

September 6, 2021

Kawasaki Kisen Kaisha, Ltd.

“K” Line to finance Transition Linked Loan under newly formulated
Transition Linked Finance Framework

Kawasaki Kisen Kaisha, Ltd. (“K” LINE) is pleased to announce that we have formulated a “Transition Linked Finance Framework (Framework)” which is based on “K” LINE Environmental Vision 2050(R1). With using this Framework, we plan to finance “Transition Linked Loan (TLL)” at the end of September 2021.

In order to promote this “Transition Linked Finance” continuously, “K” LINE has got certification of “Basic Guidelines on Climate Transition Finance” by Ministry of Economy Trade and Industry and related guidelines and policies for this TLL by Japan Credit Rating Agency, Ltd. (JCR)(R2).

This TLL is also selected as “Example model of Climate Transition Finance of the 3rd year of Reiwa era” by Ministry of Economy Trade and Industry of Japan.

This TLL is our second transition finance (“Purpose Unspecified Finance”) since our 1st transition loan (“Purpose Specified Finance”) in March 2021(R3). “K” LINE is the first company who originates two consecutive transition finances (Purpose Specified / Unspecified) in short term in Japan and we believe these finances contribute to decarbonization. Outline of the finance is as follows.

<Outline of finance>

Finance Scheme	Transition Linked Loan
Borrower	“K” LINE
Loan Amount	To be announced
Loan Term	To be announced
Loan Agreement Date (to be)	End of September 2021
Loan Arranger	Mizuho Bank Ltd. (MHBK)
Transition Structuring Agent	Mizuho Securities Co., Ltd., MHBK,
Lenders	Syndicated Lenders, agented by MHBK
Evaluator	Japan Credit Rating Agency, Ltd.
Target SPTs	①Total Emission of GHG, ②CO2 Emission per ton-mile, ③CDP Rating

※Details of SPTs

- ①Total yearly GHG emissions throughout all loan term
- ②Yearly CO2 emissions per ton-mile throughout all loan term
- ③“A-” rating or higher by CDP rating

All above SPTs are connected with a matrix table of loan interest and this promotes our transition strategy.

<References>

(R1) “K” LINE Environmental Vision 2050 - Blue Seas for the Future -

<http://www.kline.co.jp/en/csr/environment/index.html>

(R2) Japan Credit Rating Agency, Ltd. (JCR) website

<https://www.jcr.co.jp/en/>

(R3) Released on March 12, 2012: First Climate Transition Finance in Japan

<https://www.kline.co.jp/en/news/car/car-7503535198498277982/main/0/link/210312EN2.pdf>

(R4) “K”LINE SUSTAINABILITY BOOKLET (published English version in July,2021)

<https://www.kline.co.jp/en/csr/group/booklet.html>

※ “K” LINE Group, as a participant in the United Nations Global Compact, is promoting activities that contribute to SDGs (Sustainable Development Goals), and this TLL is a part of its ongoing activities.



(<https://www.un.org/sustainabledevelopment/>)