

March 25, 2025

Kawasaki Kisen Kaisha, Ltd.

Daito Corporation Secures Japan's First Green Loan
Utilizing a Municipality-Developed Framework for Electric Tugboat

Kawasaki Kisen Kaisha, Ltd. (“K” LINE) is pleased to announce that Daito Corporation (Daito), its consolidated subsidiary, has decided to procure funding through a green loan from Mizuho Bank, Ltd. This loan will finance the construction of an electric tugboat (EV tug),*¹ which was decided on November 8, 2024. It is scheduled to be completed in May 2027. The loan utilizes the Port of Yokohama – CNP Sustainable Finance Framework (the Framework),*² established by the City of Yokohama.

The Framework is a use-of-proceeds specific framework aimed at promoting the decarbonization of the port. A Second Party Opinion*³ on the Framework has been obtained from DNV Business Assurance Japan K.K. (DNV), a third-party verification body. The construction of the EV tug is classified as a green project under “Clean Transportation” within the Framework, and a letter of conformance*³ for a green loan*⁴ has been obtained from DNV. Daito is the first company to utilize this Framework for financing. Moreover, this is the first case in Japan of a private company utilizing a use-of-proceeds specific framework developed by a municipality.

This vessel was highly valued for the integration of hull improvements, electrification, and new maneuvering equipment to achieve a transition to non-fossil energy and improve operational efficiency. The adoption of lithium-ion batteries as a non-fossil energy source is expected to achieve a CO₂ emission reduction of approximately 60%.

The “K” LINE Group, under its long-term environmental policy, “K” LINE Environmental Vision 2050 — Blue Seas for the Future —,*⁵ establishes and operates the DRIVE GREEN NETWORK framework to promote environmental management, reflecting its commitment to environmental conservation. It will continue to advance efforts to support low-carbon and carbon-free for “K” LINE group and society and contribute to enhancing people’s quality of life.

EV Tug Specifications

Dimensions: Length 33.4 m x breadth 9.6 m x draft 4.0 m

Applicable Regulations: JG (Japanese Government)

Gross Tonnage: 199 tons class

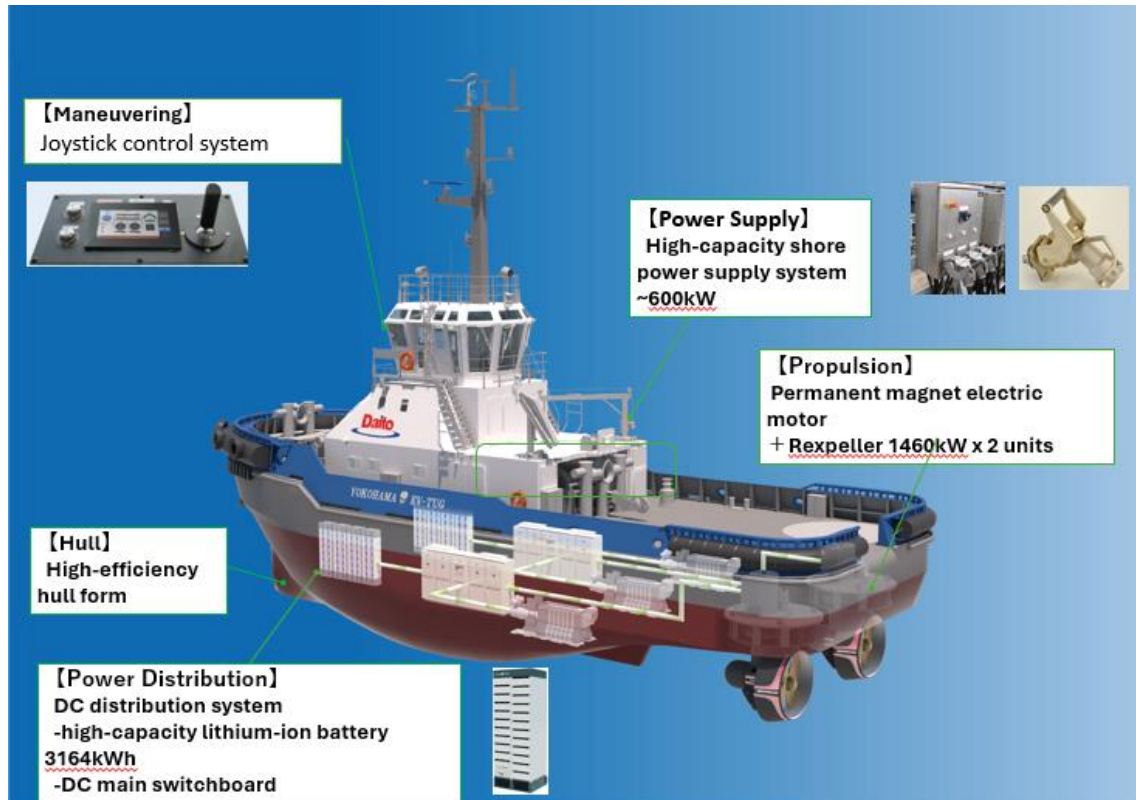
Maximum Speed: 14.0 knots

Maximum Bollard Pull: 48 tons (ahead)

Propulsion System: Electric Propulsion System

Battery Capacity: Approx. 3.2 MWh

EV Tug Overview



*1 November 8, 2024: Daito Corporation Has Decided to Build an Electric Tugboat

<https://www.kline.co.jp/en/news/logistics/logistics-20241108.html>

*2 It enables private companies and other entities to access sustainable finance without developing their own framework, provided their initiatives are designated as Port Decarbonization Promotion Projects within the Yokohama Port Harbor Decarbonization Promotion Plan announced today.

Please refer to the City of Yokohama website:

<https://www.city.yokohama.lg.jp/city-info/yokohamashi/yokohamako/kkihon/torikumi/cnp/ycnlfw.html>

*3 Please refer to the DNV website:

https://webmagazine.dnv.co.jp/sus_finance_list.html

*4 Green loan: A loan for the execution of finance projects that contribute to solving or mitigating environmental issues, in accordance with the Green Loan Principles (see reference below).

Green Loan Principles: International guidelines for loans specifically designated for environmental purposes developed in March 2018 by the Loan Market Association and the Asia Pacific Loan Market Association. The Loan Syndications and Trading Association joined in December 2018.

*5 “K” LINE Environmental Vision 2050: Blue Seas for the Future

As part of our action plan to reduce GHG emissions, “K” LINE is engaged in a number of initiatives, including the introduction of zero-emission fuels, such as ammonia and hydrogen fuels, and carbon-neutral fuels, such as bio-LNG and synthetic fuels.

<https://www.kline.co.jp/en/sustainability/environment/management.html>