

(Translation)

**NOTICE OF THE 158TH ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

The 158th term

(From April 1, 2025 to March 31, 2026)

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 158th Ordinary General Meeting of Shareholders of Kawasaki Kisen Kaisha, Ltd.

The environment surrounding the shipping industry continues to be highly uncertain due to geopolitical risks, such as the tensions in the Middle East, and the trends in trade policies of various countries. Additionally, while international frameworks and regulations concerning decarbonization remain fluid, the importance of efforts to reduce GHG emissions is still recognized as being significant.


In this environment, as a logistics company with a primary focus on the shipping industry, we are committed to fulfilling our mission of supporting the infrastructure of global society, and will strive to provide high-quality and stable transportation services, prioritizing safe navigation, while steadily working to reduce our environmental impact.

This fiscal year marks the final year of our Medium-term Management Plan. We will steadily execute this plan while thoroughly reviewing its progress, achievements, and challenges, thereby advancing the formulation of the next medium-term management plan for the future. Through these efforts, we aim to achieve sustainable growth and maximize corporate value, and will make efforts to further enhance shareholder value.

We kindly ask for your continued support as our valued shareholders.

Takenori Igarashi
Director, Representative Executive Officer, President & CEO

Corporate Principle

～  Trust from all over the world～

As a logistics company rooted in the shipping industry, we help make the lives of people more affluent.

Vision

As a partner trusted by all its stakeholders, we aim for sustainable growth and greater corporate value by supporting the infrastructure of the global community.

Values the “K” LINE Group Prizes

Providing safe and optimized services that put the customer first	Tireless attitude toward problem solving	Providing the value only “K”LINE can in pursuit of expertise
Relentless efforts to achieve innovation	Contributing to the global environment and a sustainable society	Respecting individuals and ensuring fair business activities by embracing diverse values

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 158th Ordinary General Meeting of Shareholders

We are pleased to announce the 158th 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 7. Please ensure that your votes reach the Company no later than 5:00 p.m., Thursday, June 18, 2026 (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/ja/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/JJK010010Action.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 19, 2026 (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, 2025 to March 31, 2026

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.

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- 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 10 to 26.

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 18, 2026 (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 18, 2026 (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 9, 2026 (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
60 yen per common stock of the Company
Total amount of 38,283,465,960 yen
3. Effective date of dividends of surplus
June 22, 2026

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:

No.	Name	Positions and areas of responsibility in the Company	Attendance at Board meetings in FY2025	Gender
1	Yukikazu Myochin	Director, Chairperson of the Board Member of the Nominating Committee Member of the Compensation Committee	100%	Male
2	Takenori Igarashi	Director, Representative Executive Officer, President & CEO	100%	Male
3	Kunihiko Arai	Director Standing Member of the Audit Committee	100%	Male
4	Keiji Yamada	Director, Lead Outside Director Chairperson of the Nominating Committee Member of the Compensation Committee	100%	Male
5	Ryuhei Uchida	Director Member of the Nominating Committee Member of the Compensation Committee	100%	Male
6	Koji Kotaka	Director Member of the Nominating Committee Chairperson of the Audit Committee Member of the Compensation Committee	100%	Male
7	Hiroyuki Maki	Director Member of the Audit Committee	100%	Male
8	Takako Masai	Director Member of the Nominating Committee Chairperson of the Compensation Committee	100%	Female
9	Atsumi Harasawa	Director Member of the Audit Committee	100%	Female
10	Shinsuke Kubo	Director Member of the Audit Committee	100%	Male

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
1	<p data-bbox="236 645 480 712">Yukikazu Myochin (March 27, 1961)</p> <p data-bbox="260 741 456 775"><Reappointed></p> <p data-bbox="228 808 488 875">Attendance at Board meetings:</p> <p data-bbox="252 909 464 976">100% (19/19 meetings)</p> <p data-bbox="244 1010 472 1077">Term of office as Director: 10 years</p>	<p data-bbox="512 288 1270 322">April, 1984 Joined the Company</p> <p data-bbox="512 344 1270 412">January, 2010 General Manager of Containerships Business Group</p> <p data-bbox="512 434 1270 468">April, 2011 Corporate Officer</p> <p data-bbox="512 479 1270 512">April, 2016 Managing Corporate Officer</p> <p data-bbox="512 535 1270 568">June, 2016 Director, Managing Corporate Officer</p> <p data-bbox="512 591 1270 658">April, 2018 Representative Director, Senior Managing Corporate Officer</p> <p data-bbox="512 680 1270 748">April, 2019 Representative Director, President & CEO</p> <p data-bbox="512 770 1270 837">March, 2025 Director, Chairperson of the Board (Current)</p> <p data-bbox="735 860 1270 904">Member of the Nominating Committee Member of the Compensation Committee</p>	147,800 shares
		<p data-bbox="512 920 1270 1420">Reasons for nomination as candidate for Director: Mr. Yukikazu Myochin assumed office as Representative Director, President & CEO in April 2019, and has served as Chairperson of the Board of Directors since his appointment as Director, Chairperson of the Board in March 2025. He formulated and executed management plans amid an ongoing difficult and unstable business environment due to the spread of COVID-19, achieving substantial improvement in business results, and promoted the Company's transition to a company with a Nominating Committee, etc. to strengthen corporate governance. The Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging his broad and deep knowledge and experience as a leader.</p>	

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
2	<p>Takenori Igarashi (March 5, 1967)</p> <p><Reappointed></p> <p>Attendance at Board meetings: 100% (19/19 meetings)</p> <p>Term of office as Director: 1 year and 3 months</p>	<p>October, 1991 Joined the Company</p> <p>October, 2016 General Manager, Corporate Planning Group</p> <p>April, 2019 Corporate Officer</p> <p>April, 2021 Managing Corporate Officer</p> <p>April, 2024 Senior Managing Corporate Officer</p> <p>March, 2025 Director, Representative Executive Officer, President & CEO (Current)</p> <hr/> <p>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. In addition to his experience in the Corporate Planning Group, he worked for many years in the Car Carrier Division, where he played a key role in improving the division's performance. Since his appointment as Executive Officer, President & CEO, he has effectively navigated a rapidly changing business environment while steadily executing the current medium-term management plan, and is advancing initiatives toward the new medium-term management plan. The Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging his leadership, backed by extensive knowledge and experience.</p>	8,100 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
3	<p data-bbox="225 685 496 752">Kunihiko Arai (November 16, 1959)</p> <p data-bbox="256 786 456 819"><Reappointed></p> <p data-bbox="225 853 496 920">Attendance at Board meetings:</p> <p data-bbox="248 954 472 1021">100% (19/19 meetings)</p> <p data-bbox="225 1055 496 1144">Term of office as Director: 1 year and 3 months</p>	<p data-bbox="512 237 1246 282">April, 1982 Joined the Company</p> <p data-bbox="512 293 1246 360">August, 2001 General Manager, “K” LINE PTE LTD Trade Management Division</p> <p data-bbox="512 371 1246 472">July, 2012 Representative in Beijing, China (Representative Office closed in December 2012)</p> <p data-bbox="512 483 1246 551">Managing Director, KLINE (CHINA) LTD. (retired in June 2019)</p> <p data-bbox="512 562 1246 651">January, 2014 Managing Director, “K” LINE (HONG KONG) LIMITED (retired in January 2019)</p> <p data-bbox="512 663 1246 707">April, 2015 Managing Corporate Officer</p> <p data-bbox="512 719 1246 763">April, 2019 Special Advisor</p> <p data-bbox="512 775 1246 819">June, 2019 Audit & Supervisory Board Member</p> <p data-bbox="512 831 1246 875">March, 2025 Director (Current)</p> <p data-bbox="727 887 1134 954">Standing Member of the Audit Committee</p> <hr/> <p data-bbox="512 954 1270 1592">Reasons for nomination as candidate for Director: Mr. Kunihiko Arai was appointed as Audit & Supervisory Board Member in June 2019, after gaining experience in a wide range of operations, including the containership business and the management of overseas subsidiaries, and has served as Standing Member of the Audit Committee since his appointment as Director in March 2025. Mr. Arai possesses broad business knowledge contributing to effective monitoring of business operations, as well as considerable expertise in finance and accounting. Since his appointment as Audit & Supervisory Board Member, he has contributed to effective audits that ensure the proper execution of business, based on this knowledge and experience. The Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company’s corporate value by leveraging his broad business knowledge, as well as his considerable expertise and experience in finance and accounting.</p>	39,000 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
4	<p data-bbox="256 875 456 943">Keiji Yamada (April 5, 1954)</p> <p data-bbox="256 976 456 1010"><Reappointed></p> <p data-bbox="236 1043 477 1099"><Independent & Outside Director></p> <p data-bbox="225 1133 488 1200">Attendance at Board meetings:</p> <p data-bbox="240 1234 472 1301">100% (19/19 meetings)</p> <p data-bbox="225 1335 472 1435">Term of office as Outside Director: 7 years</p>	<p data-bbox="507 237 1257 338">April, 1977 Joined Ministry of Home Affairs (currently known as Ministry of Internal Affairs and Communications)</p> <p data-bbox="507 349 1257 416">July, 1982 Superintendent of Amakusa Tax Office, National Tax Agency</p> <p data-bbox="507 427 1257 528">July, 1983 Manager of Local Affairs Division, General Affairs Department, Wakayama Prefecture</p> <p data-bbox="507 539 1257 640">September, 1985 Deputy General Manager of San Francisco Tourism Promotion Office, Japan National Tourist Organization</p> <p data-bbox="507 651 1257 719">April, 1989 Manager of Finance Division, General Affairs Department, Kochi Prefecture</p> <p data-bbox="507 730 1257 831">January, 1992 Investigator, Local Administration Division, Local Administration Bureau, Ministry of Home Affairs</p> <p data-bbox="507 842 1257 864">July, 1992 Counsellor, Cabinet Legislation Bureau</p> <p data-bbox="507 875 1257 1010">July, 1997 Manager, Land Information Division, Land Bureau, National Land Agency (currently known as Ministry of Land, Infrastructure, Transport and Tourism)</p> <p data-bbox="507 1021 1257 1088">August, 1999 Director, General Affairs Department, Kyoto Prefecture</p> <p data-bbox="507 1099 1257 1122">June, 2001 Vice-Governor, Kyoto Prefecture</p> <p data-bbox="507 1133 1257 1200">April, 2002 Governor, Kyoto Prefecture (retired in April 2018)</p> <p data-bbox="507 1211 1257 1279">April, 2011 President, National Governors' Association (retired in April 2018)</p> <p data-bbox="507 1290 1257 1424">April, 2018 Vice-President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University</p> <p data-bbox="507 1435 1257 1503">June, 2019 Outside Director of the Company (Current)</p> <p data-bbox="507 1514 1257 1581">March, 2020 Outside Audit & Supervisory Board member, HORIBA, Ltd. (Current)</p> <p data-bbox="507 1592 1257 1749">April, 2020 Special Advisor to the President and Professor, Department of Interdisciplinary Studies in Law and Policy, Faculty of Law, Kyoto Sangyo University</p> <p data-bbox="507 1760 1257 1827">November, 2020 Outside Director, TOSE CO., LTD. (Current)</p> <p data-bbox="507 1839 1257 2063">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</p>	2,600 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
		<p>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)</p> <p>Director, Lead Outside Director Chairperson of the Nominating Committee Member of the Compensation Committee</p> <p>Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Keiji Yamada has experience in prominent positions within central government ministries and local governmental offices such as the former Ministry of Home Affairs, and has also served four terms (16 years) as Governor of Kyoto Prefecture. Moreover, since June 2024 he has been involved in the management of Kyoto Sangyo University as President. He was appointed Outside Director of the Company in June 2019, Lead Outside Director in June 2021, and has served as Chairperson of the Nominating Committee since March 2025. Drawing on his extensive experience, network, and deep insight cultivated over many years as the head of government, he has actively provided opinions and advice from an independent standpoint, and has contributed to the effective oversight of business execution through activities in his position as Chairperson of the Nominating Committee and Member of the Compensation Committee. He has no prior experience of direct involvement in corporate management by methods other than serving as an outside officer. However, the Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging this knowledge and experience.</p>	

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	<p>Ryuhei Uchida (October 6, 1977)</p> <p><Reappointed></p> <p><Outside Director></p> <p>Attendance at Board meetings:</p> <p>100% (19/19 meetings)</p> <p>Term of office as Outside Director: 7 years</p>	<p>April, 2002 Joined Mitsubishi Corporation</p> <p>December, 2009 Joined Innovation Network Corporation of Japan, Vice-President of Investment</p> <p>December, 2012 Joined Effissimo Capital Management Pte Ltd, Director (Current)</p> <p>June, 2019 Outside Director of the Company (Current)</p> <p>Member of the Nominating Committee Member of the Compensation Committee</p> <p>Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Ryuhei Uchida worked at a general trading company and a public-private fund, where he was involved in investments in companies in Japan and overseas, support for investee companies, and business start-ups, and also served as an Outside Director of an overseas company. He currently serves as a Director of our shareholder, Effissimo Capital Management Pte Ltd., and has served as Outside Director of the Company since June 2019. By leveraging his abundant experience and deep insight in initiatives for enhancing corporate value to benefit the Company's management, he has made active remarks as a Director from the perspective of the Company's shareholders and contributed to the supervision of the Company's management and business execution. The Company therefore judges that his contributions also serve the common interests of shareholders. The Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging this knowledge and experience.</p>	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	<p data-bbox="252 533 459 600">Koji Kotaka (May 14, 1958)</p> <p data-bbox="252 629 459 663"><Reappointed></p> <p data-bbox="252 696 475 757"><Independent & Outside Director></p> <p data-bbox="225 790 491 857">Attendance at Board meetings:</p> <p data-bbox="240 891 464 958">100% (19/19 meetings)</p> <p data-bbox="233 992 483 1093">Term of office as Outside Director: 3 years</p>	<p data-bbox="507 237 1198 304">April, 1987 Joined Sato and Tsuda Law Office (retired in March 1988)</p> <p data-bbox="507 315 1246 349">August, 1990 Joined Goldman Sachs Japan Co., Ltd.</p> <p data-bbox="507 360 1214 427">November, 1998 Managing Director, Goldman Sachs Japan Co., Ltd.</p> <p data-bbox="507 439 1262 506">November, 2006 Partner, Goldman Sachs Japan Co., Ltd. (retired in November 2008)</p> <p data-bbox="507 517 1262 584">November, 2009 Counsel, Nishimura & Asahi (retired in December 2010)</p> <p data-bbox="507 595 1270 663">January, 2011 Representative Attorney, Koji Kotaka & Associates (Current)</p> <p data-bbox="507 674 1145 741">September, 2012 Senior Advisor, Apollo Global Management LLC (Current)</p> <p data-bbox="507 752 1225 819">June, 2013 Outside Director, Monex Group, Inc. (retired in June 2018)</p> <p data-bbox="507 831 1217 898">February, 2016 Outside Director, LINE Corporation (retired in February 2021)</p> <p data-bbox="507 909 1257 976">March, 2018 Outside Director, Kenedix, Inc. (retired in March 2021)</p> <p data-bbox="507 987 1273 1055">March, 2021 Member of the Management Committee, Kenedix, Inc. (Current)</p> <p data-bbox="507 1066 1257 1133">May, 2022 Senior Advisor, Greenhill & Co., Japan Ltd. (retired in December 2023)</p> <p data-bbox="507 1144 1177 1211">June, 2023 Outside Director of the Company (Current)</p> <p data-bbox="746 1245 1254 1368">Member of the Nominating Committee Chairperson of the Audit Committee Member of the Compensation Committee</p>	34,700 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
		<p>Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Koji Kotaka, in addition to his specialized knowledge as 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. He was appointed Outside Director of the Company in June 2023, and has served as Chairperson of the Audit Committee since March 2025. Drawing on his abundant experience in law, finance and accounting and broad insight, which includes investment and IR, he has actively provided opinions and advice from an independent standpoint, and has contributed to the effective oversight and audits of business execution through activities in his position as Member of the Nominating Committee and Compensation Committee, and as Chairperson of the Audit Committee. The Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging this knowledge and experience.</p>	

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	<p>Hiroyuki Maki (November 15, 1980)</p> <p><Reappointed></p> <p><Independent & Outside Director></p> <p>Attendance at Board meetings: 100% (19/19 meetings)</p> <p>Term of office as Outside Director: 3 years</p>	<p>August, 2004 Representative Director, Melco Asset Management Limited (retired in October 2006)</p> <p>November, 2006 Representative Director, Melco Asset Management Pte. Ltd. (retired in September 2007)</p> <p>October, 2007 Representative Director, MAM PTE. LTD. (retired in May 2014)</p> <p>June, 2011 Director, MELCO HOLDINGS INC. (currently known as BUFFALO INC.)</p> <p>June, 2014 President & CEO, MELCO HOLDINGS INC.</p> <p>May, 2018 President & CEO, BUFFALO INC. (retired in March 2025)</p> <p>May, 2020 President & CEO, Buffalo IT Solutions Inc. (retired in May 2023)</p> <p>October, 2020 President & CEO, Melco Financial Holdings Inc. (retired in April 2023)</p> <p>May, 2021 President & CEO, BIOS Corporation (retired in May 2022)</p> <p>May, 2022 Director, Shimadaya Corporation (retired in June 2025)</p> <p>June, 2022 Outside Director, Saison Information Systems Co., Ltd. (currently known as Saison Technology Co., Ltd.) (retired in June 2023)</p> <p>June, 2023 Outside Director of the Company (Current)</p> <p>President and CEO of MELCO Group Inc. (Current)</p> <p>April, 2025 President & C.E.O., BUFFALO INC. (Current)</p> <p>Member of the Audit Committee</p>	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
		<p>Reasons for nomination as candidate for Outside Director and summary of expected roles: Mr. Hiroyuki Maki is the President & C.E.O. of BUFFALO INC., mainly engaged in IT related business, and the President and CEO of MELCO Group Inc., and has served as Outside Director of the Company since June 2023. Drawing on his experience as a corporate manager, as well as his extensive knowledge of Group business administration and expertise in the IT and digital realm, he has actively provided opinions and advice from an independent standpoint, and has contributed to the effective oversight and audits of business execution through activities in his position as Member of the Audit Committee. The Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging this knowledge and experience.</p>	

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	<p data-bbox="252 813 461 880">Takako Masai (March 8, 1965)</p> <p data-bbox="252 913 461 947"><Reappointed></p> <p data-bbox="252 981 461 1048"><Independent & Outside Director></p> <p data-bbox="225 1081 488 1149">Attendance at Board meetings:</p> <p data-bbox="240 1182 472 1249">100% (19/19 meetings)</p> <p data-bbox="233 1305 480 1406">Term of office as Outside Director: 2 years</p>	<p data-bbox="507 241 1082 275">November, 1988 Joined Scotiabank, Tokyo</p> <p data-bbox="507 286 1214 353">July, 1989 Joined the Toronto-Dominion Bank, Tokyo</p> <p data-bbox="507 365 1275 488">March, 1998 Head of Financial Products Division, Tokyo Branch, Crédit Agricole Indosuez Bank (currently known as Crédit Agricole CIB)</p> <p data-bbox="507 499 1249 633">May, 2007 General Manager, Capital Markets Division, Shinsei Bank, Limited (currently known as SBI Shinsei Bank, Limited)</p> <p data-bbox="507 645 1214 745">April, 2013 Executive Officer, Head of Markets Research Department, Markets Sub- Group, Shinsei Bank, Limited.</p> <p data-bbox="507 757 1257 857">July, 2015 Executive Officer, General Manager of Markets Research Division, Shinsei Bank, Limited.</p> <p data-bbox="507 869 1238 936">June, 2016 Member of the Policy Board, Bank of Japan (retired in June 2021)</p> <p data-bbox="507 947 1241 1014">June, 2021 Director, SBI Financial and Economic Research Institute Co., Ltd. (Current)</p> <p data-bbox="507 1025 1262 1149">July, 2021 Outside Director, Mitsubishi Chemical Holdings Corporation (currently known as Mitsubishi Chemical Group Corporation) (retired in June 2023)</p> <p data-bbox="507 1160 1241 1283">Outside Director, TOBISHIMA CORPORATION (currently known as TOBISHIMA HOLDINGS Inc.) (Current)</p> <p data-bbox="507 1294 1257 1395">Advisory Board member of Sim Kee Boon Institute for Financial Economics (Current)</p> <p data-bbox="507 1406 1241 1529">August, 2021 Representative Director (currently Chairperson), SBI Financial and Economic Research Institute Co., Ltd. (Current)</p> <p data-bbox="507 1541 1265 1619">Outside Director, BlackRock Japan Co., Ltd. (retired in August 2023)</p> <p data-bbox="507 1630 1193 1697">April, 2022 Guest Professor, Jissen Women's University (retired in March 2025)</p> <p data-bbox="507 1709 1177 1776">June, 2024 Outside Director of the Company (Current)</p> <p data-bbox="507 1787 1121 1854">Outside Director, Daio Paper Corporation (Current)</p> <p data-bbox="507 1865 1273 1966">August, 2024 Outside Director (Audit and Supervisory Committee Member), Bewith, Inc. (Current)</p>	700 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
		<p data-bbox="507 239 1222 304">December, 2024 Director, TNL Mediagene (retired in June 2025)</p> <p data-bbox="746 338 1251 432">Member of the Nominating Committee Chairperson of the Compensation Committee</p> <p data-bbox="507 450 1254 1144">Reasons for nomination as candidate for Outside Director and summary of expected roles: Ms. Takako Masai was engaged in business related to the financial market in both foreign and domestic banks, and also has experience in the formulation of monetary policy as a deliberation member of the Policy Board at the Bank of Japan. She was appointed Outside Director of the Company in June 2024, and has served as Chairperson of the Compensation Committee since March 2025. Drawing on her abundant experience in the financial market, deep insight into financial economics, and knowledge on diversity, she has actively provided opinions and advice from an independent standpoint, and has contributed to the effective oversight of business execution through activities in her position as Chairperson of the Compensation Committee and Member of the Nominating Committee. The Nominating Committee has nominated her as a candidate for Director, with the expectation that she will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging this knowledge and experience.</p>	

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
10	<p>Shinsuke Kubo (March 4, 1956)</p> <p><Reappointed></p> <p><Independent & Outside Director></p> <p>Attendance at Board meetings:</p> <p>100% (19/19 meetings)</p> <p>Term of office as Outside Director: 1 year and 3 months</p>	<p>April, 1979 Joined Sanwa & Co. (currently known as Deloitte Touche Tohmatsu LLC)</p> <p>March, 1982 Registered as Certified Public Accountant</p> <p>June, 1998 Representative Partner, Tohmatsu & Co. (currently known as Deloitte Touche Tohmatsu LLC)</p> <p>September, 2017 Retired from Deloitte Touche Tohmatsu LLC</p> <p>October, 2017 Managing Partner, Shinsuke Kubo CPA Office (Current)</p> <p>January, 2018 Representative Director, Japan Enterprise Sustainable Transformation Advisory Co., Ltd. (retired in December 2020)</p> <p>May, 2018 Representative Partner, Kyohei Accounting Office (Current)</p> <p>June, 2018 Outside Audit & Supervisory Board Member, Japan Airlines Co., Ltd. (scheduled to retire in June 2026)</p> <p>June, 2020 Outside Audit & Supervisory Board Member of the Company</p> <p>March, 2025 Outside Director (Current)</p> <p>Member of the Audit Committee</p> <hr/> <p>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 listed companies, etc., supporting the listing of privately held companies, and corporate restructuring and M&A, through his work at audit firms both domestically and internationally. He has served as Outside Director of the Company since March 2025. Drawing on his specialized knowledge in finance and accounting, as well as his experience in founding and managing venture companies and businesses supporting corporate revitalization, he has actively provided opinions and advice from an independent standpoint, and has contributed to the effective oversight and audits of business execution through activities in his position as Member of the Audit Committee. The Nominating Committee has nominated him as a candidate for Director, with the expectation that he will continue to contribute to the medium- to long-term enhancement of the Company's corporate value by leveraging this knowledge and experience.</p>	6,600 shares

- Notes: 1) There is no special interest between any of the candidates and the Company.
- 2) Messrs. Keiji Yamada, Ryuhei Uchida, Koji Kotaka, Hiroyuki Maki, Mses. Takako Masai and Atsumi Harasawa, and Mr. Shinsuke Kubo are candidates for Outside Director.
- 3) The Company has concluded a limited liability contract with Messrs. Yukikazu Myochin, Kunihiro 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.
- 4) 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.
- 5) As Messrs. Keiji Yamada, Koji Kotaka, Hiroyuki Maki, Mses. Takako Masai and Atsumi Harasawa, and Mr. Shinsuke Kubo satisfy the criteria for independence of Outside Director provided by the Company, the Company has designated them as independent directors pursuant to the regulations of the Tokyo Stock Exchange where its stock is listed, and if each of the candidates is reelected, the Company plans to continue to designate them as independent directors.
Although Mr. Ryuhei Uchida satisfies the requirements for an Outside Director under the Companies Act, he is deemed not to meet the shareholder-related requirements set forth in the Company's criteria for independence. Accordingly, the Company proposes his election as a non-independent Outside Director.
- 6) Ms. Takako Masai's official name in the household register is Takako Nishida.

<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 expected skills of candidates for director are as follows:

Name	Skill								
	Corporate Management	Legal, Risk Management & Compliance	Finance, Accounting & Capital Policy	Human Resources, Organization & Diversity	Safety & Quality	Environment & Sustainability	Technology & DX	Global	Shipping & Logistics
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.

The above table presents the skills that the Company particularly expects each candidate to demonstrate, and does not represent all the skills possessed by each candidate.

Skill category	Description of each skill
Corporate Management	<ul style="list-style-type: none"> • The ability to evaluate management and guide strategy formulation based on knowledge and experience in corporate management • The ability to provide direction for strategy based on experience in managing multiple businesses and understanding of portfolio management
Legal, Risk Management and Compliance	<ul style="list-style-type: none"> • The ability to oversee based on specialized knowledge and experience in legal affairs • The ability to oversee the development of internal control systems, and risk management and compliance frameworks
Finance, Accounting and Capital policy	<ul style="list-style-type: none"> • The ability to oversee based on specialized knowledge and experience in finance and accounting • The ability to guide strategy formulation based on knowledge and experience in addressing capital policy challenges and dialogue with the capital markets
Human Resources, Organization and Diversity	<ul style="list-style-type: none"> • The ability to identify and raise issues regarding initiatives in human resource development and organizational development • The ability to oversee the promotion of respect for human rights and diversity, and the development of health and working environment
Safety and Quality	<ul style="list-style-type: none"> • The ability to oversee the development of safety and quality management frameworks
Environment and Sustainability	<ul style="list-style-type: none"> • The ability to identify and raise issues based on knowledge and experience in global environmental challenges including low-carbon and decarbonization initiatives • The ability to guide contributions to the global environment and a sustainable society
Technology and Digital Transformation (DX)	<ul style="list-style-type: none"> • The ability to identify and raise issues based on knowledge and experience in the development and use of technology • The ability to provide direction for strategy aimed at advancing DX and the utilization of IT and data
Global	<ul style="list-style-type: none"> • The ability to provide direction for strategy from the perspective of managing companies and organizations operating globally • The ability to guide strategy formulation based on knowledge of business environments outside Japan and international affairs
Shipping and Logistics	<ul style="list-style-type: none"> • The ability to provide direction for strategy based on an in-depth understanding of shipping, international logistics, and supply chains

<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 a juridical person in outline but has substantially no conflict of interest with the Group (a person who does not receive any compensation from such a 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

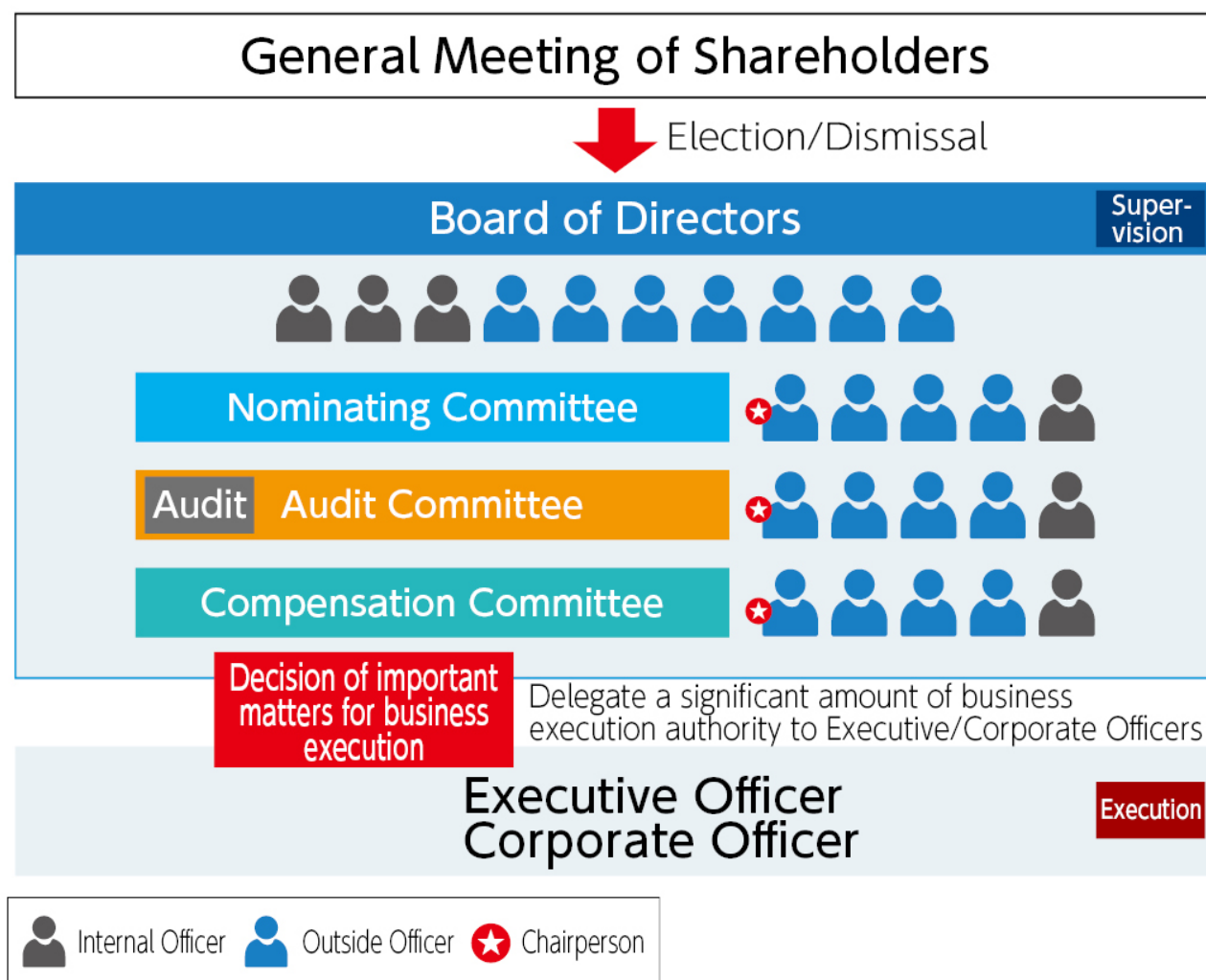
Basic principle of corporate governance

The Company engages in initiatives to strengthen its framework of corporate governance and to develop and enhance systems for risk management in order to fulfill its social responsibility, respond to the mandate bestowed by stakeholders and achieve sustainable growth. It will continuously strive 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.

Company with a Nominating Committee, etc.

The Company transitioned to a company with a Nominating Committee, etc., upon approval at the Extraordinary General Meeting of Shareholders held on March 28, 2025. A company with a 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 is responsible for determining management policy and performing supervision, while delegating a significant amount of business execution authority to Executive/Corporate Officers, thereby realizing swift decision-making and flexible management. The effectiveness evaluation of the Board of Directors, which was conducted in consideration of the operational structure after the transition, indicated that discussions within the Board have been enriched, allowing more time to be secured for exercising its supervisory functions.

<Current structure> Company with a Nominating Committee, etc.



Please refer to the Company's website below for information on the principle of corporate governance, 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, 2025 to March 31, 2026)**

1. Matters Related to Current Conditions of the Corporate Group

(1) Business Progress and Results

[General Conditions]

In the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026), the global economy faced numerous variable factors, including rising geopolitical risks, such as the situation in the Middle East and conflict between the U.S. and China, as well as policy changes in countries all over the world. On the other hand, the Japanese economy recorded modest growth centered on domestic demand.

For shipping rates, market rates remained generally 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 moved below the previous year's level due to the impact of the completion of new shipbuilding.

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 balances 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. The dry bulk segment saw a year-on-year decrease in profit compared to the previous fiscal year due to labor disputes at loading ports and increased costs. The car carrier business also saw a year-on-year decrease in profit due to increased operating costs and the situation in the Middle East. On the other hand, the energy resources segment saw a year-on-year increase in profit due to the absence of impairment losses that were recorded in the previous period as a one-time factor, and the revision of tax effects for the current fiscal year. Additionally, in the containership business, amid being affected by U.S. trade policies and the situation in the Middle East, ONE's performance saw a year-on-year decrease in profit due to increased vessel costs from the completion of new shipbuilding and a decline in freight rates.

With respect to our shareholder return policy, we actively implemented shareholders' return, 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 ¥1,018.3 billion (down ¥29.5 billion year on year), operating income was ¥84.1 billion (down ¥18.6 billion year on year), and ordinary income was ¥109.1 billion (down ¥198.9 billion year on year). Profit attributable to owners of the parent was ¥132.9 billion (down ¥172.3 billion year on year).

The average foreign exchange rate in the current fiscal year was ¥150.23/US\$ (yen appreciation of ¥2.50 /US\$ compared to the previous fiscal year) and the average fuel oil price was US\$528/MT* (down by US\$82/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
1,018.3 billion (A decrease of 2.8% year on year)	84.1 billion (A decrease of 18.2% year on year)	109.1 billion (A decrease of 64.6% year on year)	132.9 billion (A decrease of 56.5% 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.

Dry Bulk Segment (Billions of yen)

Operating revenues	292.7	(a decrease of 9.2% year on year)
Segment profit (loss)	10.9	(a decrease of 17.9% year on year)
Operating revenue composition ratio to total operating revenues	28.8%	

(Note) In the fiscal year ended March 31, 2026, the Company changed the method for allocating certain non-operating income and non-operating expenses. 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 generally remained firm supported by the steady cargo movement of iron ore and bauxite.

In the medium-small vessel sector, although market rates experienced short-term softening in the first half of the year due to a decline in coal transportation demand, market rates recovered from early 2026 and remained firm.

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

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

Energy Resource Transport Segment (Billions of yen)

Operating revenues	100.6	(a decrease of 1.2% year on year)
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Segment profit (loss)	9.6	(an increase of 96.9% year on year)
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Operating revenue composition ratio to total operating revenues	9.9%
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(Note) In the fiscal year ended March 31, 2026, the Company changed the method for allocating certain non-operating income and non-operating expenses. Figures of segment information for the previous fiscal year have also been retrospectively restated to reflect this change.

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

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

The overall Energy Resource Transport Segment recorded a year-on-year decrease in revenue due to impacts of exchange rates and other related factors, but recorded an increase in profit as a result of the disappearance of temporary factors that had arisen in the previous fiscal year.

Product Logistics Segment (Billions of yen)

Operating revenues	616.4	(an increase of 0.6% year on year)
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Segment profit (loss)	90.8	(a decrease of 69.0% year on year)
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Operating revenue composition ratio to total operating revenues	60.5%
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(Note) In the fiscal year ended March 31, 2026, the Company changed the method for allocating certain non-operating income and non-operating expenses. 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, sales volumes in each country generally stayed firm. However, the car carrier business was affected by increased operating costs, including changes in vessel allocation and fuel expenses, arising from additional tariffs on exports to the U.S. and the deterioration in the situation in the Middle East toward the end of the fiscal year.

[Logistics Business]

In the logistics business, as for 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, while cargo movement in air transportation in the forwarding business was sluggish for some shipments, such as automobiles, the transportation volume of semiconductors increased. As a result, the transportation volume in this sector generally stayed firm overall. In the finished car transportation business, new car sales in Australia, a key factor influencing cargo volume at Australian ports, remained on par with the previous fiscal year, and transportation and storage volumes generally remained stable.

[Short Sea and Coastal Business]

In the short sea business, despite a year-on-year decline in steel transportation, increased volumes of biomass fuel and bulk cargo resulted in overall transportation volumes exceeding the previous fiscal year. In the coastal business, the volume of ferry transportation increased year-on-year for trucks, cars, and passengers. In particular, the transportation of cars and passengers remained strong. While liner transportation remained strong on the Tomakomai route, overall transportation volumes fell below the previous fiscal year, due to factors such as the impact of stormy weather and poor agricultural harvests. The volume of tramp services stayed firm for coal transportation and general cargo ships, despite the decline in limestone transportation.

[Containership Business]

In the containership business, although there were temporary fluctuations in cargo volumes due to the impact of U.S. trade policies and the situation in the Middle East, cargo movement remained firm overall for the full fiscal year. Meanwhile, the oversupply resulting from the large-scale delivery of newly built vessels did not ease, and average freight rates remained below the level of the previous fiscal year. Under these business circumstances, the performance of ONE, an equity-method affiliate of the Company, recorded a year-on-year decrease in both revenue and profit.

The overall Product Logistics Segment recorded a year-on-year increase in revenue but a decrease in profit.

(2) Financial Position and Results of Operation

Item	FY2022	FY2023	FY2024	FY2025 (current fiscal year)
Operating revenues (Millions of yen)	942,606	957,939	1,047,944	1,018,364
Ordinary income (Millions of yen)	690,839	132,728	308,089	109,100
Profit attributable to owners of the parent (Millions of yen)	694,904	101,989	305,384	132,986
Basic profit per share (Yen)	857.01	141.37	460.11	210.42
Total assets (Millions of yen)	2,052,616	2,109,432	2,210,049	2,343,989
Net assets (Millions of yen)	1,546,679	1,624,600	1,677,449	1,841,988
Net assets per share of common stock (Yen)	2,042.80	2,251.81	2,609.68	2,851.95
Ratio of current profit to capital equity (ROE) (%)	57.9	6.6	18.8	7.7
Ratio of ordinary income to total assets (ROA) (%)	38.1	6.4	14.3	4.8
Capital equity ratio (%)	73.8	75.5	74.6	76.9

- (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 155th 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 FY2022 to FY2025 are as follows.
- 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 global economy continued to face uncertainty due to heightened geopolitical risks such as the situation in the Middle East and U.S.-China friction, as well as persistently high inflation and interest rates in Western countries and others. 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 improvement in performance, driven by robust cargo demand.

FY2025: The overview for FY2025 is as provided in subsection “(1) Business Progress and Results,” pages 34 to 39.

(3) Capital Investment

Over the current fiscal year, the Group made overall capital investments of ¥90.6 billion.

The Dry Bulk, Energy Resource Transport, and Product Logistics segments made capital investments of ¥17.3 billion, ¥5.0 billion, and ¥67.7 billion, respectively, with such outlays primarily centered on ship construction.

Meanwhile, sales of fixed assets amounted to ¥63.8 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 FY2026 due to geopolitical risks, including the situation in the Middle East, the conflict between the U.S. and China, and the Russia-Ukraine situation, concerns about downward pressure on the global economy with inflationary pressure caused by rising labor costs and high oil prices, and energy and environmental policy trends in all countries.

Under this very uncertain business environment, we aim to strengthen our risk management and preparation in the anticipation of unpredicted contingencies, and respond appropriately 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. In addition, 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 containership business. 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 business division 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 liquefied CO₂ 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 in 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 shareholder returns, 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, 2026)

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	(50.8)	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 ENERGY SHIPPING (UK) LIMITED	40.90 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 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%), 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 ENERGY SHIPPING (UK) LIMITED is through the Company’s wholly owned subsidiary “K” LINE HOLDING (EUROPE) LIMITED.
 5. “K” LINE ENERGY SHIPPING (UK) LIMITED changed its name from “K” LINE LNG SHIPPING (UK) LIMITED as of April 1, 2025.
 6. 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, 2026)

(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, Doha

(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 ENERGY SHIPPING (UK) LIMITED	U.K.
“K” Line European Sea Highway Services GmbH	Germany
“K” LINE PTE LTD	Singapore
OCEAN NETWORK EXPRESS PTE. LTD.	Singapore

(iii) Other Locations Overseas

Korea, China, Thailand, Malaysia, Indonesia, Vietnam, India, Australia, France, Belgium, U.S.A., Mexico, Peru, Chile, Brazil, South Africa
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(8) Status of Employees (as of March 31, 2026)

Name of segment	Dry Bulk	Energy Resource Transport	Product Logistics	Other	Corporate (common)	Total
Number of employees	190	222	3,702	644	504	5,262
As of previous fiscal year end	180	205	3,730	591	470	5,176
Change from previous fiscal year end	10	17	(28)	53	34	86

(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, 2026)

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	47	29	46	27	11	160
Deadweight tons	6,118,592	3,458,644	711,893	309,129	1,050,785	11,649,043
Chartered						
Number of vessels	116	21	53	14	25	229
Deadweight tons	13,932,874	1,786,985	981,465	118,715	2,405,835	19,225,874
Total						
Number of vessels	163	50	99	41	36	389
Deadweight tons	20,051,466	5,245,629	1,693,358	427,844	3,456,620	30,874,917

- (Notes) 1. 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.
2. The above numbers of vessels do not include vessels operated under projects in which the Company has an equity interest (excluding consolidated subsidiaries).

(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.

“K” Line Ship Management Holdings, Ltd. was established in February 2026 as a wholly owned subsidiary to serve as the holding company for the Company’s ship management subsidiaries, “K” LINE RORO BULK SHIP MANAGEMENT CO., LTD. and K MARINE SHIP MANAGEMENT PTE. LTD. The Company transferred to “K” Line Ship Management Holdings, Ltd. through an absorption-type company split on April 1, 2026, the business for managing its ship management subsidiaries, including all shares of those subsidiaries.

(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 ¥60 per share for the fiscal year ended March 31, 2026. Combined with the interim dividend of ¥60 per share that was paid on December 4, 2025, we intend to pay annual dividends of ¥120 per share.

Payment of the year-end dividend is subject to the resolution at the General Meeting of Shareholders scheduled on June 19, 2026.

2. Matters Related to Corporate Stocks (as of March 31, 2026)

- (1) Number of Authorized Shares: 1,800,000,000 shares
(2) Number of Issued and Outstanding Shares: 639,172,067 shares
(3) Aggregate Number of Shareholders: 191,201
(4) Major Shareholders (top 10)

Name of shareholders	Number of shares held (Thousands)	Percentage of shares held (%)
ECM MF	80,947	12.68
MLI FOR SEGREGATED PB CLIENT	62,862	9.85
The Master Trust Bank of Japan, Ltd. (trust account)	54,593	8.55
JPMSPLC CLIENT ASSETS SK JPY	31,796	4.98
CGML PB CLIENT ACCOUNT/COLLATERAL	27,375	4.29
GOLDMAN SACHS INTERNATIONAL	24,437	3.83
Suntera (Cayman) Limited as trustee of ECM Master Fund	19,716	3.09
IMABARI SHIPBUILDING CO., LTD.	16,956	2.65
Custody Bank of Japan, Ltd. (trust account)	13,777	2.15
Mizuho Bank, Ltd.	12,694	1.98

(Note) Percentage of shares held is calculated excluding treasury stock (1,114,301 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 435,858 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.

3. Matters Related to the Company's Officers

(1) Details of Directors and Executive Officers

(i) Details of Directors (as of March 31, 2026)

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	
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 & C.E.O. of BUFFALO INC. 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.
Atsumi Harasawa	Director	Member of the Audit Committee	Attorney, Igarashi Watanabe & Esaka Law Office Outside Director of RICOH LEASING COMPANY, LTD.
Shinsuke Kubo	Director	Member of the Audit Committee	Representative Partner of Kyohei 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 Kunihiro Arai 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 & C.E.O. of BUFFALO INC., mainly engaged in IT related business, President & CEO and Director of its subsidiary companies. Member of the Audit Committee Shinsuke Kubo is qualified as a certified public accountant with considerable knowledge of financial and accounting matters based on his engagement in audit firms inside and outside Japan.
3. 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.
4. The Company has appointed Mr. Kunihiro 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.

(ii) Details of Executive Officers (as of March 31, 2026)

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

(Note) Representative Executive Officer, President & CEO Takenori Igarashi concurrently serves as a Director.

(2) Remuneration for Directors and Executive Officers

(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	Stock remuneration	Short-term performance-based remuneration (monetary)	Medium- to long-term performance-based remuneration (stock)	
Directors (excluding Outside Directors)	125	101	24	-	-	2
Outside Directors	119	95	23	-	-	6
Total	244	196	47	-	-	8
Executive Officers	418	114	-	78	225	2
Total	418	114	-	78	225	2

- (Notes)
1. Remuneration paid to the Representative Executive Officer, President & CEO, who also serves as a Director, is shown in the column for executive officers.
 2. Of the remuneration, etc. relating to the current fiscal year, the ¥47 million of fixed remuneration (stock) is to be paid to eight Directors including six Outside Directors.
 3. Of the remuneration, etc. relating to the current fiscal year, the ¥78 million of short-term performance-based remuneration (monetary) is to be paid to two Executive Officers.
 4. Of the remuneration, etc. relating to the current fiscal year, the ¥225 million of medium- to long-term performance-based remuneration (stock) is to be paid to two Executive Officers.

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

The Company has determined the following at the Compensation Committee meeting held on March 28, 2025.

a. 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.

b. 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.

c. 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) Reasons for judging that the contents of remuneration are in line with said policies

The institutional design and level of remuneration for Directors and Executive Officers shall be deliberated on and resolved by the Compensation Committee pursuant to the aforementioned policies. Accordingly, the Company has judged that the contents of remuneration for each individual Director and Executive Officer in the current fiscal year are in line with the policies for determining remuneration for each individual Director and Executive Officer.

(iv) Details 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 stock, etc. 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 provided below.

- 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, the amount of ordinary income excluding the containership business and profit attributable to owners of the parent exceeded the target. Therefore, the coefficient linked to the consolidated performance is planned to be set at 1.22, and together with the safety-related coefficient, it will be finalized through deliberation in the upcoming Compensation Committee.

- 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 function 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 and determined in combination with the ranking against the TSR of peer companies.

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 CO₂ 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 (CO₂) 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 FY2023 to FY2025 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 0.05. Thus, the coefficient to be multiplied by the base amount for each position is planned to be 1.72, and it will be finalized through deliberation in the upcoming Compensation Committee.

- 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.

- iii 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 Officers with incentives to promote sustainable initiatives, aimed at maximizing corporate value.

<For your reference>

Overview of Remuneration System

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 $TSR = \frac{\text{Total dividend}}{\text{Initial share price}}$ + The rate of increase of the Company’s shares over a fixed period + The dividend rate over the fixed period

*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. Drawing on his extensive experience, network, and deep insight cultivated over many years as the head of government, he has appropriately fulfilled his expected roles of providing opinions and advice from an independent standpoint, and ensuring effective oversight of business execution through his activities in his position as Nominating Committee Chairperson and Compensation Committee Member.
Ryuhei Uchida	Outside Director	Mr. Uchida attended all 19 meetings of the Board of Directors held during the current fiscal year. Drawing on his abundant experience and deep insight in initiatives to enhance corporate value, he has appropriately fulfilled his expected roles of providing opinions and advice with the perspective of our shareholders, and ensuring effective oversight of business execution through his activities in his position as Nominating Committee Member and Compensation Committee Member.
Koji Kotaka	Outside Director	Mr. Kotaka attended all 19 meetings of the Board of Directors and all 13 meetings of the Audit Committee held during the current fiscal year. Drawing on his abundant experience in law, finance and accounting and broad insight, including investment and IR, he has appropriately fulfilled his expected role of providing opinions and advice from an independent standpoint, and ensuring the effective oversight and audits of business execution through his activities in his position as Audit Committee Chairperson, Nominating Committee Member and Compensation Committee Member.
Hiroyuki Maki	Outside Director	Mr. Maki attended all 19 meetings of the Board of Directors and all 13 meetings of the Audit Committee held during the current fiscal year. Drawing on his experience as a corporate manager, as well as his extensive knowledge of Group business administration and expertise in the IT and digital realm, he has appropriately fulfilled his expected role of providing opinions and advice from an independent standpoint, and ensuring the effective oversight and audits of business execution through his activities in his position as Audit Committee Member.
Takako Masai	Outside Director	Ms. Masai attended all 19 meetings of the Board of Directors held during the current fiscal year. Drawing on her abundant experience in the financial market, deep insight into financial economics, and knowledge on diversity, she has appropriately fulfilled her expected role of actively providing opinions and advice from an independent standpoint, and ensuring the effective oversight of business execution through her activities in her position as Compensation Committee Chairperson and Nominating 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 19 meetings of the Board of Directors and all 13 meetings of the Audit Committee held during the current fiscal year. Drawing on her specialized knowledge and experience in law and knowledge of the transportation industry and safe operations, she has appropriately fulfilled her expected roles of providing opinions and advice from an independent standpoint, and ensuring the effective oversight and audits of business execution through her activities in her position as Audit Committee Member.
Shinsuke Kubo	Outside Director	Mr. Kubo attended all 19 meetings of the Board of Directors and all 13 meetings of the Audit Committee held during the current fiscal year. Drawing on his specialized knowledge in finance and accounting, as well as his experience in founding and managing venture companies and businesses supporting corporate revitalization, he has appropriately fulfilled his expected roles of providing opinions and advice from an independent standpoint, and ensuring the effective oversight and audits of business execution through his activities in his position as Audit Committee Member.

(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). 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.

(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, 2026
ASSETS	
Current assets:	
Cash and deposits	322,548
Accounts and notes receivable - trade and contract assets	126,892
Raw materials and supplies	44,477
Deferred and prepaid expenses	24,283
Short-term loans receivable	3,264
Other current assets	25,965
Allowance for doubtful accounts	(993)
Total current assets	546,439
Non-current assets:	
(Vessels, property and equipment)	
Vessels, net	375,746
Buildings and structures, net	10,479
Machinery, equipment and vehicles, net	3,075
Land	16,016
Construction in progress	82,627
Other, net	5,705
Total vessels, property and equipment	493,650
(Intangible assets)	
Other intangible assets	10,371
Total intangible assets	10,371
(Investments and other assets)	
Investment securities	1,201,899
Long-term loans receivable	17,341
Asset for retirement benefits	7,341
Deferred tax assets	3,046
Other investments and other assets	64,878
Allowance for doubtful accounts	(978)
Total investments and other assets	1,293,527
Total non-current assets	1,797,549
Total assets	2,343,989

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

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026
LIABILITIES	
Current liabilities:	
Accounts and notes payable - trade	86,720
Short-term loans and current portion of long-term loans	57,635
Lease obligations	12,943
Accrued income taxes	10,885
Provision for loss related to the Anti-Monopoly Act	1,638
Provision for loss on chartering contracts	2,716
Provision for bonuses	3,973
Provision for directors' bonuses	458
Provision for loss on litigation	399
Other current liabilities	57,783
Total current liabilities	235,156
Non-current liabilities:	
Bonds	21,300
Long-term loans, less current portion	157,082
Lease obligations	47,087
Deferred tax liabilities	5,488
Deferred tax liabilities on land revaluation	1,210
Provision for directors' and other officers' retirement benefits	29
Provision for directors' stock benefits	2,752
Provision for periodic drydocking of vessels	21,508
Liability for retirement benefits	4,465
Other non-current liabilities	5,918
Total non-current liabilities	266,844
Total liabilities	502,000
NET ASSETS	
Shareholders' equity:	
Common stock	75,457
Capital surplus	39,055
Retained earnings	1,311,450
Treasury stock	(7,692)
Total shareholders' equity	1,418,271
Accumulated other comprehensive income:	
Net unrealized holding gain (loss) on investment securities	18,416
Deferred gain (loss) on hedges	5,644
Revaluation reserve for land	4,545
Foreign currency translation adjustments	352,952
Retirement benefits liability adjustments	2,872
Total accumulated other comprehensive income	384,432
Non-controlling interests	39,285
Total net assets	1,841,988
Total liabilities and net assets	2,343,989

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

Consolidated Statement of Operations

(Millions of yen)

	Year ended March 31, 2026
Marine transportation and other operating revenues	1,018,364
Marine transportation and other operating costs and expenses	849,454
Gross profit (loss)	168,909
Selling, general and administrative expenses	84,744
Operating income (loss)	84,164
Non-operating income:	
Interest income	6,216
Dividend income	3,630
Equity in earnings of unconsolidated subsidiaries and affiliates	22,768
Foreign exchange gains	2,391
Other non-operating income	3,012
Total non-operating income	38,019
Non-operating expenses:	
Interest expenses	7,996
Financing expenses	2,628
Other non-operating expenses	2,458
Total non-operating expenses	13,083
Ordinary income (loss)	109,100
Extraordinary income:	
Gain on sales of non-current assets	18,775
Gain on sales of shares of subsidiaries and affiliates	2,994
Other extraordinary income	3,909
Total extraordinary income	25,679
Extraordinary losses:	
Loss on retirement of non-current assets	2,079
Other extraordinary losses	223
Total extraordinary losses	2,302
Profit (loss) before income taxes	132,477
Income taxes:	
Current	9,591
Deferred	(13,555)
Total income taxes	(3,964)
Profit (loss)	136,441
Profit (loss) attributable to non-controlling interests	3,455
Profit (loss) attributable to owners of the parent	132,986

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

“English Translation”
Independent Auditor’s Report

May 13, 2026

The Board of Directors
Kawasaki Kisen Kaisha, Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Masaya Kiyomoto
Designated Engagement Partner
Certified Public Accountant

Kazuma Miwa
Designated Engagement Partner
Certified Public Accountant

Akifumi Katsuta
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, 2025 to March 31, 2026.

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, 2026, 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, including those applicable to audits of financial statements of public interest entities, 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, 2026
ASSETS	
Current assets:	
Cash and deposits	260,057
Accounts receivable - shipping	75,907
Contract assets	7,593
Advances paid	8,241
Supplies	36,908
Deferred and prepaid expenses	23,083
Accounts receivable from agencies	13,405
Short-term loans receivable	13,868
Other current assets	15,048
Allowance for doubtful accounts	(886)
Total current assets	453,227
Non-current assets:	
(Vessels, property and equipment)	
Vessels, net	115,214
Buildings, net	1,090
Structures, net	22
Machinery and equipment, net	40
Vehicles and transportation equipment, net	567
Equipment and fixtures, net	659
Land	4,577
Construction in progress	75,092
Other, net	408
Total vessels, property and equipment	197,672
(Intangible assets)	
Software	867
Other intangible assets	4,656
Total intangible assets	5,523
(Investments and other assets)	
Investment securities	33,749
Shares of subsidiaries and affiliates	265,895
Investments in capital	732
Investments in capital of subsidiaries and affiliates	4,276
Long-term loans receivable	3,040
Long-term loans receivable from employees	149
Long-term loans receivable from subsidiaries and affiliates	42,123
Long-term prepaid expenses	16,805
Prepaid pension expenses	1,627
Deferred tax assets	24,876
Lease investment assets	38,876
Lease and guarantee deposits	2,323
Other investments and other assets	221
Allowance for doubtful accounts	(923)
Total investments and other assets	433,775
Total non-current assets	636,971
Total assets	1,090,199

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

Non-Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026
LIABILITIES	
Current liabilities:	
Accounts payable - shipping	88,105
Short-term loans and current portion of long-term loans	141,818
Lease obligations	1,388
Accounts payable other than trade	3,953
Accrued expenses	720
Accrued income taxes	5,701
Advances received	1,094
Contract liabilities	30,818
Deposits received	7,069
Accounts payable to agencies	1,678
Provision for loss related to Anti-Monopoly Act	1,638
Provision for loss on chartering contracts	2,716
Provision for bonuses	1,752
Provision for directors' bonuses	71
Provision for loss on litigation	399
Other current liabilities	1,306
Total current liabilities	290,236
Non-current liabilities:	
Bonds	21,300
Long-term loans, less current portion	71,147
Lease obligations	15,830
Provision for employees' retirement benefits	609
Provision for directors' stock benefits	2,752
Provision for periodic drydocking of vessels	37
Deferred tax liabilities on land revaluation	911
Other non-current liabilities	1,451
Total non-current liabilities	114,040
Total liabilities	404,276
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	56
Retained earnings carried forward	584,716
Total other retained earnings	584,772
Total retained earnings	594,030
Treasury stock	(7,655)
Total shareholders' equity	671,439
Accumulated other comprehensive income:	
Net unrealized holding gain (loss) on investment securities	15,514
Deferred gain (loss) on hedges	(3,054)
Revaluation reserve for land	2,023
Total accumulated other comprehensive income	14,482
Total net assets	685,922
Total liabilities and net assets	1,090,199

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

Non-Consolidated Statement of Operations

(Millions of yen)

	Year ended March 31, 2026
Marine transportation revenues	
Freight	623,270
Charter hire	155,791
Other marine transportation revenue	25,619
Total marine transportation revenues	804,681
Marine transportation expenses	
Operating costs and expenses	291,909
Vessel expenses	14,197
Charter hire:	
Charter hire	380,502
Provision for loss on chartering contracts	2,716
Other marine transportation expenses	29,001
Total marine transportation expenses	718,326
Marine transportation income (loss)	86,354
Other business revenue	51
Other business expenses	23
Other business income (loss)	27
Gross operating income (loss)	86,382
General and administrative expenses	31,182
Operating income (loss)	55,199
Non-operating income:	
Interest income	5,696
Dividend income	160,529
Foreign exchange gains	2,252
Other non-operating income	1,632
Total non-operating income	170,110
Non-operating expenses:	
Interest expenses	5,457
Interest on bonds	197
Loss on valuation of derivatives	1,168
Financing expenses	2,628
Provision of allowance for doubtful accounts	(160)
Other non-operating expenses	590
Total non-operating expenses	9,881
Ordinary income (loss)	215,428
Extraordinary income:	
Gain on sales of non-current assets	4,083
Gain on sales of shares of subsidiaries and affiliates	17,803
Other extraordinary income	298
Total extraordinary income	22,185
Extraordinary losses:	
Loss on valuation of shares of subsidiaries and affiliates	2,000
Other extraordinary losses	122
Total extraordinary losses	2,122
Profit (loss) before income taxes	235,491
Income taxes:	
Current	5,593
Deferred	(19,241)
Total income taxes	(13,648)
Profit (loss)	249,139

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

“English Translation”
Independent Auditor’s Report

May 13, 2026

The Board of Directors
Kawasaki Kisen Kaisha, Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Masaya Kiyomoto
Designated Engagement Partner
Certified Public Accountant

Kazuma Miwa
Designated Engagement Partner
Certified Public Accountant

Akifumi Katsuta
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 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, 2025 to March 31, 2026.

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, 2026, 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, including those applicable to audits of financial statements of public interest entities, 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.

AUDIT REPORT

For the 158th term, the Audit Committee audited the execution of duties by Directors and Executive Officers from April 1, 2025 to March 31, 2026. 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

In regard to the contents of resolutions of the Board of Directors regarding the matters stated in Article 416, Paragraph (1), Items (1) (b) and (1) (e) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e. internal control systems), the Audit Committee periodically received reports from Directors, Executive Officers, employees, etc. regarding the status of the establishment and operation of those systems and requested explanations as necessary, expressed our opinions in regard thereto, and conducted audits using the following methods.

- ① In collaboration with the Company's internal control department, including the Internal Audit Group, in accordance with the audit policies, division of duties, and Audit Committee auditing standards, etc. established by the Audit Committee, we attended the meetings of the Board of Directors and other important meetings, received reports on the status of execution of duties from the Directors, Executive Officers, employees, etc. 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, we 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. In addition, with regard to the internal controls for financial reporting, we received reports from the Directors, Executive Officers 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.
- ② We 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. We were 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, we 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 14, 2026

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



(Translation)

REFERENCE DOCUMENTS FOR THE 158TH 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 158th term (From April 1, 2025 to March 31, 2026)

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

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, 2026)

Dry Bulk Segment	Dry Bulk business
Energy Resource Transport Segment	LNG Carrier business, Liquefied Gas Carrier business, Electricity business, Crude Oil and Product business and Energy Business Strategy
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, 2026)

Lender	Loan balance (Billions of yen)
Mizuho Bank, Ltd.	47.9
Development Bank of Japan Inc.	37.3
Sumitomo Mitsui Trust Bank, Limited	29.3
The Norinchukin Bank	23.0
Shinkin Central Bank	11.8

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 Remuneration Payable to Accounting Auditor for the Fiscal Year under Review

Item	Amount
1) Amount of remuneration to be paid to Accounting Auditor by the Company	118 million
2) Total amount of money and other financial benefits to be paid to Accounting Auditor by the Company and its subsidiaries	185 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 ENERGY SHIPPING (UK) LIMITED, “K” Line European Sea Highway Services GmbH, “K” LINE PTE LTD and OCEAN NETWORK EXPRESS PTE. LTD.

(3) Reason for the Consent to the Amounts of the Remuneration for Accounting Auditor, etc.

The Audit Committee obtained necessary materials and received reports from Directors, Executive Officers, 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 Committee gave the consent pursuant to the provisions of Article 399, Paragraphs 1 and 4 of the Companies Act.

(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 grounds 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 Risk and 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
Risk and 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 a 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 Risk and 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 conducts 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 adopted by the Board of Directors, 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 implements 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.
- (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 response to the tightening of economic sanctions in various countries, the Company conducts thorough due diligence to avoid violating such sanctions, including verifying parties involved in the transaction and capital relationships, even in new transactions and in the transportation of cargo to high-risk countries and regions. In addition, the Company carries out ongoing monitoring of its business partners by utilizing services provided by external specialists.
- (v) In line with the strengthening of laws and regulations on personal information protection and enhanced enforcement worldwide, the Company has formulated a policy that executives and employees are required to comply with. From a systems perspective, the Company has implemented technical measures such as access control and strengthened monitoring systems, and also strictly manages external service providers to reduce the risk of personal information leakage. Moreover, through regular education and training for executives and employees, the Company is working to enhance awareness of the importance of personal information protection.
- (vi) To prevent compliance issues in the Group's domestic and overseas operations and detect and control risks at an early stage, we have established the Hotline Desk and the Global Hotline Desk for internal reporting from officers and employees of the Company and its Group companies. We have also created a "Business Partner Consultation and Reporting Desk" to handle inquiries and reports from our business partners. In addition, the Company has ensured protection of the whistleblower and confidentiality of the report so that the whistleblower can utilize the systems without concern.
- (vii) 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 Executive Officer, President & CEO. Under the Chief Compliance Officer (CCO), who has the ultimate responsibility for compliance, the Company strengthens compliance throughout the organization.
- (viii) The Company sets every November as the dedicated Compliance Month when the Company distributes a message from the President & CEO to all executives and employees of the Company and the Group companies, including contract employees and secondees to remind them of the importance of compliance. The Company also holds a compliance e-learning training covering topics such as competition laws and anti-corruption, 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 and Crisis Management Committee held four meetings in order to recognize and promote crisis and risk management activities in general. In October 2025, 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 has consisted of ten Directors including seven Outside Directors and the meetings of the Board of Directors were held 19 times. 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 Executive Officers and Corporate Officers.

The meetings of the Management Conference were held 48 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 Committee 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 the current fiscal year, in place of the Group Management Meeting, the Company held individual meetings with each Group company and shared 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, 2026

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2025	75,457	32,495	1,248,600	(8,085)	1,348,467
Change in items during the year					
Cash dividends			(70,169)		(70,169)
Profit (loss) attributable to owners of the parent			132,986		132,986
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock				397	397
Change in treasury stock arising from change in equity in unconsolidated subsidiaries and affiliates accounted for using equity method				0	0
Change in ownership interest of parent due to transactions with non-controlling interests		6,560			6,560
Reversal of revaluation reserve for land			0		0
Net change in retained earnings from changes in scope of consolidation or equity method			32		32
Net changes in items other than shareholders' equity					
Net changes during the year	–	6,560	62,849	393	69,803
Balance at March 31, 2026	75,457	39,055	1,311,450	(7,692)	1,418,271

(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, 2025	12,991	3,066	4,576	277,190	2,141	299,966	29,015	1,677,449
Change in items during the year								
Cash dividends								(70,169)
Profit (loss) attributable to owners of the parent								132,986
Purchase of treasury stock								(3)
Disposal of treasury stock								397
Change in treasury stock arising from change in equity in unconsolidated subsidiaries and affiliates accounted for using equity method								0
Change in ownership interest of parent due to transactions with non-controlling interests								6,560
Reversal of revaluation reserve for land								0
Net change in retained earnings from changes in scope of consolidation or equity method								32
Net changes in items other than shareholders' equity	5,425	2,577	(31)	75,762	731	84,465	10,270	94,735
Net changes during the year	5,425	2,577	(31)	75,762	731	84,465	10,270	164,539
Balance at March 31, 2026	18,416	5,644	4,545	352,952	2,872	384,432	39,285	1,841,988

(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: 230

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.

From the current fiscal year, 1 company, KLKG Logistics Holdings, Co., Ltd., has been included in the scope of consolidation due to the materiality of its business.

Meanwhile, 1 company, "K" LINE SHIP MANAGEMENT (SINGAPORE) PTE. LTD., was excluded from the scope of consolidation due to its dissolution through an absorption-type merger, and 8 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: 54

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 40, and the principal company among them is OCEAN NETWORK EXPRESS PTE. LTD.

From the current fiscal year, 7 companies have been included in the scope of application of the equity method due to the materiality of their businesses.

(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.

Notes on Changes in Presentation

(Consolidated Statement of Operations)

- (1) “Financing expenses,” which was included in “Other non-operating expenses” in the previous fiscal year (¥842 million for the previous fiscal year), is presented separately from the current fiscal year due to an increase in materiality.
- (2) “Gain on sales of shares of subsidiaries and affiliates,” which was included in “Other extraordinary income” in the previous fiscal year (¥0 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: ¥27,712 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.

- 2 Recoverability of deferred tax assets

- (1) Amount recognized in the consolidated financial statements for the current fiscal year

Deferred tax assets: ¥3,046 million

- (2) Other information

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

In accordance with the corporate classifications stipulated in “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26), the recoverability of deferred tax assets is evaluated by estimating future taxable income based on business plans concerning deductible temporary differences and tax loss carried forward.

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

A significant assumption in business plans used for estimating future taxable income are the future outlooks concerning freight rates, charter market conditions, and transport volume.

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

If there are changes to future outlooks concerning freight rates, charter market conditions, and transport volume, which are significant assumptions, the estimated amount of future taxable income may fluctuate, potentially having a significant impact on the recoverability of deferred tax assets.

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	225,540
Investment securities	94,758
Other	5,609
<hr/> Total	<hr/> 325,908

Investment securities of ¥94,758 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	27,848
Long-term loans, less current portion	131,851
<hr/> Total	<hr/> 159,700

4. Accumulated depreciation of assets
Accumulated depreciation of vessels, property and equipment ¥466,070 million

5. Guarantee obligations (Millions of yen)
Guarantees 18,715
(Guarantees include commitment for future guarantees. These guarantee obligations exclude ¥1,443 million of re-guarantees by other companies.)
(Millions of yen)
Additional funding obligation, etc. 19,610

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)	¥ (2,166) 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, 2025 (thousands of shares)	Increase (thousands of shares)	Decrease (thousands of shares)	March 31, 2026 (thousands of shares)
Shares issued				
Common stock	639,172	—	—	639,172
Total	639,172	—	—	639,172
Treasury stock				
Common stock	7,511	1	435	7,077
Total	7,511	1	435	7,077

(*1) There were 6,243 thousand and 5,809 thousand shares, which are held by the Custody Bank of Japan, Ltd., in relation to the “Board Benefit Trust (BBT),” included in the number of shares in treasury stock at April 1, 2025 and March 31, 2026, respectively.

(*2) The increase in the number of shares in treasury stock of 1 thousand shares is due to purchase of shares constituting less than one share-voting unit.

(*3) The decrease in the number of shares in treasury stock of 435 thousand shares is due to decrease of 433 thousand shares by delivery of shares to Directors, etc. from the “Board Benefit Trust (BBT),” 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 20, 2025	Common stock	31,902	Retained earnings	50	March 31, 2025	June 23, 2025
Board of Directors’ Meeting held on November 5, 2025	Common stock	38,283	Retained earnings	60	September 30, 2025	December 4, 2025

(*1) The total amount of dividends 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).”

(*2) The total amount of dividends resolved at the Board of Directors’ Meeting on November 5, 2025 includes ¥348 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 19, 2026	Common stock	38,283	Retained earnings	60	March 31, 2026	June 22, 2026

- (*) The total amount of dividends to be resolved at the Ordinary General Meeting of Shareholders on June 19, 2026 includes ¥348 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, 2026.

Securities without market value, etc. (the amount recorded in the consolidated balance sheet: ¥1,164,866 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	31,912	31,919	6
(ii) Shares of subsidiaries and affiliates	5,120	1,152	(3,968)
(2) Short-term loans and current portion of long-term loans	[57,635]	[57,616]	19
(3) Bonds	[21,300]	[20,656]	643
(4) Long-term loans, less current portion	[157,082]	[157,027]	55
(5) Derivative transactions	[1,635]	[1,635]	–

(*) 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, 2026

	Estimated Fair Value (Millions of yen) (*)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	31,877			31,877
Derivative transactions				
Forward foreign exchange contracts		[92]		[92]
Forward freight agreements		[430]		[430]
Currency swaps		[1,629]		[1,629]
Interest rate swaps		290		290
Bunker fuel swaps		226		226

(*) Net liabilities (“Forward foreign exchange contracts,” “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, 2026

	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	1,152			1,152
Short-term loans and current portion of long-term loans		[57,616]		[57,616]
Bonds		[20,656]		[20,656]
Long-term loans, less current portion		[157,027]		[157,027]

(*) 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 based on the quoted market prices, 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, 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	288,136	96,936	615,365	8,288	1,008,726
Other revenues	4,647	3,730	1,132	127	9,637
Operating revenues from customers	292,783	100,666	616,498	8,415	1,018,364

(*) 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, 2026 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 the beginning and end of the current fiscal year is as follows:

	(Millions of yen)	
	Beginning balance	Ending balance
Notes receivable - trade	692	892
Accounts receivable - trade	102,395	116,890
	103,088	117,783
Contract assets	10,829	9,109
Contract liabilities	26,836	32,023

The beginning balance of contract liabilities was mainly recognized in revenue for the year ended March 31, 2026.

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, 2025 and 2026 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	¥2,851.95
Basic profit per share	¥210.42

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	¥1,841,988 million
Net assets attributable to common stock	¥1,802,703 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	7,077 thousand shares
Profit attributable to owners of the parent on consolidated statement of operations	¥132,986 million
Amount not attributable to shareholders of common stock	—
Profit attributable to owners of the parent relating to common stock	¥132,986 million
Average number of outstanding shares of common stock	631,994 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, 2026

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus		Legal reserve	Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus		Other retained earnings	Reserve for advanced depreciation	Retained earnings carried forward		
Balance at April 1, 2025	75,457	9,607	9,607	9,257	66	405,752	415,077	(8,048)	492,093
Change in items during the year									
Cash dividends						(70,186)	(70,186)		(70,186)
Reversal of reserve for advanced depreciation					(10)	10	–		–
Profit (loss) attributable to owners of the parent						249,139	249,139		249,139
Purchase of treasury stock								(3)	(3)
Disposal of treasury stock								397	397
Net changes in items other than shareholders' equity									
Net changes during the year	–	–	–	–	(10)	178,963	178,953	393	179,346
Balance at March 31, 2026	75,457	9,607	9,607	9,257	56	584,716	594,030	(7,655)	671,439

(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, 2025	11,098	(4,889)	2,023	8,231	500,325
Change in items during the year					
Cash dividends					(70,186)
Reversal of reserve for advanced depreciation					–
Profit (loss) attributable to owners of the parent					249,139
Purchase of treasury stock					(3)
Disposal of treasury stock					397
Net changes in items other than shareholders' equity	4,416	1,834	–	6,250	6,250
Net changes during the year	4,416	1,834	–	6,250	185,597
Balance at March 31, 2026	15,514	(3,054)	2,023	14,482	685,922

(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.

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 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: ¥27,712 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.
2. Recoverability of deferred tax assets
 - (1) Amount recognized in non-consolidated financial statements for the current fiscal year

Deferred tax assets: ¥24,876 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	62,871
Investment securities	8,401
Shares of subsidiaries and affiliates	80,975
<u>Total</u>	<u>152,247</u>

In the above table, ¥1,476 million out of the amount of ¥62,871 million for vessels, investment securities of ¥8,401 million and shares of subsidiaries and affiliates of ¥80,975 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, 2026.

Secured liabilities	(Millions of yen)
Liability category	
Short-term loans and current portion of long-term loans	4,582
Long-term loans, less current portion	45,000
<u>Total</u>	<u>49,582</u>

2. Accumulated depreciation of assets	(Millions of yen)
Accumulated depreciation of vessels, property and equipment	91,938

3. Guarantee obligations	(Millions of yen)
Guarantees	82,206
(Guarantees include commitment for future guarantees. These guarantee obligations exclude ¥1,443 million of re-guarantees by other companies.)	
	(Millions of yen)
Additional funding obligation, etc.	27,692

In the above table, ¥57,285 million out of the amount of ¥82,206 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, 2026	¥ (261) million

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

	(Millions of yen)
Short-term monetary receivables	34,403
Long-term monetary receivables	39,068
Short-term monetary payables	136,438
Long-term monetary payables	242

Notes to Non-consolidated Statement of Operations

Transactions with subsidiaries and affiliates

	(Millions of yen)
Transaction amount – trading	Operating revenues 103,215
	Operating expenses 227,469
Transaction amount - non-trading	157,343

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	6,924,001 shares
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(*) There were 5,809,700 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	504
Provision for bonuses	540
Loss on devaluation of investment securities and others	2,050
Provision for employees' retirement benefits	180
Provision for directors' stock benefits	814
Impairment losses	650
Accounts payable - shipping	5,424
Deferred assets for tax purposes	1,003
Provision for loss on chartering contracts	804
Deferred loss on hedges	2,236
Tax loss carried forward	35,385
Other	4,443
Subtotal	54,039
Valuation allowance for tax loss carried forward	(11,793)
Valuation allowance for the total of deductible temporary differences and others	(9,388)
Valuation allowance subtotal	(21,182)
Total deferred tax assets	32,856
Deferred tax liabilities	
Reserve for advanced depreciation	(23)
Deferred gain on hedges	(952)
Net unrealized holding gain on investment securities	(6,523)
Other	(481)
Total deferred tax liabilities	(7,980)
Net amount of deferred tax assets	24,876

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).

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.

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	¥12,345 million
Account	Short-term loans and current portion of long-term loans
Balance at the end of year	¥33,374 million
Details of business transaction	Payment of interest (*1)
Amount of transaction	¥1,156 million
Account	Accrued expenses
Balance at the end of year	¥291 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	¥2,723 million
Account	Short-term loans and current portion of long-term loans
Balance at the end of year	¥13,645 million
Details of business transaction	Payment of interest (*1)
Amount of transaction	¥93 million
Account	—
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	¥4,498 million
Account	Short-term loans and current portion of long-term loans
Balance at the end of year	¥13,627 million
Details of business transaction	Payment of interest (*1)
Amount of transaction	¥157 million
Account	—
Balance at the end of year	—

Type	Subsidiary
Name	D HIGHWAY SHIPPING S.A.
Voting rights (%)	100% direct ownership
Relationship	Guarantees
Details of business transaction	Guarantees (*2)
Amount of transaction	¥11,844 million
Account	—
Balance at the end of year	—

Type	Affiliate
Name	OCEAN NETWORK EXPRESS PTE. LTD. (*3)
Voting rights (%)	—
Relationship	Chartering contractor, etc.
Details of business transaction	Receiving dividend
Amount of transaction	¥130,645 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: Guarantees are provided for bank borrowings, and guarantee fees are determined by considering the business structure and other factors of the guaranteed entity.

Note 3: 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	¥1,084.89
Basic profit per share	¥394.12

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

Amount of net assets on non-consolidated balance sheet	¥685,922 million
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Net assets attributable to common stock	¥685,922 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	6,924 thousand shares
Profit on non-consolidated statement of operations	¥249,139 million
Amount not attributable to shareholders of common stock	–
Profit attributable to common stock	¥249,139 million
Average number of outstanding shares of common stock	632,148 thousand shares

Notes on Significant Subsequent Events

No items to be reported.