk management, and continuously strives to increase its corporate value by acting in total accordance with our business ethics while building an organic and effective mechanism of governance, in conjunction with our achievement of increasingly robust earnings and a stronger financial standing.

Transition to a Company with Nomination Committee, etc.

The Company transitioned to a company with Nomination Committee, etc., upon approval at the Extraordinary General Meeting of Shareholders on March 28, 2025.

A company with Nominating Committee, etc. has a governance structure in which the roles of Directors who supervise management are clearly separated from the roles of Executive Officers who execute business operations. The Board of Directors focuses on determining management policy and otherwise performing supervision, while also delegating significant amount of business execution authority to Executive/Corporate Officers, thereby enabling Executive/Corporate Officers to make decisions more swiftly and manage operations more flexibly.

The Company has established three Committees (Nominating Committee, Audit Committee, and Compensation Committee) within the Board of Directors, with Outside Directors constituting a majority of the membership in each committee. This structure ensures highly transparent processes and strengthens corporate governance, with the Nominating Committee determining propositions regarding the nomination and dismissal of Directors for submission to the General Meeting of Shareholders, the Audit Committee performing audits regarding Directors and Executive Officers with respect to execution of their duties, and the Compensation Committee determining Director and Executive Officer remuneration and related matters.



Increase in the Ratio of Independent Outside Directors

Reinforce the independence of the supervisory function by increasing the ratio of Independent Outside Directors to a majority on the Board of Directors

Previous Structure (Prior to March 28, 2025) Ratio of Independent Outside Directors: 50%

Four out of eight are Independent Outside Directors.

Current Structure (From March 28, 2025 onward*) Ratio of Independent Outside Directors: 60%

Six out of ten are Independent Outside Directors.

* If Proposition 2, "Election of ten (10) Directors," is approved as originally proposed, the aforementioned ratio (60%) will remain the same after the Ordinary General Meeting of Shareholders on June 20, 2025.

Please refer to the Company's website below for information on the principle of corporate governance, the corporate governance structure, the corporate governance reports, and other related matters.
https://www.kline.co.jp/ja/sustainability/governance/corporate_governance.html
(in Japanese)

(Attachment)

Business Report

(From April 1, 2024 to March 31, 2025)

1. Matters Related to Current Conditions of the Corporate Group

(1) Business Progress and Results

[General Conditions]

In the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025), the global economy continued to be uncertain amid rising geopolitical risks such as the situation in the Middle East and conflict between the U.S. and China, alongside inflation and persistent high interest rates in Europe, the U.S., and other countries. On the other hand, the Japanese economy recorded modest growth with a recovery in service consumption and inbound tourism demand.

For shipping rates, market rates remained stable in our own businesses in the Dry Bulk business, Energy Transportation business, and Car carrier business due to the steady cargo demand. In the containership business, the market remained firm as the vessel supply-demand balance generally remained tight due to the robust cargo demand and the detouring via the Cape of Good Hope route caused by the worsening situation in the Middle East.

Amid this business environment, the Company is steadily implementing its 5-year Medium-term Management Plan starting from FY2022. We formulated growth strategies seeing the achievement of a low-carbon and zero-carbon society as business opportunities and are concentrating management resources on three businesses that will be the drivers of growth based on portfolio strategies. In addition, for the containership business, which is an important business for the Group, we are enhancing our support as a shareholder to the sustainable growth and development of our equity-method affiliate OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as “ONE”).

Furthermore, aiming for the optimal capital structure, we are also progressing cash allocation that balance growth investment and shareholder returns. Through these initiatives, we aim to be a company that continues to deserve the trust of all stakeholders by reducing our environmental impact and continuously improving our corporate value to realize a sustainable society.

In terms of our performance for the fiscal year, we secured profits in all segments of our own business. Although the performance in the Energy Resource Transport segment worsened year on year due to temporary factors, improvements in the performance of the Dry Bulk segment and the Product Logistics segment, particularly the Car carrier business, along with the impact of foreign exchange rates, caused the overall performance of our own business to surpass that of the previous fiscal year. In addition, the performance of ONE improved year on year against the backdrop of robust cargo demand.

With respect to our shareholder return policy, we actively implemented shareholders’ return, including share buyback regarding excess of appropriated equity capital, by identifying performance trends, awareness of the optimal capital structure, securing of investment required to enhance corporate value, and strengthening the soundness of financial basis.

As a result, operating revenues for the fiscal year were ¥1,047.9 billion (up ¥90.0 billion year on year), operating income was ¥102.8 billion (up ¥18.7 billion year on year), and ordinary income was ¥308.0 billion (up ¥175.3 billion year on year). Profit attributable to owners of the parent was ¥305.3 billion (up ¥203.3 billion year on year).

The average foreign exchange rate in the current fiscal year was ¥152.73/US$ (yen depreciation of ¥8.91 /US$ compared to the previous fiscal year) and the average fuel oil price was US$610/MT* (down by US$10/MT compared to the previous fiscal year).

* MT: Metric ton (one metric ton is 1,000 kilograms)

Operating revenues	Operating income	Ordinary income	Profit attributable to owners of the parent
¥1,047.9 billion (An increase of 9.4% year on year)	¥102.8 billion (An increase of 22.2% year on year)	¥308.0 billion (An increase of 132.1% year on year)	¥305.3 billion (An increase of 199.4% year on year)

The amounts are rounded to the nearest 100 million yen when figures are presented in billions of yen or rounded down to the nearest million yen when figures are presented in millions of yen. The foreign currency amounts are rounded down to the nearest unit.

In the fiscal year ended March 31, 2025, the Company changed the method for converting revenues and expenses of overseas subsidiaries into Japanese yen, and year-on-year comparison is conducted using figures after retrospective restatement.

Dry Bulk Segment (Billions of yen)

Operating revenues	322.3	(an increase of 9.8% year on year)
Segment profit (loss)	13.5	(an increase of 278.4% year on year)
Operating revenue composition ratio to total operating revenues 30.8%		

(Note) In the fiscal year ended March 31, 2025, the Company changed the method for converting revenues and expenses of overseas subsidiaries into Japanese yen. Figures of segment information for the previous fiscal year have also been retrospectively restated to reflect this change.

[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.

Energy Resource Transport Segment (Billions of yen)

Operating revenues	101.9	(a decrease of 3.5% year on year)
Segment profit (loss)	4.9	(a decrease of 33.5% year on year)
Operating revenue composition ratio to total operating revenues 9.7%		

(Note) In the fiscal year ended March 31, 2025, the Company changed the method for converting revenues and expenses of overseas subsidiaries into Japanese yen. Figures of segment information for the previous fiscal year have also been retrospectively restated to reflect this change.

[LNG Carrier Business, Electricity Business, Tanker Business, 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.

Product Logistics Segment (Billions of yen)

Operating revenues	612.8	(an increase of 11.7% year on year)
Segment profit (loss)	294.3	(an increase of 128.8% year on year)
Operating revenue composition ratio to total operating revenues 58.5%		

(Note) In the fiscal year ended March 31, 2025, the Company changed the method for converting revenues and expenses of overseas subsidiaries into Japanese yen. Figures of segment information for the previous fiscal year have also been retrospectively restated to reflect this change.

[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.

(2) Financial Position and Results of Operation

Item	FY2021	FY2022	FY2023	FY2024 (current fiscal year)
Operating revenues (Millions of yen)	756,983	942,606	957,939	1,047,944
Ordinary income (Millions of yen)	657,504	690,839	132,728	308,089
Profit attributable to owners of the parent (Millions of yen)	642,424	694,904	101,989	305,384
Basic profit per share (Yen)	765.28	857.01	141.37	460.11
Total assets (Millions of yen)	1,574,960	2,052,616	2,109,432	2,210,049
Net assets (Millions of yen)	984,882	1,546,679	1,624,600	1,677,449
Net assets per share of common stock (Yen)	1,053.82	2,042.80	2,251.81	2,609.68
Ratio of current profit to capital equity (ROE) (%)	116.5	57.9	6.6	18.8
Ratio of ordinary income to total assets (ROA) (%)	51.6	38.1	6.4	14.3
Capital equity ratio (%)	56.2	73.8	75.5	74.6

(Notes) 1. The Company conducted share splits with one ordinary share split into three shares on October 1, 2022 and on April 1, 2024. Basic profit per share and net assets per share of common stock are calculated assuming these share splits occurred at the beginning of the 154th term.

2. The Company changed the method for converting revenues and expenses of overseas subsidiaries into Japanese yen from the beginning of the 157th term, and figures for the 156th term have also been retrospectively restated to reflect this change.

3. Overviews of FY2021 to FY2024 are as follows.

FY2021: The global economy recorded high growth rates on a full-year basis due to a reaction following the recovery from the previous fiscal year, despite the renewed spread of COVID-19 including the Omicron variant. The Company released its management plan (Rolling Planning) in May 2021. Since then, the Company engaged in “refining our four-pillar businesses,” “accelerating global business development centered on Asia,” “venturing into new business areas,” “achieving further competitiveness in the containership business,” and “continuously expanding our financial base.” In its own businesses, all segments earned profits due to initiatives such as continuously promoting the optimization of fleet allocations, carefully choosing investments focused on stable earnings, pursuing thorough vessel efficiency, and growing profitability through enhancing customer proposal capabilities. In addition, the performance of ONE substantially improved from the previous fiscal year. Due to these improvements, the Company achieved its FY2030 target ahead of schedule to increase its own capital, and promoted business structure reform of withdrawing from high-cost vessels and unprofitable businesses.

FY2022: The global economy headed for a recovery from COVID-19, such as with the abolition of the China’s zero-COVID policy. However inflationary pressures due to factors such as the higher price of energy and resources caused by the Russia-Ukraine situation and concerns about the impact of polarization of the global economy centered on the conflict between the U.S. and China continued. The Company carried out initiatives in line with its 5-year Medium-term Management Plan, announced in May 2022. In our own business, all segments continued to record profits due to the optimization of fleets with the completion of structural reforms, reductions to operational costs with the ongoing implementation of efficient operations and fleet allocations, the acquisition of new medium and long-term contracts with the enhancements to the customer-oriented sales system and ongoing initiatives to create synergies of businesses within the Group. In addition, the performance of ONE continued to remain at a high level from the previous fiscal year.

FY2023: The global economy showed a gradual recovery trend as inflationary pressures eased and countries adjusted their monetary policies despite the impact of the geopolitical risks and polarization of economies continuing from the previous fiscal year. The Company continues to carry out initiatives of the Medium-term Management Plan, announced in May 2022. In our own business, we further focused on allocating management resources to the three businesses that play the role of driving growth based on the portfolio strategy. The Company also advanced efforts toward the low- and zero-carbon transitions of the Company and society, and all segments recorded profits. In addition, ONE saw a year-on-year increase in profits with tightened vessel supply-demand balance from the steady cargo movement and continued use of the Cape of Good Hope route due to geopolitical risks.

FY2024: The overview for FY2024 is as provided in subsection "(1) Business Progress and Results," pages 32 to 36.

(3) Capital Investment

Over the current fiscal year, the Group made overall capital investments of ¥133.4 billion.

The Dry Bulk, Energy Resource Transport, and Product Logistics segments made capital investments of ¥35.4 billion, ¥11.0 billion, and ¥86.0 billion, respectively, with such outlays primarily centered on ship construction.

Meanwhile, sales of fixed assets amounted to ¥33.3 billion, mainly attributable to vessel disposal.

(4) Capital Procurement

The Group raised the required funds for the current fiscal year through its own capital, borrowings from financial institutions, and the issuance of unsecured bonds.

(5) Issues to Address

We forecast that the uncertain business environment will continue in FY2025 due to geopolitical risks, including the conflict between the U.S. and China, the Russia-Ukraine situation, and the situation in the Middle East, concerns about downward pressure on the global economy with the tariff policies under the new U.S. administration, and energy and environmental policy trends in all countries.

Even under this very uncertain business environment, we aim to strengthen our risk management and preparation in the anticipation of unpredicted contingencies, respond appropriate to changes in the business environment in the short and medium term while aiming for management that is focused on the low- and zero-carbon transitions of the Company and society over the long-term.

We are aiming for sustainable growth and to improve our corporate value by both contributing to the response to environmental challenges and achieving profitability growth as a company that is very resilient to market fluctuations with two pillars of our own business and container ships. We will develop partnerships with customers who can share growth opportunities, promote the reduction of greenhouse gas emissions, switch to alternative fuels, and response to demand for new types of transportation as part of society's infrastructure.

[Business strategy]

The Group strives to clarify the role of each business, strengthen the profitability of business through well-balanced resource allocation according to the characteristics of each business and further improve corporate value based on a portfolio strategy that leverages the Group's strengths with the shipping industry at the core as set out on the 5-year Medium-term Management Plan, released in May 2022.

In the coal/iron ore, car carriers and LNG carriers businesses, which are "businesses that play a role of driving growth," we will achieve business growth through concentrated allocation of management resources for the purpose of achieving growth by taking on environmental challenges as opportunities and turning these business areas into mainstays of group-wide profitability.

Thermal coal carriers, tanker and LPG carrier business, which are "businesses that play a role of supporting a smooth energy source conversion and taking on new business opportunities," will aim to promote the response to new energy transport demand, while minimizing business risks.

In bulk carriers, short sea and coastal, and port/logistics businesses, which are "businesses that play a role in contributing by enhancing profitability," we will strive to strengthen resistance to market fluctuations and secure stable income, promoting a business strategy that pursues synergies.

In "businesses that play a role of supporting the business as a shareholder and stabilizing the earning base," Containerships are considered to be an important main business for the Company, and we aim to maximize corporate value through ongoing human resource support and involvement in management governance for the purpose of enhancing our support as a shareholder to the sustainable growth and development of our equity-method affiliate ONE.

In the "new business domain," we aim to expand the business domains in which we can leverage the Group's strengths, pursuing the refinement of specialized fields between Group companies such as liquified CO_2 carriers and support vessel business for offshore wind power generation projects.

[Functional strategy]

We will build a solid business foundation to realize our business strategy. By improving our unique technology and expertise through investment into the human resources that are the source of the Group's value proposition as well as their supporting systems and technologies, we aim to provide added value that meets our customers' needs through our organizational business strength.

[Capital Policy]

We will promote shareholders' return, including share buyback regarding excess of appropriated equity capital, by awareness of the optimal capital structure, securing of investment required to enhance corporate value, and strengthening the soundness of financial basis. In addition to base dividends, we will strive to increase shareholder value by flexibly implementing additional dividends and share buybacks. In addition, we will aim to further increase corporate value by introducing business management systems with awareness of capital costs and cash flow for each business area through further improvement of business management and by maintaining and strengthening our investment discipline through the introduction of business investment management.

(6) Status of Principal Subsidiaries, etc. (as of March 31, 2025)

Company name	Paid-in capital	Equity ownership (%)	Core business
KAWASAKI KINKAI KISEN KAISHA, LTD.	2,368 million yen	100.0	Marine transportation
“K” LINE LOGISTICS, LTD.	600 million yen	95.9	Air transportation agency
“K” LINE RORO BULK SHIP MANAGEMENT CO., LTD.	400 million yen	100.0	Ship management
DAITO CORPORATION	842 million yen	(51.0)	Harbor transportation
NITTO TOTAL LOGISTICS LTD.	1,596 million yen	(51.0)	Harbor transportation
HOKKAI TRANSPORTATION CO., LTD.	60 million yen	80.1	Harbor transportation
“K” LINE BULK SHIPPING (UK) LIMITED	28.42 million U.S. dollars	(100.0)	Marine transportation
“K” Line European Sea Highway Services GmbH	5.30 million Euro	100.0	Marine transportation
“K” LINE LNG SHIPPING (UK) LIMITED	40.90 million U.S. dollars	(100.0)	Marine transportation
“K” LINE PTE LTD	41.13 million U.S. dollars	100.0	Marine transportation
OCEAN NETWORK EXPRESS PTE. LTD.	3,000.00 million U.S. dollars	(31.0)	Marine transportation

(Notes)
1. Figures shown in parentheses in the equity ownership column include ownership shares held by subsidiaries, etc.
2. The Company’s ownership ratio of “K” LINE LOGISTICS, LTD. is 50.8% as of April 1, 2025, after transfer of total shares of “K” LINE LOGISTICS, LTD. held by the Company on the same date to KLKG Logistics Holdings, Co., Ltd., a holding company established in February 2025, and subsequent transfer of 47% of total shares of the said holding company to Kamigumi Co., Ltd.
3. The Company’s ownership ratio of DAITO CORPORATION and NITTO TOTAL LOGISTICS LTD. is through 51% ownership of KLKG HOLDINGS, Co., Ltd.
4. The Company’s ownership of “K” LINE BULK SHIPPING (UK) LIMITED and “K” LINE LNG SHIPPING (UK) LIMITED is through the Company’s wholly owned subsidiary “K” LINE HOLDING (EUROPE) LIMITED. “K” LINE BULK SHIPPING (UK) LIMITED conducted a capital reduction with compensation, resulting in a change in capital.
5. In light of its recent business performance, “K” Line European Sea Highway Services GmbH is listed as a principal subsidiary from this fiscal year.
6. “K” LINE LNG SHIPPING (UK) LIMITED renamed “K” LINE ENERGY SHIPPING (UK) LIMITED as of April 1, 2025, and integrated the carbon solutions business division of “K” LINE (EUROPE) LIMITED, an overseas affiliate which handles liquefied CO_2 transport business development to strengthen the business and organizational structure in the European Energy Transportation business.
7. The Company’s ownership ratio of OCEAN NETWORK EXPRESS PTE. LTD. is through 31.0% ownership of OCEAN NETWORK EXPRESS HOLDINGS, LTD. OCEAN NETWORK EXPRESS PTE. LTD. is an equity-method affiliate running a containership business but is listed from the perspective of importance.

(7) Main Locations (as of March 31, 2025)

(i) The Company

Name	Location
Head Office	Iino Building, 1-1, Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo, Japan
Registered Head Office	Shinko Building, 8 Kaigan-dori, Chuo-ku, Kobe, Japan
Nagoya Branch	Nagoya International Center Building, 47-1, Nagono 1-chome, Nakamura-ku, Nagoya, Japan
Kansai Branch	Shinko Building, 8 Kaigan-dori, Chuo-ku, Kobe, Japan
Overseas Representative Office	Taipei, Manila, Dubai

(ii) Subsidiaries, etc.

Company name	Location
KAWASAKI KINKAI KISEN KAISHA, LTD.	Tokyo, Kushiro, Sapporo, Tomakomai, Hachinohe, Naka, Shizuoka, Kitakyushu, Oita
“K” LINE LOGISTICS, LTD.	Tokyo, Nagoya, Osaka
“K” LINE RORO BULK SHIP MANAGEMENT CO., LTD.	Kobe, Tokyo, the Philippines
DAITO CORPORATION	Tokyo, Chiba, Yokohama
NITTO TOTAL LOGISTICS LTD.	Kobe, Tokyo, Nagoya, Osaka, Kurashiki
HOKKAI TRANSPORTATION CO., LTD.	Kushiro, Sapporo, Tomakomai, Tokyo
“K” LINE BULK SHIPPING (UK) LIMITED	U.K.
“K” Line European Sea Highway Services GmbH	Germany
“K” LINE LNG SHIPPING (UK) LIMITED	U.K.
“K” LINE PTE LTD	Singapore
OCEAN NETWORK EXPRESS PTE. LTD.	Singapore

(iii) Other Locations Overseas

Korea, China, Taiwan, Thailand, Singapore, Malaysia, Indonesia, Vietnam, India, Australia, U.K., Germany, France, Belgium, U.S.A., Mexico, Peru, Chile, Brazil, South Africa

(8) Status of Employees (as of March 31, 2025)

Name of segment	Dry Bulk	Energy Resource Transport	Product Logistics	Other	Corporate (common)	Total
Number of employees	180	205	3,730	591	470	5,176
As of previous fiscal year end	185	190	3,732	477	428	5,012
Change from previous fiscal year end	(5)	15	(2)	114	42	164

(Note) Employees categorized as "Corporate (common)" are employees belonging to administrative divisions who cannot be categorized as belonging to a particular segment.

(9) Status of Vessels (as of March 31, 2025)

Name of segment	Dry Bulk	Energy Resource Transport	Product Logistics			Total
Vessel type	Dry bulk carriers	LNG carriers, tankers, thermal coal carriers, liquefied CO_2 carriers	Car carriers	Short sea and coastal vessels	Container-ships	
Category						
Owned						
Number of vessels	53	28	42	27	13	163
Deadweight tons	6,548,336	3,448,462	634,637	309,129	1,143,606	12,084,170
Chartered						
Number of vessels	125	19	56	15	26	241
Deadweight tons	15,777,149	1,623,907	1,033,038	131,591	2,478,747	21,044,432
Total						
Number of vessels	178	47	98	42	39	404
Deadweight tons	22,325,485	5,072,369	1,667,675	440,720	3,622,353	33,128,602

(Note) The numbers of owned vessels include vessels for which ownership is shared and the numbers of deadweight tons include the portions owned by other companies in these vessels.

(10) Reorganizations, etc. (Transfer of Business, Mergers, etc.)

KLKG Logistics Holdings, Co., Ltd. was established in February 2025 as the holding company of "K" LINE LOGISTICS, LTD., and 47% of total shares of the said holding company was transferred to Kamigumi Co., Ltd. on April 1, 2025.

(11) Policy on Determining Dividends from Surplus, etc.

We view maximizing shareholder value as a key management priority. Our basic policy is to improve medium- to long-term corporate value and shareholder profits by promoting investments essential for enhancing corporate value while constantly being conscious of optimal capital structure, ensuring both capital efficiency and financial stability, and maintaining strict investment discipline, as well as actively promoting shareholder returns including share buybacks based on cash flow.

Based on this basic policy, we intend to pay a year-end dividend of ¥50 per share for the fiscal year ended March 31, 2025. Combined with the interim dividend of ¥50 per share that was paid on December 3, 2024, we intend to pay annual dividends of ¥100 per share.

Payment of the year-end dividend is subject to the resolution at the General Meeting of

Shareholders scheduled on June 20, 2025.

2. Matters Related to Corporate Stocks (as of March 31, 2025)

(1) Number of Authorized Shares: 1,800,000,000 shares

(Note) 1,800,000,000 shares due to the share split (3 shares for 1 ordinary share) conducted on April 1, 2024.

(2) Number of Issued and Outstanding Shares: 639,172,067 shares

(Note) Increase of 476,485,378 shares due to the share split on April 1, 2024. Decreases of 39,556,000 shares and 36,000,000 shares due to the cancellation of treasury stock on August 7, 2024 and March 10, 2025, respectively.

(3) Aggregate Number of Shareholders: 135,064

(4) Major Shareholders (top 10)

Name of shareholders	Number of shares held (Thousands)	Percentage of shares held (%)
ECM MF	77,947	12.21
The Master Trust Bank of Japan, Ltd. (trust account)	63,752	9.99
MLI FOR SEGREGATED PB CLIENT	50,862	7.97
CGML PB CLIENT ACCOUNT/COLLATERAL	42,375	6.64
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	31,796	4.98
GOLDMAN SACHS INTERNATIONAL	23,820	3.73
Suntera (Cayman) Limited as trustee of ECM Master Fund	19,716	3.09
Custody Bank of Japan, Ltd. (trust account)	19,394	3.03
IMABARI SHIPBUILDING CO., LTD.	16,956	2.65
Mizuho Bank, Ltd.	12,694	1.98

(Note) Percentage of shares held is calculated excluding treasury stock (1,112,459 shares).

(5) The Status of Shares Issued to the Company's Officers as Consideration for Execution of Their Duties During the Current Fiscal Year

The Company issued 409,948 shares of remuneration relating to the performance-based share remuneration plan for two Directors (excluding Outside Directors, including Executive Officers) during the current fiscal year.

(6) Other Matters Related to Stocks

(i) Share split

The Company conducted a share split in which one common share splits into three shares on April 1, 2024.

(ii) Share buyback

A share buyback was conducted as follows in accordance with a resolution at the Board of Directors meeting convened on May 7, 2024.

- Class and total number of shares acquired
  Common shares of the Company: 39,556,000 shares
- Total amount of repurchase price of shares
  ¥90,874,945,796

・ Acquisition period
From May 8, 2024 to July 24, 2024

A share buyback was conducted as follows in accordance with a resolution at the Board of Directors meeting convened on November 5, 2024.

・ Class and total number of shares acquired
Common shares of the Company: 36,000,000 shares
・ Total amount of repurchase price of shares
¥75,252,802,408
・ Acquisition period
From November 6, 2024 to February 28, 2025

(iii) Cancellation of treasury stock

Treasury stock was cancelled in accordance with a resolution at the Board of Directors meeting convened on July 26, 2024.

・ Class and total number of shares cancelled
Common shares of the Company: 39,556,000 shares
・ Cancellation date
August 7, 2024
・ Number of issued and outstanding shares after cancellation
675,172,067 shares

Treasury stock was cancelled in accordance with a resolution at the Board of Directors meeting convened on February 27, 2025.

・ Class and total number of shares cancelled
Common shares of the Company: 36,000,000 shares
・ Cancellation date
March 10, 2025
・ Number of issued and outstanding shares after cancellation
639,172,067 shares

3. Matters Related to the Company's Officers

(1) Details of Directors and Executive Officers

(i) Details of Directors (as of March 31, 2025)

Name	Position	Areas of responsibility in the Company	Significant concurrent positions
Yukikazu Myochin	Director, Chairperson of the Board	Member of the Nominating Committee Member of the Compensation Committee	President of The Japanese Shipowners' Association
Takenori Igarashi	Director		
Kunihiko Arai	Director	Standing Member of the Audit Committee	
Keiji Yamada	Director, Lead Outside Director	Chairperson of the Nominating Committee Member of the Compensation Committee	President of The Educational Corporation of Kyoto Sangyo University Professor of Department of Interdisciplinary Studies in Law and Policy, Faculty of Law of Kyoto Sangyo University Outside Audit & Supervisory Board member of HORIBA, Ltd. Outside Director of TOSE CO., LTD.
Ryuhei Uchida	Director	Member of the Nominating Committee Member of the Compensation Committee	Director of Effissimo Capital Management Pte Ltd
Koji Kotaka	Director	Member of the Nominating Committee Chairperson of the Audit Committee Member of the Compensation Committee	Representative Attorney of Koji Kotaka & Associates
Hiroyuki Maki	Director	Member of the Audit Committee	President & CEO of MELCO HOLDINGS INC. President & CEO of BUFFALO INC. Director of Shimadaya Corporation President and CEO of MELCO Group Inc.
Takako Masai	Director	Member of the Nominating Committee Chairperson of the Compensation Committee	Director and Chairperson of SBI Financial and Economic Research Institute Co., Ltd. Outside Director of TOBISHIMA HOLDINGS Inc. Outside Director of Daio Paper Corporation Outside Director (Audit and Supervisory Committee Member) of Bewith, Inc. Director of TNL Mediagene

Name	Position	Areas of responsibility in the Company	Significant concurrent positions
Atsumi Harasawa	Director	Member of the Audit Committee	Partner of Igarashi Watanabe & Esaka Law Office Outside Director of RICOH LEASING COMPANY, LTD. Outside Audit & Supervisory Board member of GiXo Ltd.
Shinsuke Kubo	Director	Member of the Audit Committee	Representative Partner of Kyoei Accounting Office Outside Audit & Supervisory Board Member of Japan Airlines Co., Ltd.

(Notes)
1. Directors, Keiji Yamada, Ryuhei Uchida, Koji Kotaka, Hiroyuki Maki, Takako Masai, Atsumi Harasawa, and Shinsuke Kubo are Outside Directors. The Company has designated Keiji Yamada, Koji Kotaka, Hiroyuki Maki, Takako Masai, Atsumi Harasawa, and Shinsuke Kubo as independent directors pursuant to the regulations of the Tokyo Stock Exchange, and has provided the relevant notification to the said exchange.
2. Standing Member of the Audit Committee Kunihiko Arai (assumed office as Audit & Supervisory Board Member until March 28, 2025) has considerable knowledge in financial and accounting matters based on his engagement in a wide range of both domestic and overseas sectors including being a Representative at overseas bases of the Company. Chairperson of the Audit Committee Koji Kotaka has considerable knowledge in financial and accounting matters based on years of engagement in industries including securities and investment banking, in addition to being a lawyer. Member of the Audit Committee Hiroyuki Maki has considerable knowledge in financial and accounting matters based on his years of experience as President & CEO of MELCO HOLDINGS INC., mainly engaged in IT related business, President & CEO and Director of its subsidiary companies. Member of the Audit Committee Shinsuke Kubo (assumed office as Audit & Supervisory Board Member until March 28, 2025) is qualified as a certified public accountant with considerable knowledge of financial and accounting matters based on his engagement in CPA offices inside and outside Japan.
3. MELCO HOLDINGS INC., which Mr. Hiroyuki Maki serves as President & CEO, merged with BUFFALO INC. on April 1, 2025, and changed its name to BUFFALO INC.
4. Director Ryuhei Uchida is Director of Effissimo Capital Management Pte Ltd. The entity has submitted a statement of large-volume holdings stating that it holds 38.52% of the issued and outstanding shares of the Company. Director Takako Masai is an Outside Director of Daio Paper Corporation. The Company’s dry bulk business conducts business transactions with the said company, but annual transaction volume accounts for less than 1% of the Company’s consolidated sales and less than 1% of consolidated sales of the said company. Director Shinsuke Kubo is an Outside Audit & Supervisory Board Member of Japan Airlines Co., Ltd. The Company’s air cargo business conducts business transactions with the said company, but annual transaction volume accounts for less than 1% of the Company’s consolidated sales and less than 1% of consolidated sales of the said company. No special interests exist between the Company and each of the entities where Directors Keiji Yamada, Koji Kotaka, Hiroyuki Maki, and Atsumi Harasawa concurrently hold positions, as well as other entities where Directors Takako Masai and Shinsuke Kubo concurrently hold positions.
5. The Company has appointed Mr. Kunihiko Arai as a Standing Member of the Audit Committee to ensure continuous and effective information gathering such as through interviews with Executive Officers, reporting from the internal audit division, audits to subsidiaries, and attendance at various meetings.
6. The names, positions at the time of retirement, areas of responsibilities, and significant concurrent positions of Directors who retired due to the expiration of their terms of office as of June 21, 2024 are provided below.

Name	Position	Areas of responsibility in the Company and significant concurrent positions
Atsuo Asano	Director	
Yukio Toriyama	Director	
Kozue Shiga	Director	Nomination Advisory Committee Chairperson, and Attorney, Oka-Partners Law Office

7. The names, positions at the time of retirement, areas of responsibilities, and significant concurrent positions of Directors and Audit & Supervisory Board Members who retired due to the expiration of

their terms of office as of March 28, 2025 are provided below.

Name	Position	Areas of responsibility in the Company and significant concurrent positions
Kazuhiko Harigai	Representative Director, Vice President Corporate Officer	Assistant to President & CEO
Noriaki Yamaga	Director, Senior Managing Corporate Officer	Responsible for CFO Unit (Corporate Planning, Research, Finance, Accounting, Corporate Sustainability, Environment Management, IR and Communication), in charge of Corporate Sustainability, Environment Management, IR and Communication, CFO
Kunihiko Arai	Standing Audit & Supervisory Board Member	
Makoto Arai	Standing Audit & Supervisory Board Member	
Atsumi Harasawa	Audit & Supervisory Board Member	Partner of Igarashi Watanabe & Esaka Law Office Outside Director of RICOH LEASING COMPANY, LTD. Outside Audit & Supervisory Board member of GiXo Ltd.
Shinsuke Kubo	Audit & Supervisory Board Member	Representative Partner of Kyoei Accounting Office Outside Audit & Supervisory Board Member of Japan Airlines Co., Ltd.

Mr. Makoto Arai had considerable knowledge in financial and accounting matters based on his engagement primarily in the Legal, Corporate Legal Risk & Compliance and Internal Audit divisions and on his experience as a Director of the Company.

(ii) Details of Executive Officers (as of March 31, 2025)

Name	Position	Areas of responsibility in the Company and significant concurrent positions
Takenori Igarashi	Representative Executive Officer, President & CEO	CEO
Yutaka Akutagawa	Senior Managing Representative Executive Officer	Responsible for CFO Unit (Corporate Planning, Research, Finance, Accounting, Corporate Sustainability, Environment Management, IR and Communication), in charge of Corporate Sustainability, Environment Management, IR and Communication, CFO

(Notes) 1. Mr. Takenori Igarashi was elected as Representative Executive Officer, President & CEO, and Mr. Yutaka Akutagawa as Senior Managing Representative Executive Officer at the Board of Directors meeting held on March 28, 2025.

2. Representative Executive Officer, President & CEO Takenori Igarashi concurrently serves as a Director.

(2) Remuneration for Directors, Audit & Supervisory Board Members and Executive Officers

I. Before transition to a company with Nominating Committee, etc. (April 1, 2024 to March 28, 2025)

(i) Amount of Directors' and Audit & Supervisory Board Members' Remuneration

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of Directors and Audit & Supervisory Board Members
		Fixed remuneration	Performance-based remuneration		
		Monthly remuneration	Short-term performance-based remuneration (monetary)	Medium- to long-term performance-based remuneration (stock)	
Directors (excluding Outside Directors)	594	168	133	292	5
Outside Directors	39	39	-	-	4
Total	634	207	133	292	9
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	60	60	-	-	2
Outside Audit & Supervisory Board Members	20	20	-	-	2
Total	80	80	-	-	4

(Notes)
1. The Company transitioned from a company with an Audit & Supervisory Board to a company with Nominating Committee, etc., upon the conclusion of the Extraordinary General Meeting of Shareholders held on March 28, 2025. In line with this, the Company has established the officers' remuneration regulations so that, even after the transition to a company with Nominating Committee, etc., fixed remuneration for the fiscal year ended March 31, 2025, and performance-based remuneration relating to the performance of the said fiscal year will be paid via the below procedures based on the regulations applied before the transition to a company with Nominating Committee, etc.
2. The above table includes two Directors and one Outside Director who retired from their positions upon the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2024. It also includes two Directors and four Audit & Supervisory Board Members who retired from their positions upon the conclusion of the Extraordinary General Meeting of Shareholders held on March 28, 2025.
3. Of the remuneration, etc. relating to the current fiscal year, the ¥133 million of short-term performance-based remuneration (monetary) to Directors is to be paid to three Directors of those serving before the transition to a company with Nomination Committee, etc. on March 28, 2025, excluding five Outside Directors.
4. Of the remuneration, etc. relating to the current fiscal year, the ¥292 million of medium- to long-term performance-based remuneration (stock) to Directors is to be paid to three Directors of those serving before the transition to a company with Nomination Committee, etc. on March 28, 2025, excluding five Outside Directors.
5. The Company pays the performance-based remuneration for each fiscal year in the following fiscal year after presenting it in the business report and the annual securities report of the fiscal year concerned. Of the Directors who retired upon the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2024, two Directors, excluding one Outside Director, are not included in the above table as the Company has paid them upon their retirement the performance-based remuneration (stock) of ¥6 million pertaining to FY2017, which is before the said presentation method has been applied.

(ii) Matters Related to Resolutions by the General Meeting of Shareholders on Directors' and Audit & Supervisory Board Members' Remuneration

By resolution of the 155th Ordinary General Meeting of Shareholders held on June 23, 2023, the maximum amount of monetary remuneration for Directors was set at no more than ¥800 million (of which, ¥111 million is for Outside Directors) per year, and the specific amount to be paid as fixed remuneration and short-term performance-based remuneration within the framework of the total amount is to be determined by the Board of Directors following deliberations of the Remuneration Advisory Committee. The number of Directors as of the conclusion of said Ordinary General Meeting of Shareholders is nine (of which, five are Outside Directors). Furthermore, by resolution of the 155th Ordinary General Meeting of Shareholders held on June 23, 2023, in addition to the above maximum amount of remuneration framework, the maximum amount of the funds necessary to acquire performance-based share remuneration was set at ¥2,400 million per period (four fiscal years) (equivalent to ¥600 million per fiscal year) as performance-based share remuneration. The number of Directors (Executive Directors) as of the conclusion of said Ordinary General Meeting of Shareholders is four.

The maximum amount of remuneration for Audit & Supervisory Board Members was set at no more than ¥12 million per month by resolution of the 138th Ordinary General Meeting of Shareholders held on June 26, 2006. The number of Audit & Supervisory Board Members as of the conclusion of said Ordinary General Meeting of Shareholders is four (of which, two are Outside Audit & Supervisory Board Members).

The Company will provide remuneration within the above limit of the remuneration for Directors and Audit & Supervisory Board Members relating to the current fiscal year.

(iii) Policies on Remuneration for Each Individual Director

a. Method of determining policies on remuneration for each individual Director

○ Policies on determining remuneration for each individual Director are decided based on Article 13 of the Kawasaki Kisen Kaisha, Ltd. CORPORATE GOVERNANCE GUIDELINES established at the Board of Directors meeting held on November 27, 2015.

b. Overview of contents of policies for determining remuneration for each individual Director

○ The amount of remuneration for each individual Director shall be fair and adequate in consideration of the Company's business performance and in light of the levels of remuneration paid by other comparable companies. The remuneration for Executive Directors shall be appropriate, fair, and balanced so as to reflect the Company's medium- to long-term business performance and the latent risks borne by said Executive Directors and to further enhance their willingness and motivation to bring about the Company's sustainable growth and maximize its corporate value. In addition, the remuneration for Outside Directors 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.

c. Reasons the Board of Directors has judged that the contents of remuneration for each individual Director are in line with said policies

- ○ The institutional design and level of remuneration for Directors shall be deliberated on, resolved, and recommended to the Board of Directors by the Remuneration Advisory Committee pursuant to the aforementioned policies.
- ○ The Board of Directors shall respect the recommendations of the Remuneration Advisory Committee and approve the remuneration for each Director's position in accordance with the officers' remuneration regulations within the limit of the maximum yearly remuneration as resolved by the General Meeting of Shareholders, and the Representative Director, President & CEO shall make a proposal regarding performance-based remuneration for individual Executive Directors, and the final payment amount shall be determined after deliberation by the Remuneration Advisory Committee. The amount of performance-based remuneration for each Executive Director is determined according to the formula stipulated in the officers' remuneration regulations within the limit of the resolution at the 155th Ordinary General Meeting of Shareholders held on June 23, 2023.
- ○ In accordance with the above, the Company has judged that the contents of remuneration for each individual Director in the current fiscal year are in line with the policies for determining remuneration for each individual Director.
- ○ The Remuneration Advisory Committee shall comprise all Independent Outside Directors, the Chairman, and the President & CEO. The chairperson shall be appointed from among committee members who are Independent Outside Directors.

(iv) Policies on delegation of authority to determine the contents of remuneration for each individual Director

The contents of remuneration for each individual Director shall ultimately be proposed by Yukikazu Myochin, the Representative Director, President & CEO, who has a general understanding of the status of execution of duties by Directors, and the final payment amount shall be determined by him after deliberation by the Remuneration Advisory Committee, as resolved at the Board of Directors meeting held on June 21, 2024.

In order for the Representative Director, President & CEO to appropriately exercise said authority in determining the amount to be paid to each individual Director, the Remuneration Advisory Committee provides recommendations within the limit of the maximum yearly remuneration as resolved by the General Meeting of Shareholders and said recommendations are approved at a meeting of the Board of Directors.

The Company has judged that the delegation of said authority is appropriate based on the fact that the undertaking of said measures can serve to ensure objectivity and transparency.

(v) Method of determining indicators relating to performance-based remuneration and amount of said performance-based remuneration; and reasons for selecting said indicators

a. Method of determining indicators relating to performance-based remuneration and amount of said
performance-based remuneration

- Short-term performance-based remuneration (monetary)

  Short-term performance-based remuneration (monetary) is primarily linked to the level of achievement of the targets for consolidated performance for a single fiscal year to enhance the transparency and objectivity of payment standards.

  The coefficient for multiplying the base amount for each position shall be linked to consolidated performance (total amount of ordinary income, amount of ordinary income excluding the containership business, and profit attributable to owners of the parent) for single fiscal years as well as individual contributions. The coefficient linked to consolidated performance varies in value from 0 to 1.5 based on the designated formula according to the level of achievement of targets. The degree of linkage to performance increases in accordance with management responsibility. In addition to this, in the event of a serious marine accident, the Company applies subtraction indicators according to the extent of the accident and its impact.

  In the fiscal year under review, the total amount of ordinary income, ordinary income excluding the containership business, and profit attributable to owners of the parent all significantly exceeded the target, so the coefficient linked to the consolidated performance was set at 1.50.

- Medium- to long-term performance-based remuneration (stock)

  The medium- to long-term performance-based remuneration (stock) shall be linked to the total shareholders return (TSR) and other indicators in order to further share value with shareholders, strengthen incentives for Directors to enhance corporate value over the medium- to long-term, and make it functioning more effectively.

  For TSR-based indicators, a combination of the ratio of the Company's TSR to the TOPIX growth rate (hereinafter, the "TSR Ratio") and the ranking of the Company's TSR to the TSR of other companies shall be used to determine the coefficient for multiplying the base amount for each position.

  If the TSR Ratio is 50% or less, the coefficient for multiplying the base amount for each position shall be 0 (the minimum value); if the TSR Ratio is 100%, the coefficient shall be 1 (when set targets were achieved); if the TSR Ratio is 150% or more, the coefficient shall be 1.62 (the maximum value); and if the TSR Ratio is more than 50% but less than 150%, the coefficient shall be calculated through a certain formula.

  Apart from TSR-based indicators, the Company introduces coefficients based on the level of achievement of the targets in the medium-term management plan and the ranking of the Company to other companies as ROE indicators, and coefficients that assess the improvements in CO_2 emissions efficiency as ESG indicators.

The degree of linkage to performance is designed to increase in accordance with management responsibility. The composition ratio for TSR indicators: ROE indicators: ESG indicators (CO_2) is set at 90:5:5.

The total values of each coefficient (the minimum value 0, the maximum value 1.8) calculated as detailed above shall be multiplied by the base amount for each position to calculate the amount of medium- to long-term performance-based remuneration, which will be converted into points and awarded to Directors each fiscal year. In principle, the Company's stock, etc. will be delivered at the time of retirement in proportion to the accumulated number of the points awarded.

In the current fiscal year, the ratio of the Company's TSR to TOPIX growth rate for the three-year period from FY2022 to FY2024 was over 150%, resulting in a payment coefficient based on TSR indicators of 1.62, a payment coefficient based on ROE indicators of 0.05 and a payment coefficient based on ESG indicators of 0.00. Thus, the coefficient to be multiplied by the base amount for each position was 1.67.

- Composition ratio of remuneration

The composition ratio for fixed remuneration (monetary), short-term performance-based remuneration (monetary), and medium- to long-term performance-based remuneration (stock) according to the typical case of achieving the performance target assumes a ratio of 100:40:65.

According to the level of achievement of targets, short-term performance-based remuneration varies from 0 to 1.5 times and medium- to long-term performance-based remuneration varies from 0 to 1.8 times. In addition, the degree of linkage to performance increases in accordance with management responsibility.

b. Reasons for selecting said indicators

The Company provides motivation with the optimal balance between short-term performance and medium- to long-term shareholder value enhancement, providing Directors with incentives to promote sustainable initiatives, aimed at maximizing corporate value.

<For your reference>

Overview of Remuneration System Applicable to the Current Fiscal Year

Classification	Type of remuneration	Nature of remuneration	Method of determination	Maximum limit of remuneration
Director	1) Monthly remuneration	Fixed remuneration	Remuneration is determined in accordance with position	Within 800 million yen / year (Of which, within 111 million yen for Outside Directors)
	2) Short-term performance-based remuneration (monetary)*1	Variable remuneration	Linked to consolidated performance and individual performance evaluations for single fiscal years. Applied subtraction indicators in the event of a serious accident.	
	3) Medium- to long-term performance-based remuneration (stock) “BBT”*1		Linked to the Company’s medium- to long-term total shareholders return (TSR*2), ROE indicators, and ESG indicators (improvement in reducing CO_2 emissions)*3.	Over the 4 fiscal years from FY ended March 31, 2021 up until FY ended March 31, 2024: (1) Amount contributed to the trust by the Company: 2,400 million yen (2) Maximum points awarded to Directors in any 1 FY: 1.2 million points (equivalent to 1.2 million shares)
Audit & Supervisory Board Member	Monthly remuneration only	Fixed remuneration	Determined following deliberation among Audit & Supervisory Board Members	Within 12 million yen / month

*1 Limited to Executive Directors

*2 TSR = The rate of increase of the Company’s shares over a fixed period + The dividend rate over the fixed period (Total dividend ÷ Initial share price)

*3 The composition ratio for TSR indicators: ROE indicators: ESG indicators is set at 90:5:5

II. After transition to a company with Nominating Committee, etc. (March 28, 2025 to March 31, 2025)

(i) Amount of Directors' and Executive Officers' Remuneration

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of Directors and Executive Officers
		Fixed remuneration	Performance-based remuneration		
		Monthly remuneration	Short-term performance-based remuneration (monetary)	Medium- to long-term performance-based remuneration (stock)	
Directors (excluding Outside Directors)	-	-	-	-	-
Outside Directors	-	-	-	-	-
Total	-	-	-	-	-
Executive Officers	-	-	-	-	-
Total	-	-	-	-	-

(Note) The Company transitioned from a company with an Audit & Supervisory Board to a company with Nominating Committee, etc. upon the conclusion of the Extraordinary General Meeting of Shareholders held on March 28, 2025. The provisions of the remuneration regulations have been established to include the remuneration of the above period after the transition to a company with Nominating Committee, etc. as the remuneration outlined in I. above as a transitional measure. No remuneration or similar payments have been made to Directors or Executive Officers for the above period.

(ii) Policies to Determine the Contents of Remuneration for Each Individual Director and Executive Officer

The Company has determined the policies to determine the contents of remuneration for each individual Director and Executive Officer at the Compensation Committee held on March 28, 2025, which will be applied from April 2025 onward.

1. Method of determining policies on remuneration, etc. for each individual Director and Executive Officer

   Policies for determining remuneration for each individual Director and Executive Officer shall be determined after deliberation by the Compensation Committee.

2. Overview of contents of policies for determining remuneration for each individual Director and Executive Officer

   The amount of remuneration for each individual Director (excluding those who concurrently serve as Executive Officer) 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.

   The amount of remuneration for each individual Executive Officer (including those who concurrently serve as Director; the same shall apply hereinafter) shall be fair and adequate in consideration of the Company's business performance and in light of the levels of remuneration paid by other comparable companies. The remuneration shall be appropriate, fair, and balanced so as to reflect the Company's medium- to long-term business performance and the latent risks borne by said Executive Officers and to further enhance their willingness and motivation to bring about the Company's sustainable growth and maximize its corporate value.

3. Method of determining contents of remuneration for each individual Director and Executive Officer

The remuneration for each individual Director and Executive Officer shall be determined according to the above policy and after deliberation by the Compensation Committee.

The amount of performance-based remuneration for Executive Officers is determined according to the formula stipulated in the internal rules on the officers' remuneration determined by the Compensation Committee.

(iii) Overview of Remuneration System

a. Remuneration for Directors (excluding those who concurrently serve as Executive Officers)

Remuneration for Directors comprises two types of fixed remuneration: monthly remuneration (monetary) and fixed remuneration (stock). Business performance-linked factors are not included.

i. Monthly remuneration is determined depending on whether the individual is an Outside Director or Director of the Company and roles held in committees and the Board of Directors to which it belongs.

ii. The Company implements a share remuneration plan using a framework of the Board Benefit Trust (BBT) to retain and ensure personnel who can strengthen governance as a global company while sharing interests with shareholders.

The plan delivers the Company's stocks at the time of retirement based on the points awarded each fiscal year, depending on whether the individual is an Outside Director or a Director of the Company.

b. Remuneration for Executive Officers (including those who concurrently serve as Directors)

Remuneration for Executive Officers comprises monthly remuneration (monetary) which is a fixed remuneration; short-term performance-based remuneration (monetary) which varies according to business performance; and medium- to long-term performance-based remuneration (stock).

i. Base remuneration is determined according to the Executive Officer's position and an amount is added to those with representation.

ii. Indicators and calculation methods for short-term performance-based remuneration (monetary) and medium- to long-term performance-based remuneration (stock) are same as those used in the performance-based remuneration system for Executive Directors before transition to a company with Nominating Committee, etc., as outlined in I. (v) a. Details are provided below.

Short-term performance-based remuneration improves the transparency and objectivity of payment criteria by linking them to the achievement of annual consolidated performance targets (total amount of ordinary income, amount of ordinary income excluding the containership business, and profit attributable to owners of the parent). It is calculated using coefficients linked to total ordinary income and net profit, as well as factors reflecting individual contributions. The result varies between 0 and 1.5 depending on performance.

Medium- to long-term performance-based remuneration is linked to total shareholder return (TSR), with the aim of sharing shareholder value and enhancing corporate value. Specifically, we set coefficients for each position's base amount, taking into account the ratio of TSR, TOPIX growth and the Company's ranking relative to other companies. A TSR ratio of 50% or less yields a coefficient of zero. At 100%, it is 1. At 150% or more, the coefficient reaches a maximum of 1.62. ROE and improvements in CO_2 emission efficiency are also factored into the evaluation. The link to performance grows with management responsibility. Points are assigned based on calculated coefficients, and shares or equivalent are granted upon retirement.

(iv) Reasons for Selecting Said Indicators

The Company provides motivation with the optimal balance between short-term performance and medium- to long-term shareholder value enhancement, providing Directors and Executive Directors with incentives to promote sustainable initiatives, aimed at maximizing corporate value.

<For your reference>

Overview of Remuneration System Applicable to the Fiscal Year After Transition to a Company with Nominating Committee, etc.

Classification	Type of remuneration	Nature of remuneration	Method of determination
Director (excluding those who concurrently serve as Executive Officer)	1) Monthly remuneration (monetary)	Fixed remuneration	Monthly remuneration by position according to responsibilities
	2) Fixed remuneration (stock)		Fixed stock remuneration according to responsibilities
Executive Officer (including those who concurrently serve as Director)	1) Monthly remuneration (monetary)	Fixed remuneration	Monthly remuneration by position according to responsibilities
	2) Short-term performance-based remuneration (monetary)	Variable remuneration	Linked to consolidated performance and individual performance evaluations for single fiscal years. Apply subtraction indicators in the event of a serious accident.
	3) Medium- to long-term performance-based remuneration (stock) "BBT"		Linked to the Company's medium- to long-term total shareholders return (TSR*1), ROE indicators, and ESG indicators (improvement in reducing CO_2 emissions)*2.

*1 TSR = The rate of increase of the Company's shares over a fixed period + The dividend rate over the fixed period (Total dividend ÷ Initial share price)

*2 The composition ratio for TSR indicators: ROE indicators: ESG indicators is set at 90:5:5

(3) Matters Related to Outside Officers

Status of Main Activities During the Current Fiscal Year and Summary of Duties Performed in Relation to Expected Roles

Name	Position	Status of Main Activities and Summary of Duties Performed in Relation to Expected Roles
Keiji Yamada	Outside Director	Mr. Yamada attended all 19 meetings of the Board of Directors held during the current fiscal year. Based on his wide range of experience/personal network and insight from his long-term experience as a head of administrative organs, he has appropriately fulfilled his expected roles of making comments as appropriate from an objective standpoint as an Outside Director and supervising the execution of business through his activities in his position as Remuneration Advisory Committee Chairperson and Nomination Advisory Committee Member.
Ryuhei Uchida	Outside Director	Mr. Uchida attended all 19 meetings of the Board of Directors held during the current fiscal year. Based on his abundant experience and insight in corporate value enhancement, he has appropriately fulfilled his expected roles of making comments as appropriate from a standpoint as the Company's shareholder and contributing to the enhancement of the Group's corporate governance with his precise supervision on the Company's management and the execution of business.
Koji Kotaka	Outside Director	Mr. Kotaka attended all 19 meetings of the Board of Directors held during the current fiscal year and attended one Audit Committee meeting held in March 2025. In addition to being a lawyer, he has experience in roles such as company director in a broad range of industries including securities, investment banking, IT and real estate. Drawing on his abundant experience in law, finance and accounting and broad insight, which also includes investment and IR, he has appropriately fulfilled his role of making suggestions at the Board of Directors meetings and supervising the execution of business through his activities in his position as Remuneration Advisory Committee Chairperson and Nomination Advisory Committee Member.
Hiroyuki Maki	Outside Director	Mr. Maki attended all 19 meetings of the Board of Directors held during the current fiscal year and attended one Audit Committee meeting held in March 2025. Drawing on his abundant experience as a corporate manager and broad insight in IT and digital realm, he has appropriately fulfilled his role of making suggestions as appropriate at the Board of Directors meetings and supervising the execution of business through his activities in his position as Nomination Advisory Committee Member and Remuneration Advisory Committee Member.
Takako Masai	Outside Director	Ms. Masai attended all 14 meetings of the Board of Directors held after her assumption of office in June 2024. Drawing on her abundant experience in the financial market, insight of financial economics, and knowledge on diversity, she has appropriately fulfilled her role of actively making suggestions at the Board of Directors meetings and supervising the execution of business through her activities in her position as Nomination Advisory Committee Member and Remuneration Advisory Committee Member.

Name	Position	Status of Main Activities and Summary of Duties Performed in Relation to Expected Roles
Atsumi Harasawa	Outside Director	Ms. Harasawa attended all 18 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal year as an Audit & Supervisory Board Member. She also attended one Board of Directors meeting and one Audit Committee meeting held after her assumption of office as Director in March 2025. She has appropriately fulfilled her expected roles of making comments as appropriate from an expert perspective as a lawyer and conducting effective auditing from an independent point of view.
Shinsuke Kubo	Outside Director	Mr. Kubo attended all 18 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal year as an Audit & Supervisory Board Member. He also attended one Board of Directors meeting and one Audit Committee meeting held after his assumption of office as Director in March 2025. He has appropriately fulfilled his expected roles of making comments as appropriate from an expert perspective as a certified public accountant and conducting effective auditing from an independent point of view.

(4) Overview of Contents of Limited Liability Contracts

The Company's Articles of Incorporation stipulate that, pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company may conclude limited liability contracts as prescribed in Article 423, Paragraph (1) of the said Act with Directors (excluding Executive Directors). Audit & Supervisory Board Members were also applicable under the Articles of Incorporation prior to the amendment on March 28, 2025. Based on the provisions, the Company has concluded limited liability contracts with Non-Executive Directors Yukikazu Myochin, Kunihiko Arai, Keiji Yamada, Ryuhei Uchida, Koji Kotaka, Hiroyuki Maki, Takako Masai, Atsumi Harasawa, and Shinsuke Kubo. When acting in good faith and in the absence of any serious negligence, the limit of liability on the basis of any such contract will amount to either ¥10 million or an amount stipulated by laws and regulations, whichever amount may be higher.

The Company had also concluded the same limited liability contracts with Audit & Supervisory Board Members Kunihiko Arai, Makoto Arai, Atsumi Harasawa, and Shinsuke Kubo, who retired from their position due to the expiration of their terms of office upon the conclusion of the Extraordinary General Meeting of Shareholders held on March 28, 2025.

(5) Outline of Liability Insurance Contracts for Directors and Officers, etc.

The Company has concluded liability insurance contracts with an insurance company for Directors and Officers, etc., as stipulated in Article 430-3, Paragraph (1) of the Companies Act. The scope of the said contracts is for Directors, Executive Officers, Audit & Supervisory Board Members and Corporate Officers of the Company and its subsidiaries, and the insured does not bear the premium. The said contract covers damages that may arise from the insured assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, the coverage excludes illegal acts and the like of the insured carried out intentionally so that the properness of the execution of duties by the insured is not impaired.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025
ASSETS	
Current assets:	
Cash and deposits	204,716
Accounts and notes receivable - trade and contract assets	113,917
Raw materials and supplies	38,308
Deferred and prepaid expenses	23,848
Short-term loans receivable	4,317
Other current assets	19,464
Allowance for doubtful accounts	(1,197)
Total current assets	**403,375**
Non-current assets:	
(Vessels, property and equipment)	
Vessels, net	389,939
Buildings and structures, net	9,455
Machinery, equipment and vehicles, net	3,144
Land	15,565
Construction in progress	63,806
Other, net	6,755
Total vessels, property and equipment	**488,666**
(Intangible assets)	
Other intangible assets	7,266
Total intangible assets	**7,266**
(Investments and other assets)	
Investment securities	1,230,101
Long-term loans receivable	18,051
Asset for retirement benefits	4,942
Deferred tax assets	3,834
Other investments and other assets	55,112
Allowance for doubtful accounts	(1,302)
Total investments and other assets	**1,310,739**
Total non-current assets	**1,806,673**
Total assets	**2,210,049**

(Note) The amounts presented are rounded down to the nearest million yen.

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025
LIABILITIES	
Current liabilities:	
Accounts and notes payable - trade	69,222
Short-term loans and current portion of long-term loans	51,412
Lease obligations	20,379
Accrued income taxes	6,129
Provision for loss related to the Anti-Monopoly Act	1,335
Provision for loss on chartering contracts	3,206
Provision for bonuses	4,304
Provision for directors' bonuses	421
Provision for loss on litigation	314
Other current liabilities	48,729
Total current liabilities	**205,455**
Non-current liabilities:	
Bonds	14,000
Long-term loans, less current portion	229,840
Lease obligations	29,229
Deferred tax liabilities	19,066
Deferred tax liabilities on land revaluation	1,210
Provision for directors' and other officers' retirement benefits	37
Provision for directors' stock benefits	2,655
Provision for periodic drydocking of vessels	17,986
Liability for retirement benefits	5,150
Other non-current liabilities	7,967
Total non-current liabilities	**327,144**
Total liabilities	**532,599**
NET ASSETS	
Shareholders' equity:	
Common stock	75,457
Capital surplus	32,495
Retained earnings	1,248,600
Treasury stock	(8,085)
Total shareholders' equity	**1,348,467**
Accumulated other comprehensive income:	
Net unrealized holding gain (loss) on investment securities	12,991
Deferred gain (loss) on hedges	3,066
Revaluation reserve for land	4,576
Foreign currency translation adjustments	277,190
Retirement benefits liability adjustments	2,141
Total accumulated other comprehensive income	**299,966**
Non-controlling interests	**29,015**
Total net assets	**1,677,449**
Total liabilities and net assets	**2,210,049**

(Note) The amounts presented are rounded down to the nearest million yen.

Consolidated Statement of Operations

(Millions of yen)

	Year ended March 31, 2025
Marine transportation and other operating revenues	1,047,944
Marine transportation and other operating costs and expenses	865,691
Gross profit (loss)	182,253
Selling, general and administrative expenses	79,398
Operating income (loss)	102,855
Non-operating income:	
Interest income	5,058
Dividend income	3,035
Equity in earnings of unconsolidated subsidiaries and affiliates	202,052
Foreign exchange gains	824
Other non-operating income	3,333
Total non-operating income	214,303
Non-operating expenses:	
Interest expenses	7,339
Other non-operating expenses	1,729
Total non-operating expenses	9,069
Ordinary income (loss)	308,089
Extraordinary income:	
Gain on sales of non-current assets	11,786
Other extraordinary income	607
Total extraordinary income	12,394
Extraordinary losses:	
Loss on retirement of non-current assets	85
Loss on valuation of shares of subsidiaries and affiliates	91
Provision for loss on litigation	314
Other extraordinary losses	19
Total extraordinary losses	510
Profit (loss) before income taxes	319,973
Income taxes:	
Current	11,209
Deferred	1,168
Total income taxes	12,377
Profit (loss)	307,596
Profit (loss) attributable to non-controlling interests	2,211
Profit (loss) attributable to owners of the parent	305,384

(Note) The amounts presented are rounded down to the nearest million yen.

“English Translation”
Independent Auditor’s Report

May 14, 2025

The Board of Directors
Kawasaki Kisen Kaisha, Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Satoshi Uchida
Designated Engagement Partner
Certified Public Accountant

Masaya Kiyomoto
Designated Engagement Partner
Certified Public Accountant

Kazuma Miwa
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Kawasaki Kisen Kaisha, Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group’s business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group’s reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor’s Report

This is an English translation of the Independent Auditor’s Report as required by the Companies Act of Japan for the conveniences of the reader.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025
ASSETS	
Current assets:	
Cash and deposits	152,887
Accounts receivable - shipping	72,236
Contract assets	9,154
Advances paid	5,494
Supplies	31,603
Deferred and prepaid expenses	21,861
Accounts receivable from agencies	11,483
Short-term loans receivable	10,637
Other current assets	10,237
Allowance for doubtful accounts	(1,042)
Total current assets	**324,554**
Non-current assets:	
(Vessels, property and equipment)	
Vessels, net	107,916
Buildings, net	1,112
Structures, net	24
Machinery and equipment, net	20
Vehicles and transportation equipment, net	554
Equipment and fixtures, net	690
Land	4,577
Construction in progress	58,351
Other, net	332
Total vessels, property and equipment	**173,580**
(Intangible assets)	
Software	515
Other intangible assets	2,518
Total intangible assets	**3,034**
(Investments and other assets)	
Investment securities	27,499
Shares of subsidiaries and affiliates	247,003
Investments in capital	703
Investments in capital of subsidiaries and affiliates	3,596
Long-term loans receivable	3,038
Long-term loans receivable from employees	165
Long-term loans receivable from subsidiaries and affiliates	49,131
Long-term prepaid expenses	18,638
Prepaid pension expenses	821
Deferred tax assets	5,268
Lease investment assets	26,173
Lease and guarantee deposits	1,858
Other investments and other assets	1,536
Allowance for doubtful accounts	(1,107)
Total investments and other assets	**384,329**
Total non-current assets	**560,944**
Total assets	**885,498**

(Note) The amounts presented are rounded down to the nearest million yen.

Non-Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025
LIABILITIES	
Current liabilities:	
Accounts payable - shipping	70,322
Short-term loans and current portion of long-term loans	105,227
Lease obligations	15,945
Accounts payable other than trade	2,685
Accrued expenses	855
Accrued income taxes	2,555
Advances received	890
Contract liabilities	26,094
Deposits received	5,489
Accounts payable to agencies	518
Provision for loss related to Anti-Monopoly Act	1,335
Provision for loss on chartering contracts	3,230
Provision for bonuses	2,327
Provision for directors' bonuses	133
Provision for loss on litigation	314
Other current liabilities	1,034
Total current liabilities	**238,961**
Non-current liabilities:	
Bonds	14,000
Long-term loans, less current portion	116,968
Lease obligations	8,124
Provision for employees' retirement benefits	635
Provision for directors' stock benefits	2,655
Provision for periodic drydocking of vessels	11
Deferred tax liabilities on land revaluation	911
Other non-current liabilities	2,903
Total non-current liabilities	**146,211**
Total liabilities	**385,173**
NET ASSETS	
Shareholders' equity:	
Common stock	75,457
Capital surplus:	
Capital reserve	9,607
Total capital surplus	9,607
Retained earnings:	
Legal reserve	9,257
Other retained earnings	
Reserve for advanced depreciation	66
Retained earnings carried forward	405,752
Total other retained earnings	405,819
Total retained earnings	415,077
Treasury stock	(8,048)
Total shareholders' equity	**492,093**
Accumulated other comprehensive income:	
Net unrealized holding gain (loss) on investment securities	11,098
Deferred gain (loss) on hedges	(4,889)
Revaluation reserve for land	2,023
Total accumulated other comprehensive income	**8,231**
Total net assets	**500,325**
Total liabilities and net assets	**885,498**

(Note) The amounts presented are rounded down to the nearest million yen.

Non-Consolidated Statement of Operations

(Millions of yen)

	Year ended March 31, 2025
Marine transportation revenues	
Freight	662,519
Charter hire	154,444
Other marine transportation revenue	23,613
Total marine transportation revenues	840,578
Marine transportation expenses	
Operating costs and expenses	304,558
Vessel expenses	11,792
Charter hire:	
Charter hire	388,673
Provision for loss on chartering contracts	3,227
Other marine transportation expenses	27,072
Total marine transportation expenses	735,325
Marine transportation income (loss)	105,252
Other business revenue	50
Other business expenses	24
Other business income (loss)	25
Gross operating income (loss)	105,278
General and administrative expenses	28,600
Operating income (loss)	76,677
Non-operating income:	
Interest income	5,481
Dividend income	132,334
Foreign exchange gains	1,666
Other non-operating income	2,964
Total non-operating income	142,447
Non-operating expenses:	
Interest expenses	5,368
Interest on bonds	91
Financing expenses	842
Provision of allowance for doubtful accounts	(132)
Other non-operating expenses	624
Total non-operating expenses	6,794
Ordinary income (loss)	212,330
Extraordinary income:	
Gain on sales of non-current assets	2,831
Gain on sales of shares of subsidiaries and affiliates	3,427
Other extraordinary income	2
Total extraordinary income	6,261
Extraordinary losses:	
Loss on valuation of shares of subsidiaries and affiliates	2,730
Provision for loss on litigation	314
Other extraordinary losses	24
Total extraordinary losses	3,068
Profit (loss) before income taxes	215,523
Income taxes:	
Current	5,639
Deferred	(1,884)
Total income taxes	3,755
Profit (loss)	211,767

(Note) The amounts presented are rounded down to the nearest million yen.

“English Translation”
Independent Auditor’s Report

May 14, 2025

The Board of Directors
Kawasaki Kisen Kaisha, Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Satoshi Uchida
Designated Engagement Partner
Certified Public Accountant

Masaya Kiyomoto
Designated Engagement Partner
Certified Public Accountant

Kazuma Miwa
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of operations, the statement of changes in net assets, and notes to the financial statements and the related supplementary schedules of Kawasaki Kisen Kaisha, Ltd. (the Company) applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor’s Report

This is an English translation of the Independent Auditor’s Report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION PURPOSE ONLY)
Copy of the Audit Committee's Report

AUDIT REPORT

For the 157th term, the Audit Committee audited the execution of duties by Directors for the period from April 1, 2024 to March 27, 2025, and the execution of duties by Directors and Executive Officers from March 28, 2025 to March 31, 2025. We hereby report as follows on the method and results of that audit.

1. Method and Contents of Audit by Members of the Audit Committee and the Audit Committee

(1) The Audit Committee received reports from the Audit & Supervisory Board Members as of March 27, 2025 (hereinafter referred to as "former Audit & Supervisory Board Members"), and the Audit & Supervisory Board as of March 27, 2025 (hereinafter referred to as "former Audit & Supervisory Board"), regarding the results of the audits conducted by the former Audit & Supervisory Board Members as described in (2) below, and requested explanations as necessary. In addition, from March 28, 2025 thereafter, the Audit Committee received reports from the Directors, Executive Officers, Accounting Auditor, and employees in collaboration with the Company's internal control department in accordance with the audit policies, division of duties, and Audit Committee auditing standards, etc. established by the Audit Committee, and requested explanations as necessary.

(2) In accordance with the Audit & Supervisory Board Member auditing standards and audit plans established by the former Audit & Supervisory Board, each former Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, Corporate Officers, the internal audit division and other employees, etc. of the Company, endeavored to collect information and maintain and improve the audit environment, and conducted an audit by following the methods described below:

① Each former Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of execution of duties from the Directors, Corporate Officers and other employees and requested explanations as necessary, examined important approval/decision documents, and investigated the status of operations and assets of the headquarters and other major offices. Moreover, with respect to the subsidiaries, each former Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the directors and audit & supervisory board members, etc. of each subsidiary, and received reports on their respective business from the subsidiaries as necessary.

② Each former Audit & Supervisory Board Member received regular reports from Directors, Corporate Officers and employees, requested explanations as necessary, and conveyed their views, regarding the contents of deliberations at Board of Directors' meetings and the framework and operational status of systems (internal control systems) established on the basis of resolutions thereof to establish systems to ensure that directors perform their duties in compliance with relevant laws and regulations and the Articles of Incorporation, and other systems set forth in Article 100, Paragraphs (1) and (3), of the Regulation for Enforcement of the Companies Act as being necessary for ensuring that business of the corporate group comprised of the stock company and its subsidiaries is carried out in a manner appropriate to a joint stock company (kabushiki kaisha). In addition, with regard to the internal controls for financial reporting, we received reports from the Directors and employees of the Company, and Ernst & Young ShinNihon LLC regarding the evaluation of said internal controls and the auditing activities, and requested explanations as necessary.

③ Each former Audit & Supervisory Board Member monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of their execution of duties, and requested explanations as necessary. Each former Audit & Supervisory Board Member was notified by the Accounting Auditor that it had established "systems for ensuring appropriate execution of its duties" (in each item listed in Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards for Audits," and requested explanations as necessary.

Based on the above-described methods, each former Audit & Supervisory Board Member examined the business report and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of operations, consolidated statement of changes in net assets, and notes to consolidated financial statements) for this business year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

① We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation.

② We acknowledge that no misconduct or violations of laws and regulations, or the Articles of Incorporation was found with respect to the execution of duties by the Directors and Executive Officers.

③ We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the descriptions of the business report and the execution of duties by the Directors and Executive Officers regarding the internal control system including the internal controls for financial reporting.

(2) Results of Audit of Non-consolidated Financial Statements and Their Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 15, 2025

The Audit Committee of
Kawasaki Kisen Kaisha, Ltd.

Member of the Audit Committee	Koji Kotaka
Member of the Audit Committee	Hiroyuki Maki
Member of the Audit Committee	Atsumi Harasawa
Member of the Audit Committee	Shinsuke Kubo
Member of the Audit Committee	Kunihiko Arai

"K" LINE
KAWASAKI KISEN KAISHA, LTD. ®

(Translation)

REFERENCE DOCUMENTS FOR THE 157TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

(Items concerning measures for providing information in electronic format that are not included in documents delivered to shareholders who have requested delivery of paper-based documents, pursuant to the provisions of relevant laws and regulations and the Company's Articles of Incorporation)

The 157th term
(From April 1, 2024 to March 31, 2025)

Kawasaki Kisen Kaisha, Ltd.

Pursuant to the provisions of relevant laws and regulations and Article 19 of the Company's Articles of Incorporation, the items listed above are not included in the documents delivered to shareholders who have requested delivery of paper-based documents.

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Core Business (as of March 31, 2025)

Dry Bulk Segment	Dry Bulk business
Energy Resource Transport Segment	LNG Carrier business, Electricity business, Tanker business, Offshore business and Carbon Solution business
Product Logistics Segment	Car Carrier business, Logistics business, Short Sea and Coastal business, and Containership business
Other	Ship management service, travel agency service, and real estate rental and administration service

Principal Lenders (as of March 31, 2025)

Lender	Loan balance (Billions of yen)
Mizuho Bank, Ltd.	74.0
Development Bank of Japan Inc.	50.8
Sumitomo Mitsui Trust Bank, Limited	35.2
The Norinchukin Bank	25.4
Shinkin Central Bank	13.4

Matters Related to Stock Acquisition Rights

No items to report.

Status of Accounting Auditor

(1) Name of Accounting Auditor
Ernst & Young ShinNihon LLC

(2) Amount of Remunerations Payable to Accounting Auditor for the Fiscal Year under Review

Item	Amount
1) Amount of remunerations to be paid to Accounting Auditor by the Company	¥109 million
2) Total amount of money and other financial benefits to be paid to Accounting Auditor by the Company and its subsidiaries	¥172 million

(Note) The audit contract between the Company and Accounting Auditor does not classify the remuneration amounts separately for audits pursuant to the Companies Act and for audits pursuant to the Financial Instruments and Exchange Act, partially given the impracticality of deriving such classifications. Therefore, the amount listed in 1) is not classified in this way.
Of the Company's principal subsidiaries, etc., accounting auditors other than the Accounting Auditor of the Company audit documents relating to accounts of "K" LINE BULK SHIPPING (UK) LIMITED, "K" Line European Sea Highway Services GmbH, "K" LINE LNG SHIPPING (UK) LIMITED, "K" LINE PTE LTD and OCEAN NETWORK EXPRESS PTE. LTD.

(3) Reason for the Consent to the Amounts of the Remunerations for Accounting Auditor, etc.
The Audit & Supervisory Board obtained necessary materials and received reports from Directors, the related internal departments and the Accounting Auditor. And after conducting the necessary verification and deliberations on whether or not the content of audit plans conducted by the Accounting Auditor, the execution status of Accounting Auditor's duty, the basis for calculation of estimates for its remuneration, etc. are appropriate, the Board gave the consent provided for in Article 399, Paragraph 1 of the Companies Act.
At the Extraordinary General Meeting of Shareholders held on March 28, 2025, it was resolved to transition the Company's corporate governance structure to a company with Nominating Committee, etc. Accordingly, the Audit Committee has taken over the duties previously performed by the Audit & Supervisory Board.

(4) Details of Non-audit Services (Services Other than Those of Article 2, Paragraph 1 of the Certified Public Accountants Act) Performed by Accounting Auditor
The Company paid to the Accounting Auditor a consideration for the preparation of comfort letters in issuing corporate bonds.

(5) Policy for Decisions on Dismissal or Non-reappointment of Accounting Auditor
If deemed necessary by the Audit Committee in cases such as where an Accounting Auditor has difficulty in the execution of his or her duties, the Audit Committee shall determine the content of a proposition regarding the dismissal or non-reappointment of the Accounting Auditor to be submitted to a general meeting of shareholders.
If circumstances involving an Accounting Auditor are deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor shall be dismissed subject to unanimous approval by the Audit Committee. In any such case, a Member of the Audit Committee appointed by the Audit Committee shall report the dismissal of the Accounting Auditor and the grounds for dismissal at the first general meeting of shareholders to be convened after the dismissal.

System to Ensure Proper Business Operations

The Company continues its efforts to establish a system to ensure the execution of duties by its Executive Officers, Corporate Officers and employees in compliance with laws and regulations and the Articles of Incorporation, as well as a system to ensure the appropriateness of businesses of the corporate group comprised of the Company and its subsidiaries (hereinafter, the "Group") specified by laws and regulations.

To be precise, the Company's Board of Directors assumes responsibility for developing an internal control system, evaluating its effectiveness and ensuring its functions.

Currently, the Company establishes the following systems and will strive to review and improve them on a continuous basis and as necessary in order to enhance the effectiveness of its internal control.

(1) System to ensure the execution of duties by the Company's Executive Officers, Corporate Officers and employees in compliance with laws and regulations as well as the Articles of Incorporation

The Company has established the Charter of Conduct for "K" Line Group Companies and the "K" Line Implementation Guideline for Charter of Conduct, in which the compliance of the Group with laws and regulations as well as business ethics is specified as one of the principles of the conduct. The Board of Directors is required to ensure thorough implementation of compliance and establish an effective internal system in order to achieve it. To that end, the Company constantly implements the following measures:

(i) The Company clarifies Executive Officers' authority in accordance with the Rules for the Board of Directors and the Regulations on Decision Making, requires the Executive Officers to actively and faithfully execute their business in charge, and expects them to report the status of their execution of duties to the Board of Directors, in order to ensure the execution of duties by the Executive Officers in compliance with laws and regulations as well as the Articles of Incorporation.

(ii) The Company establishes the Rules for Corporate Officers, which specify matters to be complied with by the Corporate Officers in order to ensure that the execution of duties by the Corporate Officers is in compliance with laws and regulations as well as the Articles of Incorporation, and promotes the active and faithful execution of the business delegated to them.

(iii) The Company establishes internal rules such as the Rules for Employees in order to ensure the execution of duties by the employees in compliance with laws and regulations as well as the Articles of Incorporation.

(iv) The Internal Audit Group supports the performance of responsibilities by the Board of Directors, Executive Officers and Corporate Officers regarding the establishment, maintenance and improvement of the internal control system through the supervision and verification of the system.

(v) The Company establishes the Compliance Committee chaired by the Representative Executive Officer, President & CEO and strives to develop and maintain its compliance system.

(vi) The Company establishes a whistle-blowing system called the "Hotline System" in order to identify and appropriately handle legal violations and other compliance issues at an early stage. The Group specifies some internal contacts as well as a law firm as an external contact for whistle-blowers. This system is managed under the Rules for the Hotline System.

(2) System for retaining and managing information pertaining to the execution of duties by the Company's Executive Officers

The Company appropriately retains and manages information regarding the execution of duties by its Executive Officers in the form of fully searchable data that ensures the availability of perusal at any time, in accordance with the Rules for the Board of Directors and the Regulations for Documentation during the period specified by such rules and regulations.

(3) Rules and systems for the Company to manage risks of loss

The Company remains aware of the risks, as listed below, inherent in the course of conducting business. Accordingly, we have developed systems to identify and manage these risks, as well as to address the respective risks.

– Risks related to the safe operation of ships (involving seawater contamination)
– Risks related to major disasters, etc.
– Risks related to compliance
– Other management risks

In order to fulfill its corporate social responsibility when these risks materialize (i.e., a crisis occurs), the Company has formulated the Crisis Management Regulations and established a crisis and risk management system. In addition to establishing committees to address each of the above risks, the Company has established the Crisis Management Committee as an organization that integrates and coordinates these four committees, takes overall charge of crisis and risk management initiatives, and promotes such activities.

Committee name	Function
Crisis Management Committee	Oversee overall crisis and risk management initiatives
Ship Safety Promotion Committee	Implement safety measures for Company-operated ships, prevent ship-related accidents (including incidents involving seawater contamination), and take action when such accidents occur
Disaster Response Committee	Prepare for major disasters during normal times and take action when such disasters occur
Compliance Committee	Address compliance-related issues
Management Risk Committee	Address other management risks

(4) System to ensure that Executive Officers of the Company execute their duties efficiently

As a company with Nominating Committee, etc., the Company appoints Executive Officers and promotes smooth decision-making on the execution of duties by delegating significant authority from the Board of Directors to the Executive Officers.

[Board of Directors] The Board of Directors determines the fundamental management policies, matters required by laws and regulations, and other important matters, while supervising the execution of duties by the Directors, Executive Officers and Corporate Officers. A meeting of the Board of Directors should be held once a month, in principle.

The Company also adopts a system of making resolutions in writing for the Board of Directors, which enables the flexible operation of the board.

[Management Conference] The Company hosts a Management Conference that requires the attendance of the Representative Executive Officer, President & CEO, other Executive Officers, Corporate Officers equivalent to or higher than Senior Corporate Officers and in charge of corporate planning, finance and accounting, etc. once a week in principle. By doing so, the Company establishes a system that contributes to decision-making by the Representative Executive Officer, President & CEO or his or her delegate based on open discussions.

(5) Systems to ensure proper business operations of the corporate group comprised of the Company and its subsidiaries

The Company establishes the Charter of Conduct for "K" Line Group Companies as the code of conduct applicable to the entire Group, in order to ensure the appropriate operations of its subsidiaries (hereinafter, the "Group companies"). Each Group company establishes internal rules and regulations based on the charter. In addition, the Company establishes the Regulations for Business Operations by Subsidiaries in order to ensure the appropriate operations by its Group companies by supporting and managing the establishment and effective operation of their internal control systems while respecting the independence of these Group companies.

(i) System for reporting matters regarding the execution of duties by Directors, etc. of the Group companies to the Company

The Company establishes the Regulations for Business Operations by Subsidiaries and requires its Group companies to report important matters to the relevant departments of the Company. In addition, the Company provides its hotline contact as well as hotline systems of each Group company for whistle-blowers who identify any legal violations and other compliance issues in each respective office. The Company also hosts the Group Management Meeting to facilitate information exchange among the Company and the Group companies.

(ii) Rules and systems for managing risk of loss of the Group companies

The Group companies establish their own crisis management system independently according to their business scale and characteristics. The Company establishes the Regulations for Business Operations by Subsidiaries and requires the Group companies to report risks in executing their respective business operations according to the characteristics of their businesses to the Company, which will be handled by the Crisis Management Committee and other organizations.

(iii) System to ensure that Directors, etc. of the Group companies execute their duties efficiently

The Group companies independently manage their respective businesses in principle. The Company establishes the Regulations for Business Operations by Subsidiaries and specifies that certain important matters of the Group companies require approval of, discussion with, or reporting to the Company.

(iv) System to ensure that Directors, etc. and employees of the Group companies execute their duties in compliance with relevant laws and regulations and the Articles of Incorporation

The Company establishes the Charter of Conduct for "K" Line Group Companies and requires the Group companies to comply with the charter. In addition, the Company requires each Group company to establish its Implementation Guideline for Charter of Conduct according to the characteristics of their businesses and verifies the content of such guidelines.

Furthermore, the Company monitors via the Internal Audit Group, etc. the status of compliance and implementation of the internal control system by the Group companies.

(6) Matters concerning the employees who are to assist the Audit Committee in its duties

The Company establishes the Rules Concerning Employees Tasked with Assisting the Audit Committee, and appoints employees who are required to assist the duties of the Audit Committee ("employees assisting the Audit Committee") under the supervision of the Audit Committee.

(7) Matters concerning the independence of the employees assisting the Audit Committee from the Executive Officers of the Company

The Company establishes the Rules Concerning Employees Tasked with Assisting the Audit Committee, which specify that the Company, respecting the opinions and evaluations of the Audit Committee, evaluates the performance of the employees assisting the Audit Committee, and that their appointment and transfer require prior approval from the Audit Committee.

(8) Matters to ensure the effectiveness of instructions by the Audit Committee of the Company given to the employees assisting the Audit Committee

When the employees assisting the Audit Committee request the Company for any information materials and/or reporting, the Company will promptly provide such materials and/or reporting.

(9) System for reporting to the Audit Committee of the Company by the Directors (excluding Directors who are Members of the Audit Committee), Executive Officers, Corporate Officers and employees of the Company; the Directors, the Audit & Supervisory Board Members, and employees of the Group companies; or a person who received a report from the above persons; and other systems for reporting to Members of the Audit Committee of the Company

The Directors (excluding Directors who are Members of the Audit Committee), Executive Officers, Corporate Officers and employees of the Company are required to report important matters regarding the management and operations of the Company's businesses and the status of executing its business in charge to the Audit Committee as needed at a meeting of the Board of Directors, the Audit Committee or other important meetings, as well as to promptly report any compliance issues and other matters that may cause serious damage to the Company, if identified, to Members of the Audit Committee in accordance with the Rules for Systems of Reporting to the Audit Committee, Etc. The Executive Officers are required to promptly report matters regarding the execution of duties in an appropriate manner to the Audit Committee when being requested to do so. The Internal Audit Group is required to report the progress of its audits to the Audit Committee as necessary and conduct additional audits if being requested to do so by the Audit Committee.

The Directors, Audit & Supervisory Board Members and employees of the Group companies are required to report compliance issues and other important matters specified to the relevant department of the Company, and the relevant department may report the matter to the Audit Committee of the Company as necessary in accordance with the Regulations for Business Operations by Subsidiaries. The Company hosts a Group Companies' Audit & Supervisory Board Communication Meeting, in order to share information among the Company, its Group companies and subsidiaries.

(10) System to ensure the non-unfair treatment of persons who made reporting as described in the above

The Company prohibits the Company or its Group companies, under the Rules for Systems of Reporting to the Audit Committee, Etc. and the Regulations for Business Operations by Subsidiaries, from unfairly treating the Directors, Audit & Supervisory Board Members, Executive Officers, Corporate Officers and employees of the Company and its Group companies who conducted whistle-blowing to the Audit Committee of the Company due to the act of such whistle-blowing.

(11) Matters concerning policies on the advance payments, reimbursements and other procedures for settlements of expenditures and/or liabilities incurred from the execution of duties by Members of the Audit Committee of the Company

The Company establishes policies on the advance payments and reimbursements and other procedures for settlements of expenditures and liabilities incurred from the execution of duties by Members of the Audit Committee, and conduct such advance payments and reimbursements and settlements based on the policies.

(12) Other systems to ensure performance of effective audits by the Audit Committee of the Company

The Company cooperates in developing an environment ensuring effective audits by the Audit Committee by coordinating regular meetings with the Audit Committee and the Representative Executive Officers, arranging collaboration of the Audit Committee with the Internal Audit Group, and other such means.

(13) System for ensuring the reliability of financial reports

To ensure the reliability of the Group's financial reports, the Company will engage in ongoing efforts to evaluate and improve the effectiveness of internal control systems pertaining to financial reporting, on the basis of Japan's Financial Instruments and Exchange Act, and other relevant laws and regulations.

(14) Fundamental policy toward anti-social forces and status of policy implementation

The Company has established as a code of conduct in the "K" LINE Implementation Guidelines for the Charter of Conduct that, "in cooperation with authorities and organizations concerned, "K" LINE will endeavor to eliminate anti-social forces and mobilize the entire corporation to act in accordance with the law and prevent them from harming it."

Accordingly, the Company establishes a system that enables the swift and appropriate handling of matters relating to anti-social forces occurring within the Group, by appointing a department in charge of handling matters relating to anti-social forces and working with law enforcement officials, expert corporate legal counsel and other external organizations on a normal basis, with the aim of precluding all involvement of anti-social forces and severing any ties that could emerge.

Outline of Operational Status of System to Ensure Proper Business Operations

A summary of the operational status of the above system in the current fiscal year is as follows:

(1) Status of the Company's efforts made for the system to ensure the execution of duties by the Company's Executive Officers, Corporate Officers and employees in compliance with laws and regulations as well as the Articles of Incorporation

The Company carried out the following matters as its efforts for making officers and employees fully aware of the Charter of Conduct for "K" Line Group Companies and the "K" Line Implementation Guideline for Charter of Conduct, for ensuring compliance within the Company and for establishing an effective internal system to achieve it.

(i) The "K" Line Group Global Compliance Policy (hereinafter "Global Policy"), which was established in January 2017, aims to strengthen the Group compliance system at a global level. The Company requires executives and employees of the Company and the Group companies to comply with the Global Policy. In addition, the Company works to make the Global Policy the code of conduct for the day-to-day duties for executives and employees of the Company and the Group companies through seminars conducted by the division dedicated to the initiative, delivery of a guidebook, activities by a special committee, and other initiatives.

(ii) Regarding compliance with domestic and foreign competition laws, the Company works to ensure compliance of executives and employees with the Regulation for Compliance with Anti-Monopoly Act and implemented the initiative to further strengthen compliance consciousness concerning competition laws through promoting educational and awareness-raising activities by a division dedicated to the initiative. In addition, the Company monitors and supervises the status of implementation of measures for compliance by conducting business process audits. With respect to contacts with competitor companies, the Company strictly enforces rules on prior reporting and approval, recoding and storing details of the contacts.

(iii) To further enhance the system against bribery, based on the Global Policy, including individual policies relating to anti-bribery act, the Company enhances its initiatives against bribery and corruption as a member of the Maritime Anti-Corruption Network (MACN), which is a global business network working towards the vision of a maritime industry free of corruption.

(iv) In November 2019, the Company revised the Global Policy (individual policies relating to economic sanctions and anti-money laundering was added). The Company ensures executives and employees of the Company and the Group companies to comply with the regulations regarding the economic sanctions as well as the rules and measures for the anti-money laundering and the countering financing of terrorism that are applicable to the business of the Group.

(v) The Company established a Hotline System for receiving reports from executives and employees of the Company and the Group companies in Japan, as well as a Global Hotline System for receiving reports from executives and employees of the Group companies overseas, and is working to prevent compliance-related problems before they occur and to identify risks at an early stage and implement corrective measures in the Group's businesses in Japan and overseas. In addition, the Company ensured protection of the whistleblower and confidentiality of the report so that the whistleblower could utilize the systems without concern.

(vi) The Company discusses the policy for securing the compliance throughout the Company and the Group companies as well as measures to address compliance violations through the Compliance Committee chaired by the President & CEO. Under the Chief Compliance Officer (CCO), who has the ultimate responsibility for compliance, the Company strengthens compliance throughout the organization.

(vii) The Company sets every November as the dedicated compliance-awareness month when the Company distributes a message from the President & CEO to executives and employees of the Company and the Group companies to remind them of the importance of compliance. The Company also holds a compliance e-learning training and a compliance seminar featuring lecturers invited from outside the company. Furthermore, as part of the Company's stratified personnel training system, it conducts compliance training and holds seminars focused on individual themes (such as insider trading and harassment prevention) as appropriate. In addition, the Company distributes, as necessary, a "Compliance Newsletter" to report the important compliance-related matters that require particular attention.

(2) Status of the Company's efforts made for rules and systems for the Company to manage risks of loss

The Risk Management Committee held two meetings in order to recognize and promote crisis and risk management activities in general. In October 2024, the Company held a large-scale accident response drill in the event of an occurrence of ship-related accidents.

(3) Status of the Company's efforts made for the system to ensure that Executive Officers of the Company execute their duties efficiently

The Board of Directors consisted of nine Directors including five Outside Directors until June 21, 2024, eight Directors including five Outside Directors until March 28, 2025, and has consisted of ten Directors including seven Outside Directors since that date, and the meetings of the Board of Directors were held 19 times. The Company has transitioned to a company with Nominating Committee, etc. at the Extraordinary General Meeting of Shareholders held on March 28, 2025. The number of meetings includes those held after the transition. The meetings of the Board of Directors determined the fundamental management policies, matters required by laws and regulations, and other important matters regarding the management of businesses, while supervising the execution of duties by the Directors and Corporate Officers.

The meetings of the Management Conference were held 49 times, attended by the Representative Executive Officer, President & CEO, other Executive Officers, Corporate Officers equivalent to or higher than Senior Corporate Officers and in charge of corporate planning, finance and accounting, etc., as well as the Audit & Supervisory Board Members, etc.

At these meetings, initiatives when studying new projects and matters to be kept in mind were ascertained and consultations were made to contribute to decision making by the Executive Officer, President & CEO, etc. on important matters.

(4) Status of the Company's efforts made for the Systems to ensure proper business operations of the corporate group comprised of the Company and its subsidiaries

Based on the 'Charter of Conduct for "K" Line Group Companies' that is the code of conduct applicable to the entire Group, the Company had each Group company establish internal rules and regulations. In addition, in accordance with the "Regulations for Business Operations by Subsidiaries," the Company ensured the appropriate operations by its Group companies by supporting and managing the establishment and effective operation of their internal control systems while respecting the independence of these Group companies, and based on that, carried out the following matters.

(i) The Company required its Group companies to report important matters and business reports to the relevant departments of the Company. In addition, the Company held Group Management Meetings to share information among the Company and the Group companies.

(ii) The Company required the Group companies to report risks occurred in executing their business operations, which were handled by the Compliance Committee and other organizations.

(iii) Based on the "Regulations for Business Operations by Subsidiaries," the Company approved, discussed or received reports on certain important matters of the Group companies.

(5) Status of the Company's efforts made for the system for reporting to the Audit Committee of the Company by the Directors (excluding Directors who are Members of the Audit Committee), Executive Officers, Corporate Officers and employees of the Company; the Directors, the Audit & Supervisory Board Members, and employees of the Group companies; or a person who received a report from the above persons; and other systems for reporting to Members of the Audit Committee of the Company

The Company has developed a system where the Directors (excluding Directors who are Members of the Audit Committee), Executive Officers, Corporate Officers and employees of the Company are required in accordance with the Rules for Systems of Reporting to the Audit Committee, Etc., and the Directors, Audit & Supervisory Board Members and employees of the Group companies are required in accordance with the Regulations for Business Operations by Subsidiaries to report according to the matters through the relevant department of the Company to the Audit Committee or its Members. In addition, the Company hosts the Group Companies' Audit & Supervisory Board Communication Meeting to share information among the Company, its Group companies and subsidiaries.

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2024	75,457	29,102	1,233,274	(7,648)	1,330,186
Cumulative effects of changes in accounting policies			(54,550)		(54,550)
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	–
Change in treasury stock arising from change in equity in unconsolidated subsidiaries and affiliates accounted for using 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 change 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

(Note) The amounts presented are rounded down to the nearest million yen.

(Millions of yen)

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized holding gain on investment securities	Deferred loss on hedges	Revaluation reserve for land	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2024	13,030	3,076	4,677	240,272	681	261,738	32,674	1,624,600
Cumulative effects of changes in accounting policies				54,550		54,550		–
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								–
Change in treasury stock arising from change in equity in unconsolidated subsidiaries and affiliates accounted for using 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 change 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

(Note) The amounts presented are rounded down to the nearest million yen.

Notes to Consolidated Financial Statements

Notes on Important Matters Forming the Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 238

Names and details of principal consolidated subsidiaries:

The Company's principal consolidated subsidiaries are as provided in "1. Matters Related to Current Conditions of the Corporate Group, (6) Status of Principal Subsidiaries etc." in the Business Report.

A total of 9 companies, including "K" Line Wind Service, Ltd. have been included in the scope of consolidation from the current fiscal year due to the materiality of their businesses and 3 companies were excluded from the scope of consolidation due to their liquidation.

(2) Names and details of principal non-consolidated subsidiaries:

The Company's principal non-consolidated subsidiary is Chiba Koei Co., Ltd.

Non-consolidated subsidiaries are excluded from the scope of consolidation, as all of the non-consolidated subsidiaries are small-sized companies and any total amount of total assets, net sales, profit or loss (amount corresponding to the Company's equity in such subsidiaries), or retained earnings (amount corresponding to the Company's equity in such subsidiaries) etc., do not have material impact on the consolidated financial statements.

2. Application of equity method

(1) Number of entities accounted for under the equity method: 47

Of the entities accounted for under the equity method, 14 companies are non-consolidated subsidiaries, and the principal company among them is Shibaura Kaiun Co., Ltd. The number of affiliates is 33, and the principal company among them is OCEAN NETWORK EXPRESS PTE. LTD.

From the current fiscal year, 2 companies have been included in the scope of application of the equity method due to the materiality of their businesses and 1 company has been excluded from the scope of application of the equity method due to the partial sale of its shares.

(2) Non-consolidated subsidiaries and affiliates to which the equity method was not applied

Non-consolidated subsidiaries (Chiba Koei Co., Ltd. and others) and affiliates (Bousai Tokushu Eisen Co., Ltd. and others) are excluded from the scope of the equity method application, as their profit or loss, retained earnings, etc., do not have material impact on the consolidated financial statements and do not have significance as a whole.

(3) Items involving application of equity method for which a special description is deemed necessary

In the case of entities accounted for under the equity method with account closing dates that are different from the account closing date for the consolidated financial statements, the financial statements for the fiscal year of each of the entities are used.

3. Fiscal year of consolidated subsidiaries

The fiscal year of 9 of the Company's consolidated subsidiaries ends on December 31. Of these, the financial statements as of that date are used for 4 of the companies. However, adjustments necessary for consolidation purposes are made if major transactions were executed between their account closing date and the account closing date for the consolidated financial statements. For the 5 remaining companies, the accounts are based on financial statements for which a provisional settlement of accounts is performed based on the account closing as of the account closing date for consolidated financial statements. The account closing date of other consolidated subsidiaries is the same as the consolidated account closing date.

4. Accounting policies

(1) Standards and methods of valuation of significant assets

(i) Securities

Held-to-maturity securities: Stated at cost based on the amortized cost method.

Other securities

Other than securities without market value: Fair value method (the valuation difference is accounted for as a separate component of net assets and the cost of sales is calculated by the moving-average method).

Securities without market value: Mainly stated at cost based on the moving-average method.

(ii) Inventories: Mainly stated at cost based on the moving-average method (The method includes write-downs based on decreased profitability).

(2) Depreciation and amortization methods of significant assets

(i) Vessels, property and equipment (excluding leased assets)

Vessels: Straight-line method and the declining-balance method, with the method selected according to each vessel.

Other: Mainly the declining-balance method

However, the straight-line method is applied to buildings (excluding accompanying facilities) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016.

(ii) Intangible assets (excluding leased assets)

Straight-line method

For software used internally, the straight-line method is applied based on the period of potential use by the Company and its consolidated subsidiaries (five years).

(iii) Leased assets

Leased assets under finance lease transactions that transfer ownership:

Same depreciation method as that applied to owned fixed assets.

Leased assets under finance lease transactions that do not transfer ownership:

Straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

Leased assets under finance lease transactions that do not transfer ownership whose inception date is on or before March 31, 2008 are accounted for under the method similar to the one that is applicable to regular rental transactions.

(3) Recognition for significant reserves

(i) Allowance for doubtful accounts: In order to prepare for potential credit losses on receivables, an estimated amount is recognized at the amount calculated based on the historical rate of credit loss with respect to ordinary receivables and at the amount determined in consideration of collectability of individual receivables with respect to doubtful accounts and certain other receivables.

(ii) Provision for bonuses: In order to prepare for bonuses to be paid to employees, the provision for bonuses is recognized at the estimated amount of the bonuses to be paid as allocated to the current fiscal year.

(iii) Provision for directors' bonuses: In order to prepare for bonuses to be paid to directors, the provision for directors' bonuses is recognized at the estimated amount of the bonuses to be paid as allocated to the current fiscal year.

(iv) Provision for directors' and other officers' retirement benefits:
In order to prepare for retirement benefit payments to directors and other officers, the amount required at the end of the fiscal year by the internal rules is recognized at certain consolidated subsidiaries.

(v) Provision for periodic drydocking of vessels:
In order to prepare for expenditure on periodic overhaul, accrued expenses for overhaul of vessels are recognized at the estimated amount of the expenses to be paid as allocated to the current fiscal year.

(vi) Provision for loss related to the Anti-Monopoly Act:
In order to prepare for losses related to lawsuits for damages filed in connection with the Anti-Monopoly Act, an amount reasonably estimated to the extent possible is recognized.

(vii) Provision for directors' stock benefits: In order to prepare for stock benefits etc., to the directors, the executive officers and the corporate officers in accordance with the Regulations for Delivery of Shares to Officers, the provision for directors' stock benefits is recognized at the estimated amount of the Company's stock corresponding to points to be provided to the eligible individuals as of the year end of the current consolidation fiscal year.

(viii) Provision for loss on chartering contracts:
In order to prepare for potential future loss under certain contracts where charter rates fall below hire rates, the probable and reasonably estimated amount of loss is recognized based on available information as of the year end of the current fiscal year.

(ix) Provision for loss on litigation: In order to prepare for losses related to litigation, etc., an amount reasonably estimated to the extent possible is recognized.

(4) Accounting treatment for retirement benefits

(i) Method of attributing estimated retirement benefits to periods

The retirement benefit obligations are attributed to periods to the end of the current fiscal year using the benefit formula basis.

(ii) Method of amortizing actuarial differences and past service costs

Actuarial differences are amortized in the years following the year in which the differences are recognized by the straight-line method principally over a period of nine years, which falls within the estimated average remaining years of service of the eligible employees.

Past service cost is amortized by the straight-line method principally over a period of nine years, which falls within the estimated average remaining years of service of the eligible employees at the time when the cost is recognized.

(5) Policy for Recognizing Significant Revenues and Costs

The Company recognizes revenue at an amount expected to be received when control of promised goods or services is transferred. Therefore, the Company records marine transportation revenues and costs based on the number of days that have elapsed during a voyage.

(6) Significant hedge accounting method

Hedging activities are accounted for under the deferral hedge method.

If interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under each interest rate swap contract is added to or deducted from the interest on the underlying assets or liabilities for which the swap contract is executed “Special treatment for interest rate swaps.”

Forward foreign exchange contracts which meet certain criteria are accounted for by the allocation method which requires that recognized foreign currency receivables or payables be translated at the corresponding contract rates.

(7) Recognition of deferred assets

Bond issuance costs are fully recognized as expenses when incurred.

(8) Recognition of interest expenses on vessel construction loans

For vessels for which the construction is over the long term, interest expenses on vessel construction loans incurred during the construction period are included in the acquisition cost.

(9) Application of the group tax sharing system

The Company adopted the group tax sharing system.

(10) Amortization method of goodwill and amortization period

Goodwill is amortized over a period of five years under the straight-line method.

Change in Accounting Policies

(Application of "Accounting Standard for Current Income Taxes," etc.)
Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. has been adopted from the beginning of the current fiscal year.
The amendment to the classification 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 "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Guidance 2022").
This change in accounting policies has no impact on the consolidated financial statements.

(Changes in currency conversion method into Japanese yen for income and expenses of foreign subsidiaries and affiliates)
Income and expenses of foreign subsidiaries and affiliates were previously converted into Japanese yen using the spot rate on the financial closing date. Considering the increasing significance of foreign subsidiaries and affiliates, and recent sharp movements in currency exchange rates, the method of applying the average conversion rate of during the fiscal period would more appropriately reflect the business results of foreign subsidiaries and affiliates in the consolidated financial statements than using the spot rate on the financial closing date; therefore the conversion rate has been changed to the average rate during the fiscal period from the beginning of the current fiscal year.
The change in accounting policy was applied retrospectively and the cumulative effect is reflected in the balance of net assets as of April 1, 2024. As a result, after retrospective application in the consolidated statement of changes in net assets, the balance of retained earnings decreased by ¥54,550 million and the balance of foreign currency translation adjustments increased by ¥54,550 million as of April 1, 2024.

Notes on Changes in Presentation

(Consolidated Statement of Operations)
(1) "Gain on liquidation of subsidiaries and affiliates," which was presented separately in the previous fiscal year (¥428 million for the previous fiscal year), is included in "Other extraordinary income" from the current fiscal year due to a decrease in materiality.
(2) "Impairment losses," which was presented separately in the previous fiscal year (¥258 million for the previous fiscal year), is included in "Other extraordinary losses" from the current fiscal year due to a decrease in materiality.
(3) "Loss on retirement of non-current assets," which was included in "Other extraordinary losses" in the previous fiscal year (¥34 million for the previous fiscal year), is presented separately from the current fiscal year due to an increase in materiality.
(4) "Loss on valuation of shares of subsidiaries and affiliates," which was included in "Other extraordinary losses" in the previous fiscal year (¥249 million for the previous fiscal year), is presented separately from the current fiscal year due to an increase in materiality.

Notes on Accounting Estimates

1. Estimate of total number of voyage days used in daily pro rata calculation of voyage days for revenue recognition

   The Group considers the percentage of progress for revenues of ocean tramp shipping (excluding product logistics) for the parent company (Kawasaki Kisen Kaisha, Ltd.) as a significant accounting estimate due to the significance of the freight revenue amounts and the estimated period.

   (1) Amount of marine transportation and other operating revenues for voyages not completed by the end of the current fiscal year in consolidated financial statements for the current fiscal year

   Marine transportation and other operating revenues: ¥29,058 million.

   (2) Other information

   (i) Calculation method of the amount recognized in the consolidated financial statements for the current fiscal year

   Marine transportation revenues for voyages not completed by the end of the current fiscal year are calculated based on the total freight revenue amounts and the voyage progress.
   The voyage progress is calculated based on the number of elapsed days of a voyage by the end of the current fiscal year compared with the estimated total number of days of voyage, and the amount of revenue is recognized in line with the voyage progress.
   A significant assumption in calculating the voyage progress is the total number of voyage days.

   (ii) Significant assumptions used to calculate the amount recognized in the consolidated financial statements for the current fiscal year

   A significant assumption used in the voyage progress calculation is the estimate of the total number of voyage days. The total number of voyage days changes depending on weather conditions, congestion at the ports of loading and discharge and other factors, which may affect the voyage progress.

   (iii) Impact on consolidated financial statements for the following year

   There is a possibility that the amount of revenues recognized for the following fiscal year could be affected because of the difference between estimated and actual total number of voyage days, which is a significant assumption due to fluctuations in the voyage progress.

Notes to Consolidated Balance Sheet

1. Amount of receivables from contracts with customers out of "Accounts and notes receivable - trade and contract assets" is described in "Notes on Revenue Recognition" in the notes to the consolidated financial statements.

2. Amount of contract liabilities out of "Other current liabilities" is described in "Notes on Revenue Recognition" in the notes to the consolidated financial statements.

3. Assets pledged as collateral and secured liabilities

Assets pledged as collateral (Millions of yen)

Asset category	
Vessels	257,397
Investment securities	72,739
Other	4,682
Total	334,820

Investment securities of ¥72,739 million in the table above were pledged as collateral to procure funds for vessel equipment of subsidiaries, affiliates and others. There were no corresponding liabilities as of the end of the current fiscal year.

Secured liabilities (Millions of yen)

Liability category	
Short-term loans and current portion of long-term loans	35,263
Long-term loans, less current portion	150,118
Total	185,381

4. Accumulated depreciation of assets

Accumulated depreciation of vessels, property and equipment ¥454,694 million

5. Guarantee obligations (Millions of yen)

Guarantees.	25,359
Additional funding obligation, etc.	4,411

6. Land revaluation

Pursuant to the "Act on Revaluation of Land" (Act No. 34 of 1998) and the "Act on Partial Amendment to the Act on Revaluation of Land" (Act No. 19 of 2001), the Company and certain consolidated subsidiaries performed revaluation of land for business use. The effect of this revaluation has been recorded as revaluation reserve for land in net assets, excluding the deferred tax liabilities on land revaluation.

Pursuant to the "Act on Revaluation of Land" (Act No. 34 of 1998) and the "Act on Partial Amendment to the Act on Revaluation of Land" (Act No. 19 of 2001), a certain domestic affiliate accounted for by the equity method also performed revaluation of land for business use and recorded as revaluation reserve for land in net assets.

Revaluation method prescribed in Article 3, Paragraph 3 of the "Act on Revaluation of Land"
The revaluation of land for business use was calculated by making rational adjustments to the prices posted in accordance with the provision of Article 6 of the Public Notice of Land Prices Act for standard sites set forth in Article 6 of the same act in the neighborhood of the relevant land for business use pursuant to Article 2, Item 1 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 of 1998). However, for some land, the revaluation was calculated by making rational adjustments to standard prices assessed in accordance with the provision of Article 9, Paragraph 1 of the Order for Enforcement of the National Land Use Planning Act for standard sites set forth in Article 7, Paragraph 1, Item 1 (a) of the same order in the neighborhood of the relevant land for business use pursuant to Article 2, Item 2 of the Order for Enforcement of the Act on Revaluation of Land, by making rational adjustments to land prices registered in the land tax ledger set forth in Article 341, Item 10 of the Local Tax Act or in the supplementary land tax ledger set forth in Article 341, Item 11 of the same act for the relevant land for business use pursuant to Article 2, Item 3 of the Order for Enforcement of the Act on Revaluation of Land, or by making rational adjustments to the value calculated by the method established and published by the Director-General of the National Tax Agency for computing land value that serves as a basis for the calculation of taxable amount of land value tax set forth in Article 16 of the Land-Holding Tax Act for the relevant land for business use pursuant to Article 2, Item 4 of the Order for Enforcement of the Act on Revaluation of Land.

Revaluation date	March 31, 2002
Difference between the fair value and revalued book value of the revalued land at the end of the current fiscal year (amount corresponding to the Group)	¥ (2,610) million

Notes to Consolidated Statement of Operations

Revenue from contracts with customers
Regarding revenue, the Company does not separately present revenue from contracts with customers and revenue from other sources. The amount of revenue from contracts with customers is described in "Notes on Revenue Recognition" in the notes to the consolidated financial statements.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and number of shares issued and treasury stock

	April 1, 2024 (thousands of shares)	Increase (thousands of shares)	Decrease (thousands of shares)	March 31, 2025 (thousands of shares)
Shares issued				
Common stock	714,728	–	75,556	639,172
Total	714,728	–	75,556	639,172
Treasury stock				
Common stock	7,773	75,557	75,818	7,511
Total	7,773	75,557	75,818	7,511

(*1) The Company split its common shares on the basis of one (1) share into three (3) shares effective April 1, 2024.

(*2) There were 6,503 thousand and 6,243 thousand shares, which are held by the Custody Bank of Japan, Ltd., included in the number of shares in treasury stock at April 1, 2024 and March 31, 2025, respectively.

(*3) The decrease in the number of shares issued in common stock of 75,556 thousand shares is due to cancellation of treasury stock based on the resolution at the Board of Directors' meeting.

(*4) The increase in the number of shares in treasury stock of 75,557 thousand shares is due to increase of 75,556 thousand shares by purchase of treasury stock based on the resolution at the Board of Directors' meeting, etc.

(*5) The decrease in the number of shares in treasury stock of 75,818 thousand shares is due to decrease of 75,556 thousand shares by cancellation of treasury stock based on the resolution at the Board of Directors' meeting, etc.

2. Matters related to dividends

(1) Amounts of dividends distributed

Resolution	Class of shares	Total dividend amount (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 21, 2024	Common stock	35,680	Retained earnings	150	March 31, 2024	June 24, 2024
Board of Directors' Meeting held on November 5, 2024	Common stock	33,702	Retained earnings	50	September 30, 2024	December 3, 2024

(*1) The Company split its common shares on the basis of one (1) share into three (3) shares effective April 1, 2024.

(*2) "Dividend per share" resolved at the Ordinary General Meeting of Shareholders on June 21, 2024 shows the amount before the stock split on April 1, 2024, because the record date is March 31, 2024.

(*3) "Dividend per share" resolved at the Board of Directors' Meeting on November 5, 2024 shows the amount after the stock split on April 1, 2024, because the record date is September 30, 2024.

(*4) The total amount of dividends resolved at the Ordinary General Meeting of Shareholders on June 21, 2024 includes ¥325 million of dividends on the Company's shares held by The Custody Bank of Japan, Ltd. as trust assets of the "Board Benefit Trust (BBT)."

(*5) The total amount of dividends resolved at the Board of Directors' Meeting on November 5, 2024 includes ¥312 million of dividends on the Company's shares held by The Custody Bank of Japan, Ltd. as trust assets of the "Board Benefit Trust (BBT)."

(2) Dividends with the record date falling in the current fiscal year and with the effective date falling in the following fiscal year.

Resolution	Class of shares	Total dividend amount (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 20, 2025	Common stock	31,902	Retained earnings	50	March 31, 2025	June 23, 2025

(*) The total amount of dividends to be resolved at the Ordinary General Meeting of Shareholders on June 20, 2025 includes ¥312 million of dividends on the Company's shares held by The Custody Bank of Japan, Ltd. as trust assets of the "Board Benefit Trust (BBT)."

Notes on Financial Instruments

1. Conditions of financial instruments

   The Group obtains necessary funding, mainly through bank loans and the issuance of bonds, in accordance with its capital expenditure plans. Temporary surplus funds are invested in highly liquid financial assets, and short-term operating funds are financed through bank loans. The Group utilizes derivatives only for hedging the below-mentioned risks, and does not utilize them for speculation.

   Receivables for future freight and charter hire are exposed to market fluctuation risk and are hedged by freight forward agreements (FFA). Of the capital expenditures for acquisitions of tangible assets such as vessels, those denominated in foreign currencies are exposed to foreign exchange fluctuation risks. Liabilities for future bunker oil, etc. are exposed to price fluctuation risk and hedged by bunker oil swap transactions. These are hedged by forward foreign exchange contracts. Loans are primarily used to raise funds for capital expenditure. Some of these are exposed to interest rate fluctuation risk, which is hedged by such means as interest rate swap contracts. In addition, foreign exchange fluctuation risk on future foreign currency-denominated debts is hedged by currency swap contracts.

   Derivative transactions are entered into after obtaining approval from the persons authorized to decide such matters in accordance with the regulations on decision making and the detailed rules on handling derivatives, which stipulate details such as the authority to enter into transactions and transaction limits. Transaction results are reported periodically at the Corporate Officers' Meeting.

2. Matters related to fair values, etc. of financial instruments
The following table presents the Company's financial instruments on the consolidated balance sheet, their fair values and the differences as of March 31, 2025.
Securities without market value, etc. (the amount recorded in the consolidated balance sheet: ¥1,200,690 million) are not included in "(1) Investment securities." In addition, fair value of "cash and deposits," "marketable securities," "accounts and notes receivable - trade and contract assets" and "accounts and notes payable - trade" are omitted because they are cash and their fair value approximates carrying value due to the short maturities of these instruments.

(Millions of yen)

	Carrying value (*)	Estimated fair value (*)	Difference
(1) Investment securities			
(i) Other securities	24,454	24,463	8
(ii) Shares of subsidiaries and affiliates	4,955	1,168	(3,786)
(2) Short-term loans and current portion of long-term loans	[51,412]	[51,397]	15
(3) Bonds	[14,000]	[13,622]	377
(4) Long-term loans, less current portion	[229,840]	[229,767]	72
(5) Derivative transactions	[1,371]	[1,371]	–

(*) Liabilities and net liabilities ("(5) Derivative transactions") are shown in square brackets [ ].

3. The breakdown of the fair value of financial instruments by appropriate classification
Financial instruments are classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.
Level 1: Fair value calculated based on quoted market prices for the assets or liabilities for which such fair value is available in active markets as the inputs used in the calculation of observable fair value
Level 2: Fair value calculated using inputs for the calculation of observable fair value other than Level 1 inputs
Level 3: Fair value calculated using inputs that are unobservable

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(1) Financial assets and liabilities measured at fair value by level as of March 31, 2025

	Estimated Fair Value (Millions of yen) (*)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	24,421			24,421
Derivative transactions				
Forward foreign exchange contracts		85		85
Forward freight agreements		[83]		[83]
Currency swaps		[1,635]		[1,635]
Interest rate swaps		261		261
Bunker fuel swaps		0		0

(*) Net liabilities ("Forward freight agreements," and "Currency swaps") are shown in square brackets [ ].

(2) Financial assets and liabilities other than those measured at fair value by level as of March 31, 2025

	Estimated Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities		41		41
Investments in unconsolidated subsidiaries and affiliates	1,168			1,168
Short-term loans and current portion of long-term loans		[51,397]		[51,397]
Bonds		[13,622]		[13,622]
Long-term loans, less current portion		[229,767]		[229,767]

(*) Liabilities are shown in square brackets [ ].

Fair value measurement method and inputs for fair value measurement

Investment securities

The fair value of marketable securities and golf club memberships is the quoted market price. Marketable securities listed and traded on an active market are classified as Level 1. Golf club memberships are classified as Level 2 because they are not traded so frequently that the underlying transaction prices can be considered as being quoted in an active market.

Short-term loans and current portion of long-term loans

The fair value of short-term loans is based on carrying value because the carrying amounts approximate fair value due to the short maturities. However, fair values of amounts of the current portion of long-term loans, which are included in the total amount in “Short-term loans and current portion of long-term loans,” are calculated using the method shown in “Long-term loans, less current portion” below.

Bonds

The fair value of the bonds issued by the Company is determined using the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the remaining term of the bonds and credit risk, and is classified as Level 2 fair value.

Long-term loans, less current portion

The fair value of long-term loans, less current portion, is primarily calculated at the present value after applying a discount rate to the total of the principal and interest, are classified as Level 2. The discount rate is based on the assumed interest rate for similar new borrowings.

Derivative transactions

Forward foreign exchange contracts, forward freight agreements, currency swaps, interest rate swaps and bunker fuel swaps, of which fair value is based on prices provided by counterparty financial institutions and measured by using observable inputs such as interest rates or exchange rates, are classified as Level 2.

Notes on Revenue Recognition

1. Information on disaggregation of revenues from contracts with customers

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other (*)	Total
Revenues:					
Revenues from customers with contracts	316,632	98,036	610,123	10,688	1,035,481
Other revenues	5,724	3,880	2,734	124	12,463
Operating revenues from customers	322,357	101,917	612,857	10,812	1,047,944

(*) The "Other" segment consists of business segments not classified into aforementioned three reporting segments, including ship management service, travel agency business, real estate rental and management business and others.

2. Foundational information for understanding revenue from contracts with customers

Revenue from contracts with customers is recognized based on the following five-step approach at the amount of the consideration for which the Company expects to be entitled in exchange for transferring goods or services.

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the separate performance obligations in the contract.
Step 5: Recognize revenue when (or as), the performance obligations are satisfied.

The performance obligations as part of the Group's business are primarily as follows.

(1) Freight revenue

Regarding voyage charter contracts, one voyage unit is judged a single performance obligation and contract based on understanding to agreement with customers. The transaction price is determined based on the amount billed per voyage and allocated to a performance obligation based on the amount agreed with the customers for each voyage and includes variable consideration such as demurrage charges and dispatch charges. If variable consideration is included in the consideration for the contract with customers, it is recorded in the transaction price only if it is highly likely that there will be no significant reduction in the revenue recorded up to the time when the degree of uncertainty regarding variable consideration is finally resolved.

Given the nature of the voyage, it is expected that the customer will receive benefits as the entity fulfills its obligations in its contract with the customer. Therefore, the Company has determined that this is a performance obligation that will be satisfied as the voyage progresses, and recognizes revenue based on the degree of progress made in satisfying the performance obligation. Progress is measured based on the number of elapsed days of a voyage to the end of the period relative to the estimated total number of days of voyage days. The consideration for the transactions is mainly invoiced upon completion of loading of cargoes and the majority of the consideration is received by the completion of the voyage, while variable consideration, such as demurrage charges and dispatch charges, are invoiced after the berthing period is fixed. The consideration does not include significant financing component.

(2) Charter rates
Time charter contracts entitle the Company to receive from the customer a consideration whose amount corresponds directly to the value to the customer for the portion of the Company's performance obligation satisfied to date, such as an agreement to charge a fixed amount based on the time of service rendered. In accordance with the treatment in the application guidelines of Article 19 of the Accounting Standard for Revenue Recognition, the Company recognizes revenue at the amount the Company has a right to claim from the customer.

3. Information for understanding the amounts for the year ended March 31, 2025 and subsequent years

(1) Balance of contract assets and contract liabilities
The breakdown of accounts receivable arising from contracts with customers, contract assets and contract liabilities as of March 31, 2024 and 2025 is as follows:

(Millions of yen)

	2024	2025
Notes receivable - trade	640	692
Accounts receivable - trade	119,709	102,395
	120,350	103,088
Contract assets	9,282	10,829
Contract liabilities	28,297	26,836

The beginning balance of contract liabilities was mainly recognized in revenue for the year ended March 31, 2025.
The timing of satisfying performance obligations and the normal timing of payments are described above in Note 2 "Foundational information for understanding revenue from contracts with customers."
Changes in the balance of contract assets are mainly due to the recognition of revenues and transfer to accounts receivable. Changes in the balance of contract liabilities are mainly due to the receipt of considerations in advance from customers and the satisfaction of performance obligations.
Revenue recognized for performance obligations satisfied (or partially satisfied) in past periods is immaterial.
Receivables other than those arising from contracts with customers for the years ended March 31, 2024 and 2025 are not classified because their amounts are immaterial.

(2) Transaction price allocated to remaining performance obligations
As described above in Note 2 "Foundational information for understanding revenue from contracts with customers," the Group recognizes each voyage as a single performance obligation and also contract voyage. Since a voyage is normally completed within a year, the Company applies the provisions of Article 80-22 (1) of the Accounting Standard for Revenue Recognition and therefore omits related information in the notes.
For contracts involving the long-term time-charter of vessels, as described above in Note 2 "Foundational information for understanding revenue from contracts with customers," the Company also recognizes revenue from the satisfaction of performance obligations in accordance with the provision of Article 19 of Implementation Guidance on Accounting Standard for Revenue Recognition, and accordingly, the Company omits related information in the notes in accordance with the provisions of Article 80-22 (2) of the Accounting Standard for Revenue Recognition.

Notes on Per Share Information

Net assets per share	¥2,609.68
Basic profit per share	¥460.11

The basis of calculation for net assets per share and basic profit per share is as follows:

Amount of net assets on consolidated balance sheet	¥1,677,449 million
Net assets attributable to common stock	¥1,648,434 million
Number of shares of common stock issued and outstanding at the year end	639,172 thousand shares
Number of shares of common stock held as treasury stock at the year end	7,511 thousand shares
Profit attributable to owners of the parent on consolidated statement of operations	¥305,384 million
Amount not attributable to shareholders of common stock	–
Profit attributable to owners of the parent relating to common stock	¥305,384 million
Average number of outstanding shares of common stock	663,714 thousand shares

Note on Significant Subsequent Events

No items to be reported.

Non-Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2025

(Millions of yen)

	Shareholders' equity									
		Capital surplus			Retained earnings					
						Other retained earnings				
	Common stock	Capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Reserve for advanced depreciation	Retained earnings carried forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2024	75,457	9,607	0	9,607	9,257	78	428,812	438,148	(7,612)	515,601
Change in items during the year										
Cash dividends							(69,383)	(69,383)		(69,383)
Reversal of reserve for advanced depreciation						(11)	11	–		–
Profit (loss) attributable to owners of the parent							211,767	211,767		211,767
Purchase of treasury stock									(166,130)	(166,130)
Disposal of treasury stock			0	0					238	238
Cancellation of treasury stock			(0)	(0)			(165,455)	(165,455)	165,455	–
Net changes in items other than shareholders' equity										
Net changes during the year	–	–	(0)	(0)	–	(11)	(23,059)	(23,071)	(435)	(23,507)
Balance at March 31, 2025	75,457	9,607	–	9,607	9,257	66	405,752	415,077	(8,048)	492,093

(Note) The amounts presented are rounded down to the nearest million yen.

(Millions of yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gain on investment securities	Deferred gain on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at April 1, 2024	11,073	(5,226)	2,057	7,904	523,505
Change in items during the year					
Cash dividends					(69,383)
Reversal of reserve for advanced depreciation					–
Profit (loss) attributable to owners of the parent					211,767
Purchase of treasury stock					(166,130)
Disposal of treasury stock					238
Cancellation of treasury stock					–
Net changes in items other than shareholders' equity	24	336	(33)	327	327
Net changes during the year	24	336	(33)	327	(23,179)
Balance at March 31, 2025	11,098	(4,889)	2,023	8,231	500,325

(Note) The amounts presented are rounded down to the nearest million yen.

Notes to Non-consolidated Financial Statements

Notes on Important Accounting Policies

1. Standards and methods of valuation of assets

(1) Securities

(i) Stocks of subsidiaries and affiliates: Stated at cost based on the moving-average method.

(ii) Held-to-maturity securities: Stated at cost based on the amortized cost method.

(iii) Other securities

Marketable securities classified as other securities: Fair value method (the valuation difference is accounted for as a separate component of net assets and the cost of sales is calculated by the moving-average method).

Non-marketable securities classified as other securities: Stated at cost based on the moving-average method.

(2) Inventories: Stated at cost based on the moving-average method (The method involves write-downs based on any decrease in profitability).

2. Depreciation and amortization methods of fixed assets

(1) Vessels, property and equipment (excluding leased assets)

(i) Vessels: Straight-line method

(ii) Other: Declining-balance method
However, the straight-line method is applied to buildings (excluding accompanying facilities) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016.

(2) Intangible assets (excluding leased assets): Straight-line method
For software used internally, the straight-line method is applied based on the period of potential use by the Company (five years).

(3) Leased assets

(i) Leased assets under finance lease transactions that transfer ownership: Same depreciation method as that applied to owned fixed assets.

(ii) Leased assets under finance lease transactions that do not transfer ownership: Straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

3. Recognition of reserves

(1) Allowance for doubtful accounts: In order to prepare for potential credit losses on receivables, an estimated amount is recognized at the amount calculated based on the historical rate of credit loss with respect to ordinary receivables and at the amount determined in consideration of collectability of individual receivables with respect to doubtful accounts and certain other receivables.

(2) Provision for bonuses: In order to prepare for bonuses to be paid to employees, the provision for bonuses is recognized at the estimated amount of the bonuses to be paid as allocated to the current fiscal year.

(3) Provision for directors' bonuses: In order to prepare for bonuses to be paid to directors, the provision for directors' bonuses is recognized at the estimated amount of the bonuses to be paid as allocated to the current fiscal year

(4) Provision for employees' retirement benefits: In order to prepare for the provision of retirement benefit payments for employees, the deemed obligation at the end of the current fiscal year is recognized based on estimated amounts of retirement benefit obligations and plan assets at the end of the current fiscal year.
Actuarial differences are amortized in the years following the year in which the differences are recognized by the straight-line method over a period of nine years, which falls within the estimated average remaining years of service of the eligible employees.
Past service cost is amortized by the straight-line method over a period of nine years, which falls within the estimated average remaining years of service of the eligible employees.

(5) Provision for periodic drydocking: In order to prepare for expenditure on periodic overhaul, accrued expenses for overhaul of vessels are recognized at the estimated amount of the expenses to be paid as allocated to the current fiscal year.

(6) Provision for loss related to the Anti-Monopoly Act:
In order to prepare for losses related to lawsuits for damages filed in connection with the Anti-Monopoly Act, an amount reasonably estimated to the extent possible is recognized.

(7) Provision for directors' stock benefits: In order to prepare for stock benefits etc., to the directors, the executive officers and the corporate officers in accordance with the Regulations for Delivery of Shares to Officers, the provision for directors' stock benefits is recognized at the estimated amount of the Company's stock corresponding to points to be provided to the eligible individuals as of the end of the current fiscal year.

(8) Provision for loss on chartering contracts: In order to prepare for potential future loss under certain contracts where charter rates fall below hire rates, the probable and reasonably estimated amount of loss is recognized based on available information as of the end of the current fiscal year.

(9) Provision for loss on litigation: In order to prepare for losses related to litigation, etc., an amount reasonably estimated to the extent possible is recognized.

4. Policy for Recognizing Significant Revenues and Costs
   The Company recognizes revenue at an amount expected to be received when control of promised goods or services is transferred. Therefore, the Company records marine transportation revenues and costs based on the number of days that have elapsed during a voyage.

5. Hedge accounting method
   Hedging activities are accounted for under the deferral hedge method.
   If interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under each interest rate swap contract is added to or deducted from the interest on the underlying assets or liabilities for which the swap contract is executed "Special treatment for interest rate swaps."
   Forward foreign exchange contracts which meet certain criteria are accounted for by the allocation method which requires that recognized foreign currency receivables or payables be translated at the corresponding contract rates.

6. Recognition of deferred assets
   Bond issuance costs are fully recognized as expenses when incurred.

7. Recognition of interest expenses on vessel construction loans
   For vessels for which the construction is over the long term, interest expenses on vessel construction loans incurred during the construction period are included in the acquisition cost.

8. Accounting treatment for retirement benefits
   The accounting treatment for unrecognized actuarial differences and the unrecognized past service costs related to retirement benefits is different from the treatment for these items in the consolidated financial statements.

9. Application of the group tax sharing system
   The Company adopted the group tax sharing system.

Change in Accounting Policies

(Application of "Accounting Standard for Current Income Taxes," etc.)
Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. has been adopted from the beginning of the current fiscal year.
The amendment to the classification in which current income taxes should be recorded follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022. This change in accounting policies has no impact on the non-consolidated financial statements.

Notes on Changes in Presentation

(Non-Consolidated Statement of Operations)

(1) "Financing expenses," which was included in "Other non-operating expenses" in the previous fiscal year (¥845 million for the previous fiscal year), is presented separately from the current fiscal year due to an increase in materiality.

(2) "Impairment losses," which was presented separately in the previous fiscal year (¥1 million for the previous fiscal year), is included in "Other extraordinary losses" from the current fiscal year due to a decrease in materiality.

(3) "Loss on valuation of shares of subsidiaries and affiliates," which was included in "Other extraordinary losses" in the previous fiscal year (¥124 million for the previous fiscal year), is presented separately from the current fiscal year due to an increase in materiality.

Notes on Accounting Estimates

Estimate of total number of voyage days used in daily pro rata calculation of voyage days for revenue recognition

The Company considers the percentage of progress for revenues of ocean tramp shipping (excluding product logistics) as a significant accounting estimate due to the significance of the freight revenue amounts and the estimated period.

(1) Amount of marine transportation revenues for voyages not completed by the end of the current fiscal year in non-consolidated financial statements for the current fiscal year

    Marine transportation revenues: ¥29,058 million.

(2) Other information
    As the same information is provided in the "Notes on Accounting Estimates" in the notes to the consolidated financial statements, the notes are omitted.

Notes to Non-consolidated Balance Sheet

1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral (Millions of yen)

Asset category	
Vessels	69,226
Investment securities	7,856
Shares of subsidiaries and affiliates	61,418
Total	138,501

In the above table, ¥1,579 million out of the amount of ¥69,226 million for vessels, investment securities of ¥7,856 million and shares of subsidiaries and affiliates of ¥61,418 million were pledged as collateral to procure funds for vessel equipment of subsidiaries, affiliates and others. There were no corresponding liabilities as of March 31, 2025.

Secured liabilities (Millions of yen)

Liability category	
Short-term loans and current portion of long-term loans	7,688
Long-term loans, less current portion	46,145
Total	53,833

2. Accumulated depreciation of assets (Millions of yen)

Accumulated depreciation of vessels, property and equipment 84,450

3. Guarantee obligations (Millions of yen)

Guarantees, etc. 115,800

(Guarantees, etc. include commitment for future guarantees. These guarantee obligations exclude ¥1,677 million of re-guarantees by other companies.)

(Millions of yen)

Additional funding obligation, etc. 11,969

In the above table, ¥83,029 million out of the amount of ¥115,800 million for guarantees etc. was for borrowing of equipment funds for vessels time-chartered by the Company from its subsidiaries that own vessels.

4. Land revaluation

Pursuant to the “Act on Revaluation of Land” (Act No. 34 of 1998) and the “Act on Partial Amendment to the Act on Revaluation of Land” (Act No. 19 of 2001), the Company performed revaluation of land for business use. The effect of this revaluation has been recorded as revaluation reserve for land in net assets, excluding the deferred tax liabilities on land revaluation.

Revaluation method prescribed in Article 3, Paragraph 3 of the “Act on Revaluation of Land”

The revaluation of land for business use was calculated by making rational adjustments to the prices posted in accordance with the provision of Article 6 of the Public Notice of Land Prices Act for standard sites set forth in Article 6 of the same act in the neighborhood of the relevant land for business use pursuant to Article 2, Item 1 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 of 1998). However, for some land, the revaluation was calculated by making rational adjustments to standard prices assessed in accordance with the provision of Article 9, Paragraph 1 of the Order for Enforcement of the National Land Use Planning Act for standard sites set forth in Article 7, Paragraph 1, Item 1 (a) of the same order in the neighborhood of the relevant land for business use pursuant to Article 2, Paragraph 2 of the Order for Enforcement of the Act on Revaluation of Land.

Revaluation date	March 31, 2002
Difference between the fair value and revalued book value of the revalued land at March 31, 2025	¥ (653) million

5. Monetary receivables from and monetary payables to subsidiaries and affiliates

	(Millions of yen)
Short-term monetary receivables	30,294
Long-term monetary receivables	26,173
Short-term monetary payables	108,955
Long-term monetary payables	284

Notes to Non-consolidated Statement of Operations

Transactions with subsidiaries and affiliates

		(Millions of yen)
Transaction amount – trading	Operating revenues	100,418
	Operating expenses	233,228
Transaction amount - non-trading		130,656

Notes to Non-consolidated Statement of Changes in Net Assets

Class and number of treasury stock as of the end of the current fiscal year

Common stock	7,355,759 shares

There were 6,243,300 shares, which are held by Custody Bank of Japan, Ltd. in relation to the Board Benefit Trust (BBT), included in the number of shares in treasury stock the end of the current fiscal year.

Notes on Tax Effect Accounting

1. Significant components of deferred tax assets and deferred tax liabilities

	(Millions of yen)
Deferred tax assets	
Allowance for doubtful accounts	603
Provision for bonuses	701
Loss on devaluation of investment securities and others	1,489
Provision for employees' retirement benefits	187
Provision for directors' stock benefits	777
Impairment losses	771
Accounts payable - shipping	4,458
Deferred assets for tax purposes	1,037
Provision for loss on chartering contracts	920
Deferred loss on hedges	2,107
Tax loss carried forward	43,265
Other	1,524
Subtotal	57,846
Valuation allowance for tax loss carried forward	(36,741)
Valuation allowance for the total of deductible temporary differences and others	(9,819)
Valuation allowance subtotal	(46,561)
Total deferred tax assets	11,284
Deferred tax liabilities	
Reserve for advanced depreciation	(27)
Deferred gain on hedges	(938)
Net unrealized holding gain on investment securities	(4,666)
Other	(383)
Total deferred tax liabilities	(6,016)
Net amount of deferred tax assets	5,268

2. The Company applies the group tax sharing system and accounts for corporate tax and local corporate taxes or tax effect accounting and conduct the disclosures relating to these items, in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021).

3. Changes in balance of deferred tax assets and deferred tax liabilities in line with changes in corporate income tax rates etc.
Due to the enactment of the "Act for Partial Amendments to Income Tax Act, etc." (Act No. 13 of 2025) in the Japanese National Diet on March 31, 2025, the "Special Corporation Tax for National Defense" will be imposed from the fiscal years beginning on or after April 1, 2026.
Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in fiscal years beginning on April 1, 2026 and thereafter are calculated by changing the statutory tax rate from 28.5% to 29.6%.
As a result of the change, the amount of deferred tax assets (after offsetting the amount of deferred tax liabilities) decreased by ¥214 million, deferred income taxes increased by ¥6 million, net unrealized holding gain on investment securities decreased by ¥173 million, and deferred gain (loss) on hedges decreased by ¥34 million in the current fiscal year.

Notes on Revenue Recognition

Foundational information for understanding revenue from contracts with customers is omitted because the same information is provided in the “Notes on Revenue Recognition” in the notes to the consolidated financial statements.

Notes on Transactions with Related Parties

1. Parent company and major corporate shareholders, etc.
   No items to be reported.
   (*) Based on the resolution at the Board of Directors’ meeting on May 7, 2024, the Company purchased treasury stock of ¥33,436 million from Effissimo Capital Management Pte Ltd. at the closing price on May 8, 2024, the day before the transaction by Tokyo Stock Exchange Trading NeTwork System (ToSTNeT-3).
   In addition, based on the resolution at the Board of Directors’ meeting on November 5, 2024, the Company purchased treasury stock of ¥29,341 million from Effissimo Capital Management Pte Ltd. at the closing price on November 6, 2024, the day before the transaction by Tokyo Stock Exchange Trading NeTwork System (ToSTNeT-3).

2. Subsidiaries and affiliates, etc.

Type	Subsidiary
Name	“K” LINE PTE LTD
Voting rights (%)	100% direct ownership
Relationship	Loan from the party
Details of business transaction	Loan from the party (*1)
Amount of transaction	¥5,035 million
Account	Short-term loans and current portion of long-term loans
Balance at the end of year	¥21,029 million
Details of business transaction	Payment of interest (*1)
Amount of transaction	¥1,091 million
Account	Accrued expenses
Balance at the end of year	¥239 million

Type	Subsidiary
Name	KAWASAKI KINKAI KISEN KAISHA, LTD.
Voting rights (%)	100% direct ownership
Relationship	Loan from the party
Details of business transaction	Loan from the party (*1)
Amount of transaction	¥4,554 million
Account	Short-term loans and current portion of long-term loans
Balance at the end of year	¥10,921 million
Details of business transaction	Payment of interest (*1)
Amount of transaction	¥44 million
Account	Accrued expenses
Balance at the end of year	–

Type	Subsidiary
Name	OPAL STREAM SHIPPING S.A.
Voting rights (%)	100% direct ownership
Relationship	Loan from the party
Details of business transaction	Loan from the party (*1)
Amount of transaction	¥8,800 million
Account	Short-term loans and current portion of long-term loans
Balance at the end of year	¥9,129 million
Details of business transaction	Payment of interest (*1)
Amount of transaction	¥125 million
Account	Accrued expenses
Balance at the end of year	–

Type	Affiliate
Name	OCEAN NETWORK EXPRESS PTE. LTD. (*2)
Voting rights (%)	–
Relationship	Chartering contractor, etc.
Details of business transaction	Receiving dividend
Amount of transaction	¥114,004 million
Account	–
Balance at the end of year	–

Note 1: Regarding loan from the party, this is related to the GCMS (Global Cash Management System) with which the Company has concluded contracts with each of its group companies, the transaction amount represents the net increase or decrease amount during the period.
In addition, the interest rate is determined considering market interest rate.

Note 2: OCEAN NETWORK EXPRESS PTE. LTD. is a subsidiary of Ocean Network Express Holdings, Ltd., which holds direct ownership of 100% of voting rights. Ocean Network Express Holdings, Ltd. is an equity-method affiliate of the Company.

3. Directors and other officers, and individual shareholders, etc.
No items to be reported.

Notes on Per Share Information

Net assets per share	¥791.88
Basic profit per share	¥318.99

The basis of calculation for net assets and basic profit per share is as follows:

Amount of net assets on non-consolidated balance sheet	¥500,325 million
Net assets attributable to common stock	¥500,325 million
Number of shares of common stock issued and outstanding at the year end	639,172 thousand shares
Number of shares of common stock held as treasury stock at the year end	7,355 thousand shares

Profit on non-consolidated statement of operations	¥211,767 million
Amount not attributable to shareholders of common stock	–
Profit attributable to common stock	¥211,767 million
Average number of outstanding shares of common stock	663,871 thousand shares

Notes on Significant Subsequent Events

(Cash dividends from an affiliate)

1. Dividend declaration date
   April 25, 2025

2. Outline
   The Company will receive a dividend payment of approximately US$619 million (approximately ¥92.6 billion) from OCEAN NETWORK EXPRESS PTE. LTD., an affiliate.
   The date of receipt of the dividend is scheduled for June 16, 2025.

3. Impact on profit or loss
   As a result, the Company will recognize approximately ¥92.6 billion in dividend income as non-operating income for the fiscal year ending March 31, 2026.