

March 29, 2019

To All Parties Concerned

Company Name: Kawasaki Kisen Kaisha, Ltd.  
Representative: Eizo Murakami, President and CEO  
(Code Number 9107, listed on the 1<sup>st</sup> sections of the Tokyo and  
Nagoya Stock Exchanges and the Fukuoka Stock Exchange)  
Contact: Yu Kurimoto, General Manager,  
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### **Notice of Financing through Subordinated Loan**

Kawasaki Kisen Kaisha, Ltd. ("K" LINE) hereby announces that it has decided to raise funds through subordinated loan (the "Subordinated Loan") as detailed below.

#### 1. Objective and Significance of the Subordinated Loan

In addition to the business structural reforms set forth in the announcement dated March 7, 2019, the "K" LINE group has been developing its core businesses through the ongoing rebuilding portfolio strategy, with an aim to expand the stable income business and achieve a sustainable growth. As one of the measures to accomplish the goal, the group has decided to raise funds through the Subordinated Loan, which is a financing method that enhances financial foundation while maintaining capital efficiency.

#### 2. Overview of the Subordinated Loan

"K" LINE is planning to raise funds through the Subordinated Loan with the following conditions.

Total Loan Amount	JPY45 billion
Date of Agreement	March 29, 2019
Loan Execution Date	April 5, 2019
Use of Loan Proceeds	Repayment of interest-bearing debts and capital expenditures mainly for vessels
Maturity Date	March 31, 2054 However, "K" LINE may, at its own discretion, make early repayment of all or part of the principal of the Subordinated Loan on March 31, 2024 or any interest payment date thereafter or upon occurrence of any predefined early repayment events.
Replacement Restrictions	There is no contractual provision on replacement restrictions. However, if "K" LINE repays the Subordinated Loan early, the company intends to replace the Subordinated Loan with other

	financial instruments that have obtained an equal or higher equity credit from the credit rating agency <sup>(Note)</sup> .
Interest Deferral Clause	"K" LINE may defer interest payments at its own discretion.
Subordination Clause	The creditors of the Subordinated Loan shall have a claim subordinated to that of other senior debt creditors in the company's liquidation, bankruptcy, corporate reorganization or civil rehabilitation proceedings or any equivalent proceedings under any laws other than Japanese Laws. Any provisions stipulated in the Subordinated Loan agreement shall not be amended in any manner which would create disadvantages for any "K" LINE's creditors other than the creditors of the Subordinated Loan.
Lenders	Mizuho Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Trust Bank, Limited
Evaluation of Equity Credit (expected)	Middle Level, 50% (Japan Credit Rating Agency, Ltd.)

(Note) "K" LINE may decide not to replace the Subordinated Loan with other financial instruments that have an equal or higher equity credit, if the company satisfies predefined financial requirements.