

April 30, 2021

Kawasaki Kisen Kaisha, Ltd.

Announcement regarding Transfer of Subsidiary Shares, Transfer of Fixed Assets and Recording Extraordinary Gain

Kawasaki Kisen Kaisha, Ltd. (“K” LINE) has signed an agreement to transfer all shares of a subsidiary company, Century Distribution Systems, Inc. (CDS) to Century Distribution Intermediate Holding, LLC, an affiliate of Sun Capital Partners, Inc., a U.S.-based private investment firm, and immediately prior to such share transfer, certain fixed assets owned by Universal Logistics System, Inc.(ULS), which is a subsidiary company of CDS, will be transferred to a 3rd party.

Transfer of CDS Shares

1. Overview of subsidiary

“K” Line`s subsidiary, CDS was established in 1987 in USA. Its main businesses are, buyers` consolidation(R1), NVOCC, land transport and warehouse, together with offering customers IT system.

(R1) logistics service in the way at an origin port multiple suppliers` goods are loaded onto one container and then transported to a buyer at destination

2. Details of Transfer

- (1) Subsidiary : Century Distribution Systems, Inc. (“K” LINE’s share : 100%)
- (2) Transfer to : Century Distribution Intermediate Holding, LLC
- (3) Date of Transfer : May 31, 2021 (Planned, subject to the satisfaction of customary closing conditions)

3. Impact on “K” Line business performance

“K” Line projects a sales gain of approximately JPY 5 billion as extraordinary income in the consolidated financial results for the fiscal year ending March 31, 2022.

Transfer of Fixed Assets owned by ULS

1. Reason of Transfer

In 1986, ULS acquired a warehouse, near the port of Long Beach, California, for the use of cargo storage, transload (R2) and cross-docking (R3) and, since then, has been operating the warehouse.

In 2000, “K” LINE changed the structure of shareholding of ULS and made it a subsidiary of CDS.

“K” LINE, together with the transfer of CDS shares to Century Distribution Intermediate Holding, LLC, decided for ULS to sell such fixed assets to a 3rd party.

(R2) a process of transferring a shipment from one mode of transportation to another

(R3) a practice in logistics of unloading materials from an incoming semi-trailer truck or railroad car and loading these materials directly into outbound trucks, trailers, or rail cars, with little or no storage in between.

2. Details of Fixed Assets

Details of Subject Assets and Location	Current Status
Land: 835,425 SF Location: 2850 E. Del Amo Blvd., Carson, CA 90221, USA Structure: 264,450 SF	Operating

3. Schedule of Transfer

Date of Contract : April 30, 2021

Date of Property Transfer : May 31, 2021 (Planned, subject to the satisfaction of customary closing conditions)

4. Impact on Business Result

In line with the transfer of the aforementioned fixed assets, "K" LINE expects recording "Gain on sales of fixed assets" of approximately 12.6 Billion Yen as extraordinary income in its consolidated financial statements for the fiscal year ending March 31, 2022. With this extraordinary income together with other cashes, "K" LINE receives dividends of 17.5 Billion Yen through CDS on May 31, 2021.

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