

April 25, 2025

## **Board of Directors Effectiveness Evaluation**

Kawasaki Kisen Kaisha, Ltd.

Based on the belief that effective corporate governance function is essential for sustainable growth and enhancement of corporate value over the medium- to long-term, we evaluate and analyze the effectiveness of the Board of Directors each year and then disclose the results in a timely and proper manner.

We have completed the board effectiveness evaluation for fiscal year 2024 and we would like to report an overview of the results as follows.

### **1. Evaluation Method**

This fiscal year, the Board of Directors engaged in the discussion based on the results of the questionnaire for all Directors and Audit & Supervisory Board Members, and self-evaluations were carried out properly.

#### **<Key Area of Inquiry>**

- Composition of the Board
- Board operations
- Board discussion
- Board monitoring function
- Outside Directors' performance
- Dialogue with shareholders and investors

### **2. Analysis of Evaluation Results**

#### **1) Analysis of evaluation results**

The Board of Directors' effectiveness improved, as demonstrated by a year-over-year increase in scores for 70% of the multiple-choice questions.

The evaluation showed stable performance in the following key areas, contributing to the effective functioning of the Board of Directors.

- Sufficient time for deliberations and open and constructive discussions
- Improvement of discussions and issues based on issues from the effectiveness evaluation in the previous year
- Discussions regarding potential risks for the entire Group and methods for dealing with them, the crisis management system, etc.
- Follow-up on the progress of the management plan
- Constructive dialogue with shareholders and investors and feedback for the Board of Directors
- Discussions regarding and setting of performance-based remuneration that gives motivation to increase medium- to long-term corporate value to the maximum extent
- Deliberations on the succession plan for the Chief Executive Officer (CEO)

On the other hand, it has been recognized that there is room to further deepen discussions regarding matters such as the usage of data and digital technologies, etc. These points will continue to be identified as issues to be addressed to further improve governance.

## 2) Status of measures for issues in the previous year

Regarding the items listed as issues in the effectiveness evaluation in the previous year, the following were evaluated as having been discussed and addressed.

- Follow-up on the progress of the management plan (continuing issue)  
Improvement was observed in the holding of discussions, analysis and follow-up compared to the previous year. While the Company is continuing the measures that have achieved a certain level of recognition during the past year, the Company will appropriately address rising geopolitical risks and recognizes that further follow-up is a continuing issue.
- Discussions regarding the medium- to long-term capital policy (continuing issue)  
Regarding specific measures for improvements, there were opinions that serious considerations were given, and the evaluation increased compared to the previous year. Issues also continued to be raised concerning our efforts to improve corporate value over the medium- to long-term, and there was a shared understanding that it is necessary to delve deeper into discussions.
- Strengthen group governance (continuing issue)  
For the previously identified issue of strengthening the governance of the container business integration company (Ocean Network Express Pte. Ltd.), while efforts for improvements were recognized, there were also opinions stating that it is important to show results.
- Create value that utilizes data and digital technologies (continuing issue)  
Although the evaluation was similar to the previous one with respect to efforts for discussions on what types of value can be created utilizing data and digital technologies, opinions calling for more proactive initiatives were observed, including the creation of an organization and human resource development for promoting digital transformation, and we recognize that as an issue that requires continuous efforts.

## 3. Key Issues for Fiscal Year 2025

Based on the above analysis and evaluation results, we will continuously work on the following key issues for fiscal year 2025 in order to realize a more effective Board.

- Follow-up on the progress of the management plan
- Discussions regarding the medium- to long-term capital policy
- Strengthen group governance
- Create value that utilizes data and digital technologies

## 4. Evaluation of the Board of Directors Effectiveness after the Transition to a Company with

#### Nominating Committee, Etc.

The Company transitioned to a Company with Nominating Committee, etc. by a resolution at the Extraordinary General Meeting of Shareholders held on March 28, 2025. Based on this structure, the Company will strengthen its governance by having the Board of Directors focus on the roles of supervising business execution and deciding the basic policy for management, while verifying in a timely manner whether the new structure is functioning properly.

Although the Company evaluates the effectiveness of the Board of Directors once every three years using independent external parties, it has decided to postpone by one year the evaluation that would have taken place this year, in light of the transition in its corporate governance structure. In the next fiscal year, through evaluation by independent external parties, the Company plans to appropriately confirm the effectiveness after the transition.