

November 2, 2023

Kawasaki Kisen Kaisha, Ltd.

Notice Regarding Disposal of Treasury Stock through Third-Party Allotment Associated with
Additional Contribution to Board Benefit Trust (BBT)

Kawasaki Kisen Kaisha, Ltd. (hereinafter referred to as “the Company”) hereby announces that the Company has resolved to carry out disposal of treasury stock through third-party allotment (hereinafter referred to as “the Disposal of Treasury Stock”) at its meeting of the Board of Directors held on November 2, 2023, as follows.

1. Outline of the Disposal

(1)	Disposal date	Monday, November 20, 2023
(2)	Class and number of shares to be disposed	906,300 shares of common stock
(3)	Disposal price	¥5,340 per share
(4)	Total disposal amount	¥4,839,642,000
(5)	Intended disposal recipient	Custody Bank of Japan, Ltd. (Trust Account E)
(6)	Other	The Disposal of Treasury Stock is subject to the securities registration statement under the Financial Instruments and Exchange Act having taken effect.

2. Purpose and Reason for the Disposal

Pursuant to resolution passed at the Ordinary General Meeting of Shareholders held on June 24, 2016, the Company adopted the Board Benefit Trust (BBT) (hereinafter referred to as “the Plan” with a trust established based on the trust agreement executed with Mizuho Trust & Banking Co., Ltd. in relation to the Plan referred to as “the Trust”). The Company subsequently gained approval for revision of the maximum amount of remuneration pertaining to the Plan at the Ordinary General Meeting of Shareholders held on June 23, 2023 (for an outline of the Plan, please refer to “Notification of the Introduction of a Performance-based Share Remuneration Plan” announced on April 28, 2016, and “Notice Concerning Revisions to the Remuneration System for Executives” announced on March 14, 2023).

In seeking to ensure continuity of the Plan, the Company has decided to make additional monetary contribution to the Trust in order for the Trust to purchase shares deemed necessary for future benefits (hereinafter referred to as “the Additional Trust”). Furthermore, the Company has decided to dispose of treasury stock (the Disposal of Treasury Stock) through third-party allotment to the Trust Account E established with Custody Bank of Japan, Ltd. (the re-entrusted trustee who has received re-trust from Mizuho Trust & Banking Co., Ltd., which acts as the trustee of the Trust) for the sake of holding and disposing of the Company’s stock in the course of operating the Plan.

The amount disposed of is to be equivalent to the number of shares that are likely to be granted to the Company’s officers, etc. during the trust period pursuant to the “Regulations for

Delivery of Shares to Officers” which accordingly constitutes 0.36% of the 250,712,389 total number of shares issued as of September 30, 2023 (the ratio against the 2,380,446 total number of voting rights as of September 30, 2023 amounts to 0.38% (both figures rounded to the second decimal place)).

Note: Outline of the Additional Trust

Date of the Additional Trust:	November 20, 2023
Amount of the Additional Trust:	¥4,839,642,000
Class of shares to be purchased:	Common stock of the Company
Total number of shares to be purchased:	906,300 shares
Share purchase date:	November 20, 2023
Share purchase method:	Purchased by underwriting the disposal of treasury stock of the Company (the Disposal of Treasury Stock)

3. Basis for Calculating Disposal Price and Specific Details Thereof

The disposal price is to be ¥5,340, which is the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution at the Board of Directors meeting pertaining to the Disposal of Treasury Stock.

It was decided to use the closing price on the business day immediately preceding the date of the resolution at the Board of Directors meeting as this price accurately represents the corporate value of the Company on the stock market and was deemed to be reasonable.

The disposal price of ¥5,340 is calculated by multiplying 101.02% by the ¥5,286 average closing price over the most recent one-month period (rounded down to the nearest yen) retroactively starting from the business day immediately preceding the date of the resolution by the Board of Directors; by multiplying 103.85% by the ¥5,142 average closing price over the most recent three-month period (rounded down to the nearest yen) retroactively starting from the business day immediately preceding the date of the resolution by the Board of Directors; or by multiplying 122.87% by the ¥4,346 average closing price over the most recent six-month period (rounded down to the nearest yen) retroactively starting from the business day immediately preceding the date of the resolution by the Board of Directors. Taking the above into account, we deem that the disposal price pertaining to the Disposal of Treasury Stock to be reasonable and not particularly advantageous.

Additionally, the 4 Audit & Supervisory Board Members who attended the meeting of the Board of Directors (2 of whom are Outside Audit & Supervisory Board Members) expressed opinions that the aforementioned disposal price is not particularly advantageous and is legal.

4. Matters Regarding Procedures within the Code of Corporate Conduct

Because the Disposal of Treasury Stock entails (i) dilution of less than 25%, and (ii) does not entail change of a controlling shareholder, it does not require independent third-party opinion or confirmation of shareholder intent as set forth in Rule 432 of the Securities Listing Regulations established by Tokyo Stock Exchange, Inc.