

# **NS UNITED KAIUN KAISHA, LTD. TRANSITION FINANCE FRAMEWORK**

**October 31, 2025**

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## 1. Introduction

### 1-(1) Company overview and business positioning

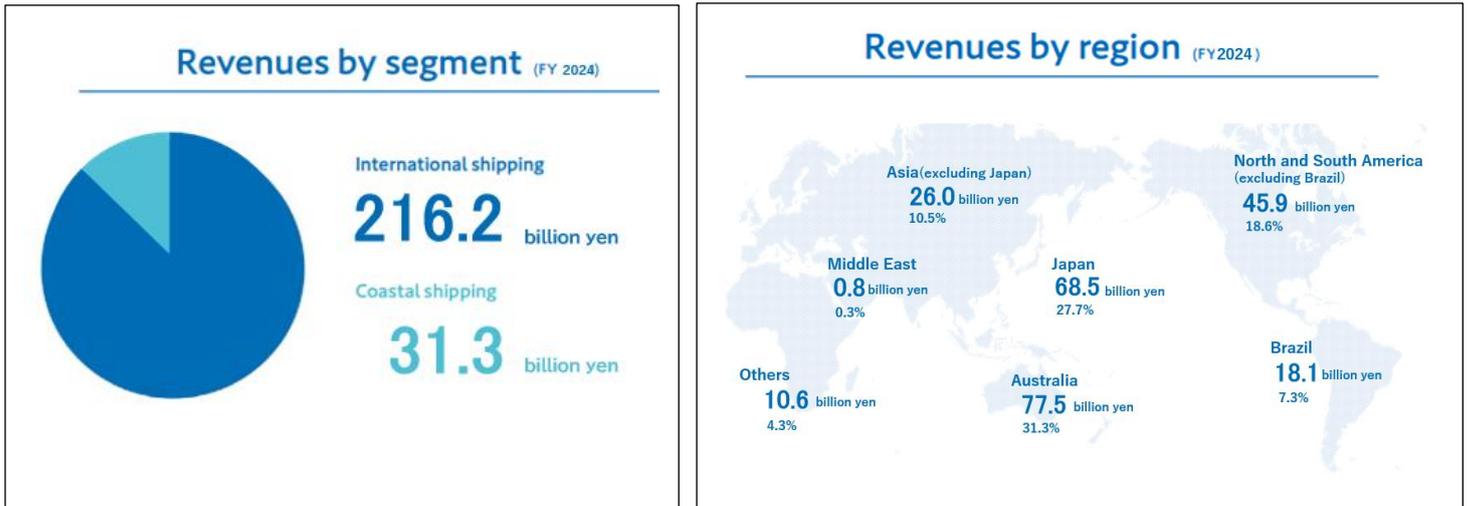
NS United Kaiun Kaisha, Ltd. (hereinafter referred to as "the Company") is a Japanese shipping company founded in 1950 and headquartered in Chiyoda City, Tokyo. With a focus on international shipping, we provide marine transportation services for capesize, various energy resources, raw materials, and more. In addition, our consolidated subsidiaries operate domestic shipping, and our Group (the Company and its consolidated subsidiaries) operates a total of 220 vessels as of March 31, 2025.

The Company operates globally and has bases in the UK, US, Hong Kong, Singapore, the Philippines, and other locations.

<b>International Cargo Marine Transportation Business</b>	<b>Iron Ore and Coking Coal Transport Service</b>	With a fleet of approximately 50 vessels ranging from 100,000-ton to ultra-large 400,000-ton vessels, we provide stable transportation of iron ore and coking coal for domestic steel companies and overseas resource companies.
	<b>Energy Resources Transport Service</b>	In addition to transporting bulk cargo such as coal and LPG (Liquefied Petroleum Gas) for domestic customers, we also provide other services such as transportation of raw materials and coking coal for overseas steel companies and grain transportation from South America to Asia. The vessel types used are 80,000 to 100,000-ton bulk carriers and large LPG carriers.
	<b>Tramp Chartering Service</b>	We transport steel products, fertilizers, limestone, and other various bulk cargo using 20,000 to 60,000-ton bulk carriers. These vessels specialize in combination transport, combining steel products transportation to the US and Asia with bulk cargo transportation.
	<b>Near Sea services</b>	Utilizing our transportation network covering China and all of Southeast Asia, we provide transportation of export cargo such as steel products and import bulk cargo such as biomass fuel using 8,000 to 19,000-ton general cargo ships. We provide meticulous services especially in Japan-China trade.
<b>Domestic Cargo Marine Transportation Business</b>	<b>NS United Naiko Kaiun Kaisha, Ltd.</b>	A wholly owned subsidiary of NS United Kaiun Kaisha, Ltd. since August 2015. Since its founding in 1961, NS United Naiko Kaiun has built and maintained Japan's largest dry bulk fleet tonnage. The fleet is comprised of numerous state-of-the-art vessels that are operated effectively for dedicated purposes in response to diverse customer needs. We are also a leader in the coastal shipping industry with respect to investment in environmental initiatives. This is exemplified by the delivery of the first Japanese coastal cargo carrier equipped with a hybrid propulsion system powered by lithium-ion batteries, followed by vessel with another type of hybrid system powered by a combination of LNG and batteries.

	<p><b>NS United Coastal Tanker Kaisha, Ltd.</b></p>	<p>NS United Coastal Tanker Kaisha launched Japan's first coastal LNG carrier in 2003. Since then, our Group has established a leading position in the market, with three of the country's six coastal LNG carriers under its ownership, operation, and management. With a particular focus on building the personnel capable of operating vessels unique to this business, we will ensure safe operations to meet the expectations of customers and play an important role in securing the stable supply of natural gas.</p>
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Figure 1 Sales by segment and region (FY2024)



Our Group has built up a track record of transactions with customers over many years, creating the "U Brand" as an added value of security and trust. Under the following basic philosophy, we conduct corporate activities with high transparency and strong ethics. Our Group's philosophy system consists of "Purpose," "Mission," "Vision," and "Value," and we promote sustainability management by linking the six sustainability – related priority issues (materiality) and the Medium-Term Business Plan "FORWARD 2030 II" aimed at enhancing corporate value and sustainable growth. We contribute to the development of society and the improvement of people's lives now and in the future.

**1 – ② Basic Philosophy and Materiality**

**Basic Philosophy**

The NS United Kaiun Group will contribute to the development of society by providing trusted and high-quality marine transportation services.

## **Management Philosophy**

### 1. Credibility and Reliability

Increase the corporate value of the Group as a whole by practicing sound management that is credible and reliable.

### 2. Safe Navigation and Environmental Protection

Strive to ensure the safe navigation of vessels at all times and continue training to improve the operational skills of crews on vessels in order to take a role in protecting the global environment including the seas.

### 3. Response to Customers and Reform

Vigorously pursue further progress through reform while effectively responding to customer needs.

### 4. Nurture and Mobilize Employee Abilities

Nurture employees and mobilize their abilities to develop a dynamic Group that employees can take pride in.

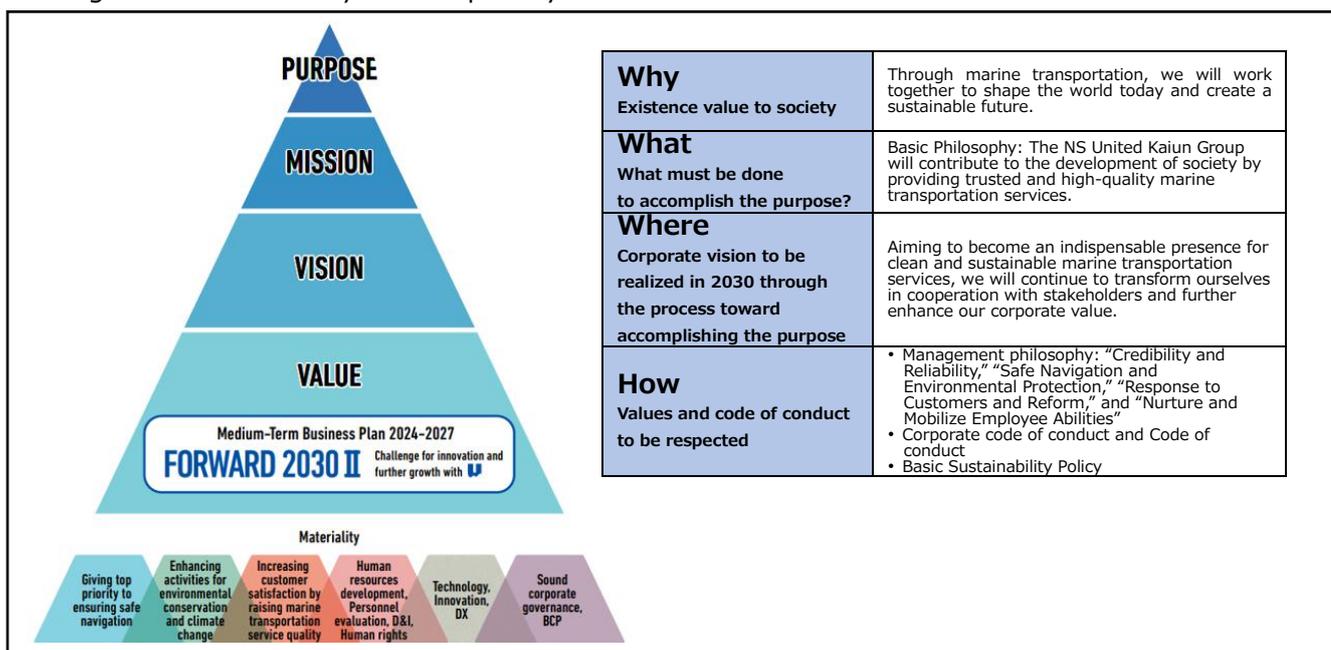
## **Corporate Code of Conduct**

1. Comply with laws and regulations and act with high ethical standards.
2. Engage in fair and free competition and appropriately conduct transactions to maintain sound, responsible relationships with policy makers and the government.
3. Broadly communicate with the public, proactively and fairly disclose corporate information, and strictly protect and manage information.
4. Create a safe, healthy, and pleasant working environment with due respect for the individuality and diversity of employees.
5. Actively contribute to the local community and society as a corporate citizen.
6. Have no relations whatsoever with anti-social forces or organizations, and take a firm stand against any unreasonable demands.
7. Conduct business in compliance with national and regional laws and with respect for international norms as well as culture and custom including human rights.
8. Comply with this code and establish a system for ensuring its implementation. In the event of infringement, we will endeavor to promptly investigate the cause, prevent a recurrence, and effectively fulfill our accountability.

## Sustainability - Related Priority Issues

At NS United Kaiun, we have identified six sustainability-related priority issues: (1) Giving top priority to ensuring safe navigation, (2) Enhancing activities for environmental conservation and climate change, (3) Increasing customer satisfaction by raising transportation service quality, (4) Human resources development, Personnel evaluation, D&I, Human rights, (5) Technology, innovation, DX, (6) Sound corporate governance, BCP. These are linked to the four items presented as sustainability initiatives in the Medium-Term Business Plan: "Human capital strategy," "Sustainable shipping strategy," "Governance enhancement," and "DX strategy." We believe that continuous initiatives for sustainability support our business strategy and growth strategy, leading to enhanced corporate value.

■ Figure 2 Sustainability-related priority issues



### 1-(2) Overview of this transition finance framework

- Our Group has positioned "enhancing activities for environmental conservation and climate change" as one of its sustainability – related priority issues (materiality), and in the Medium-Term Business Plan (FY2024–2027) "FORWARD 2030 II," we have formulated the Environmental Roadmap toward Net Zero GHG Emissions by 2050. In the Environmental Roadmap, we have set a new milestone target to reduce annual GHG emissions by 25% compared to FY2019 by 2030, and have started investment and implementation plans to achieve this goal.
- As a specific strategy, we are promoting the extension of the domains of new growth businesses, such as the development of a new fleet of cargo-specific vessels and investment in biofuel suppliers, as well as the deepening the domains of existing core businesses, such as contributing to customers' decarbonization processes through the construction of dual-fuel methanol-powered vessels. We plan to invest 165 billion yen in vessels powered by new types of fuel, including 45 billion yen in environmental investments, by FY2030. From 2030, we will promote the introduction of zero-emission vessels powered by green fuels.
- To execute this investment plan, the Company has formulated a Transition Finance Framework that can accommodate both loans and bonds, and plans to raise funds to continuously promote initiatives for decarbonization.

- This framework has been prepared based on the following standards.
  - Climate Transition Finance Handbook (International Capital Market Association (hereinafter referred to as "ICMA"))
  - Basic Guidelines on Climate Transition Finance (Financial Services Agency (FSA), Ministry of Economy, Trade and Industry (METI), Ministry of the Environment (MOEJ))
  - Green Bond Principles (GBP) (ICMA)
  - Green Loan Principles (Loan Market Association (hereinafter referred to as "LMA"), etc.)
  - Green Bond Guidelines (Ministry of the Environment (MOEJ))
  - Green Loan Guidelines (Ministry of the Environment (MOEJ))

## 2. Disclosure items based on the ICMA Handbook and basic policy

- This framework has been prepared based on each standard. This section explains the status of compliance with the four elements set forth in the Climate Transition Finance Handbook and the Basic Guidelines on Climate Transition Finance.

- ① Issuer's climate transition strategy and governance
- ② Environmental materiality in the business model
- ③ Science-based climate transition strategy and targets
- ④ Transparency of implementation

### 2-(1) Issuer's climate transition strategy and governance

#### About the transition strategy

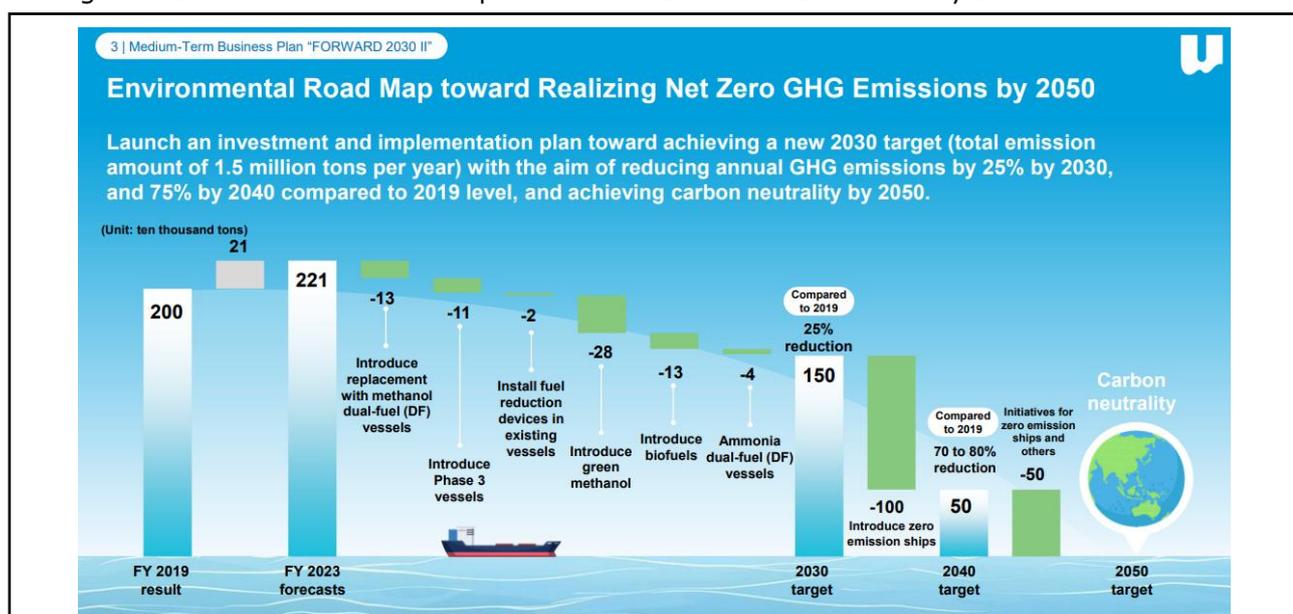
1. Our Group has positioned "enhancing activities for environmental conservation and climate change" as one of our sustainability – related priority issues (materiality), and under the previous Medium-Term Business Plan "FORWARD 2030," we have worked on building a sustainable business structure, such as through the completion of three VALEMAX vessels, the world's largest 400,000 DWT ore carriers.
2. In the Medium-Term Business Plan "FORWARD 2030 II Challenge for innovation and further growth with U," starting from fiscal year 2024, we are centered on two business strategies of "extending the domains of new growth businesses" and "deepening the domains of existing core businesses," aiming for sustainable growth.
3. As our vision for 2030, we aim to be an indispensable presence in clean and sustainable marine transportation, and at the same time as formulating "FORWARD 2030 II", we established the "Environmental Roadmap toward Net Zero GHG Emissions by 2050" (hereinafter referred to as the "Environmental Roadmap"). The Environmental Roadmap sets the following goals to achieve carbon neutrality.
4. Regarding the milestone goals for 2030 newly set in the Environmental Roadmap, in line with the International Maritime Organization (IMO) GHG reduction strategy for 2030, we have changed our targets from "reduction per transport unit" to "total emission reduction". Our targets are in line with the goals set by the IMO based on scientific evidence, and the IMO targets are at a scientifically justified level to achieve the Paris Agreement's 2°C target, and therefore are also consistent with the Paris Agreement.

GHG emissions Reduction targets	Our company	IMO
By 2030	Annual total GHG emissions (compared to 2019): 25% reduction* (Scope 1)	Annual total GHG emissions (compared to 2008): reduction of at least 20%, aiming for 30% reduction
		Dissemination of technologies, fuels, and energy sources that achieve zero or near-zero GHG emissions (as a percentage of total energy use): at least 5%, aiming for 10%
		Improvement target for transport efficiency (CO2 emissions per unit transport) (compared to 2008): improvement of at least 40%
By 2040		Annual total GHG emissions (compared to 2008): reduction of at least 70%, aiming for 80% reduction
By around 2050	Carbon neutrality (Scope 1, 2, 3)	Annual total GHG emissions: Net zero

\* Reference: Compared to 2008: ▲25%

- If the Japanese government or the IMO or other international organization revise their reduction targets in the future, we will review our targets.
- To achieve the above targets, it is essential to shift to next-generation fuels and adopt other technological approaches, so we have set specific implementation items in the following Environmental Roadmap. We aim to reduce our annual total GHG emissions, which were about 2 million tons in fiscal year 2019, to 1.5 million tons by 2030 through the introduction of dual-fuel methanol-powered vessels and biodiesel fuel. From 2030, we also aim to promote the introduction of zero-emission vessels powered by green fuels, aiming for carbon neutrality by 2050.

■ Figure 3 Environmental Roadmap toward Net Zero GHG Emissions by 2050



■ Examples of initiatives

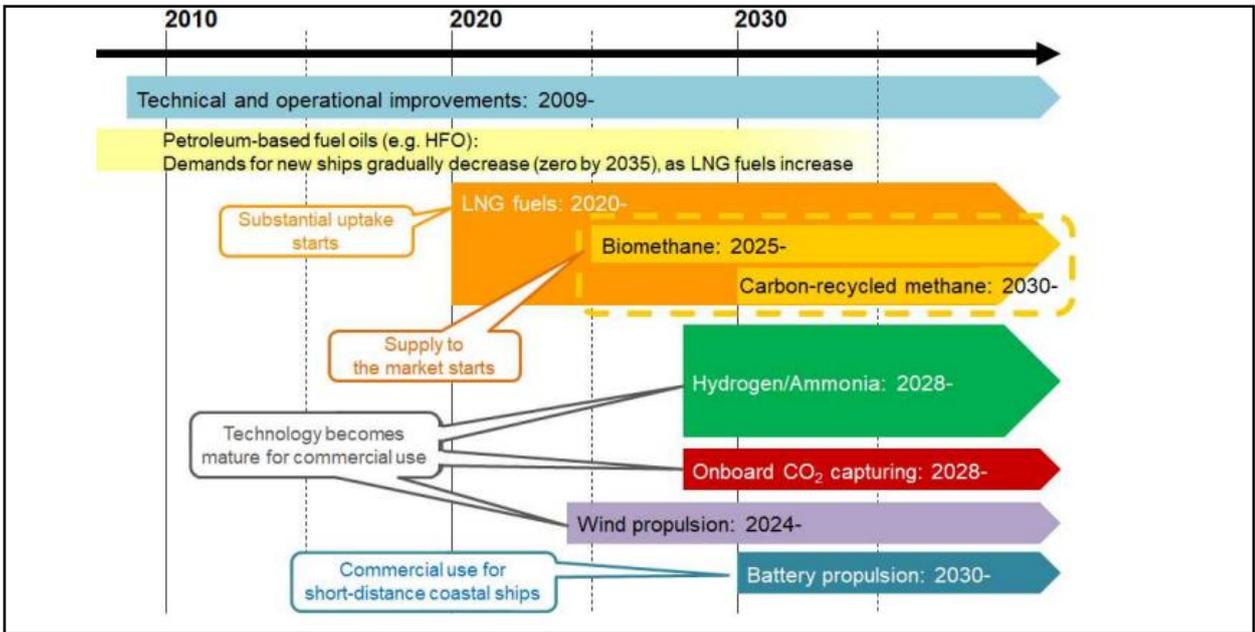
Introduction of dual-fuel methanol-powered vessels and dual-fuel ammonia-powered vessels	We aim to quickly build vessels equipped with engines capable of using both new types of fuel such as methanol and ammonia and heavy oil as fuel, and to conclude long-term contracts with domestic and overseas customers.
Initiatives for using biodiesel fuel	We supply biodiesel fuel refined from raw materials derived from non-food sources such as waste cooking oil in Singapore and other locations, and began trial voyages using biodiesel fuel for large vessels in March 2022. We have continued to use biodiesel fuel on several large vessels. Biodiesel fuel is regarded as a highly versatile, low-carbon fuel because of its high compatibility with existing vessel engines and the existing fuel supply infrastructure. We identify stable procurement of biodiesel fuel as an important issue to be addressed in our medium-term business plan.
Initiatives for improving fuel efficiency	To improve fuel efficiency and reduce GHG emissions for existing vessels, we are promoting slow steaming operations, operating vessels on less than half engine power. In addition, we are replacing propellers and installing various energy-saving devices during docking and other times to reduce fuel consumption and save energy. We are also continuously introducing equipment that is expected to reduce fuel consumption by improving the control system of the main engine. Additionally, we have newly adopted energy-efficient, high-grade paint for the hull bottom.

- In formulating various initiatives in our Environmental Roadmap toward Carbon Neutrality by 2050, we also refer to the scenarios and strategies in the following roadmap.

■ Roadmap to Zero Emission from International Shipping

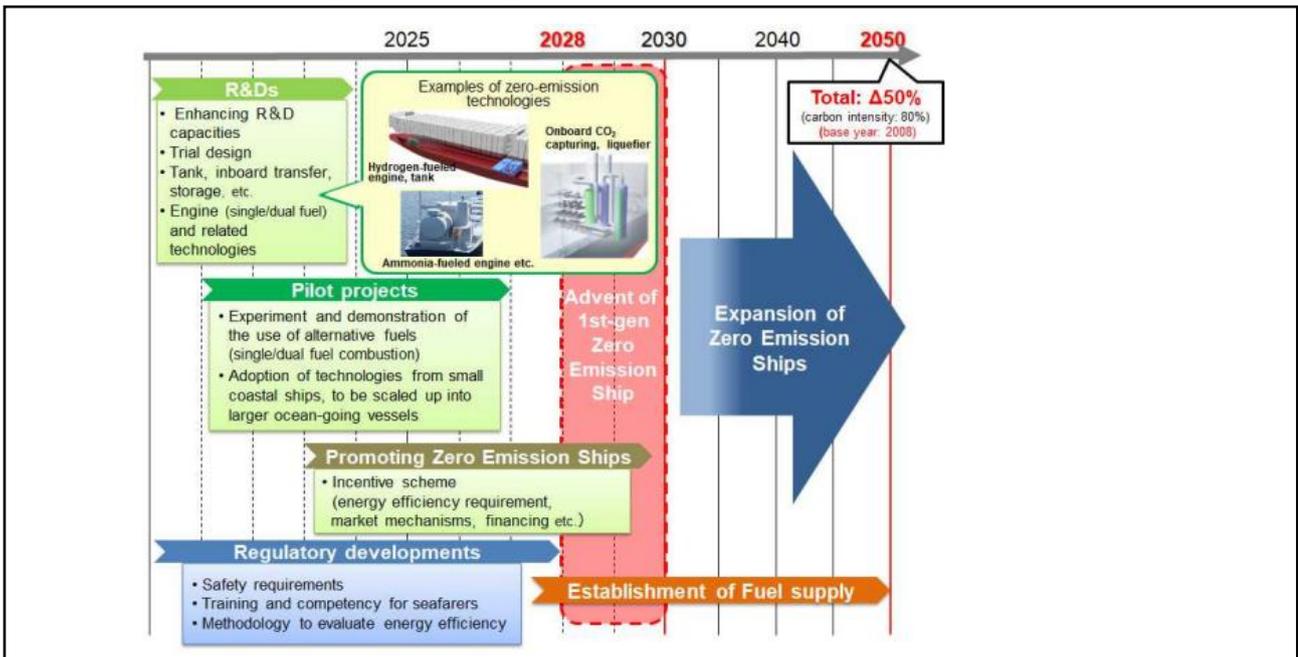
Shipping Zero Emission Project (a project led by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). While assessing future global trends in energy-saving and decarbonization fields, we comprehensively examine the challenges in technological development that are necessary for further enhancing Japan's competitive advantages, as well as the nature of international standards and incentive systems according to market impact, in order to coordinate the division of roles and work plans among stakeholders to strategically promote these efforts) has identified major technologies and alternative fuel options for reducing GHG emissions, and, while considering the timing of practical implementation, formulated GHG reduction scenarios, which were published in March 2020.

Figure 4 Reduction scenario (assumptions regarding changes in fuels used by vessels)



(Source: Roadmap to Zero Emission from International Shipping )

Figure 5 Roadmap strategy for realizing zero-emission vessels

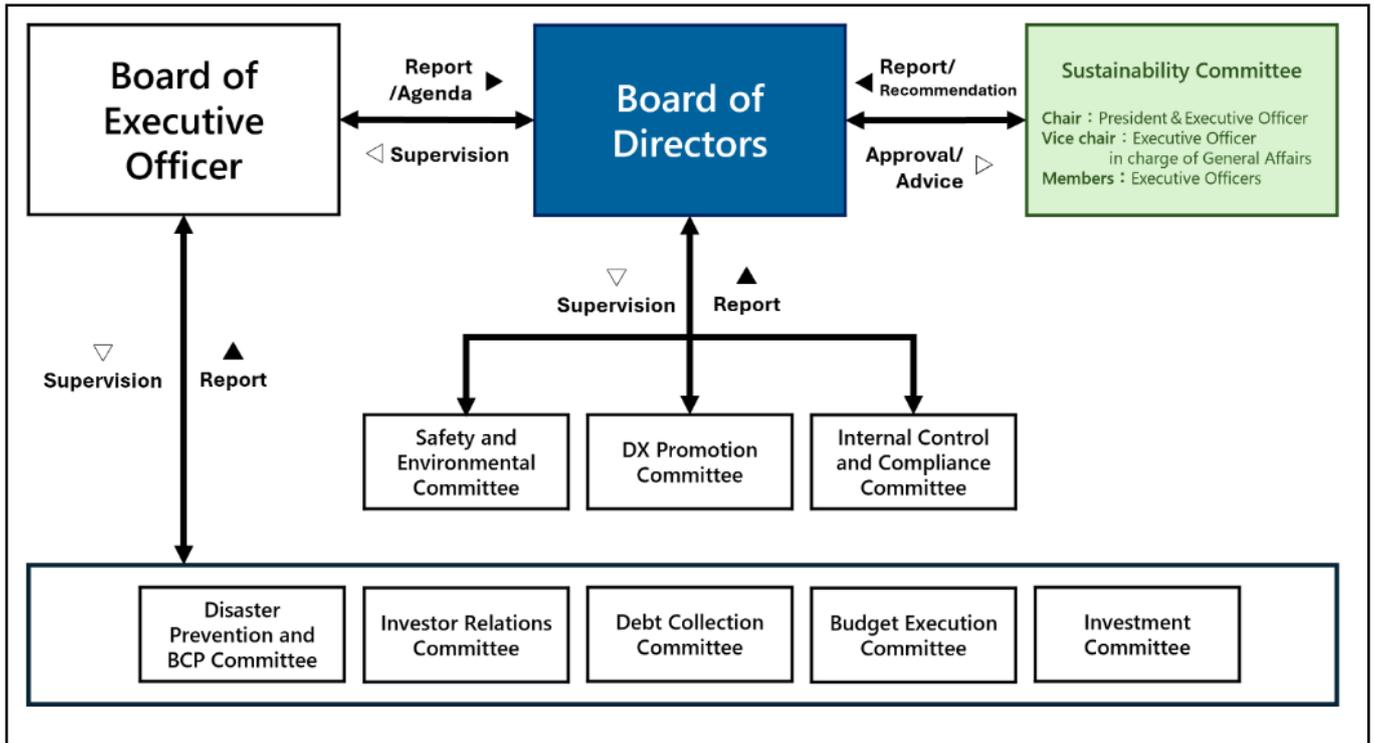


(Source: Roadmap to Zero Emission from International Shipping )

**About governance**

- Due to the grave importance of climate change in terms of the sustainability of our business operations, President and Executive Officer is fulfilling the responsibility and is engaged in the development and execution of measures under the supervision of the Board of Directors.

■ Figure 6 Sustainability promotion structure



Board of Directors	The Board is the decision-making body on basic management policy and important matters and is also responsible for supervision of the status of business execution. It convenes once a month as a general rule.
Board of Executive Officers	With the introduction of the executive officer appointment system, the Board of Executive Officers engages in business execution regarding management issues and priority matters, including climate change, under the resolutions and supervision of the Board of Directors and based on the basic policy passed by the Board of Directors.
Sustainability Committee	The Sustainability Committee was established in June 2024 by reorganizing the previous ESG Committee. It is chaired by President and Executive Officer and its membership is comprised of all Executive Officers. The new organization will meet more frequently and discuss general matters related to sustainability issues, including human rights, climate change, biodiversity, and non-financial information disclosure. Discussion results are reported to the Board of Directors, along with recommendations.

<p>Safety and Environmental Committee</p>	<p>Headed by the President and Executive Officer, the Committee reviews progress made and assesses the level of achievement against environmental goals in terms of a number of criteria, such as annual targets, activities conducted, means employed, and implementation schedule.</p> <p>The Committee reports environmental issues identified to the Board of Executive Officers on an ongoing basis and the output is reflected in the planning for the next fiscal year. The activity situation and plans of the Committee are reported to the Board of Directors.</p>
<p>Environmental Management System (EMS)</p>	<p>Under the Environmental Policy of the NS United Kaiun Group, an environmental management system has been developed for steady and effective execution of activities aimed toward environmental protection and improvement. Each year, internal audit is conducted on all vessels under management and each business department, with the findings reported to the company president and executive officer, who chairs the Safety and Environmental Committee, for inspection and confirmation that the system is functioning effectively. The system has been certified under the international standard ISO 14001:2015, with external audit conducted annually by Nippon Kaiji Kyokai (ClassNK).</p>

## 2-(2) Materiality in the environmental aspect of the business model

- The Company is striving to solve sustainability – related priority issues (materiality) on an ongoing basis based on our Purpose and the Sustainability Basic Policy.

### Purpose

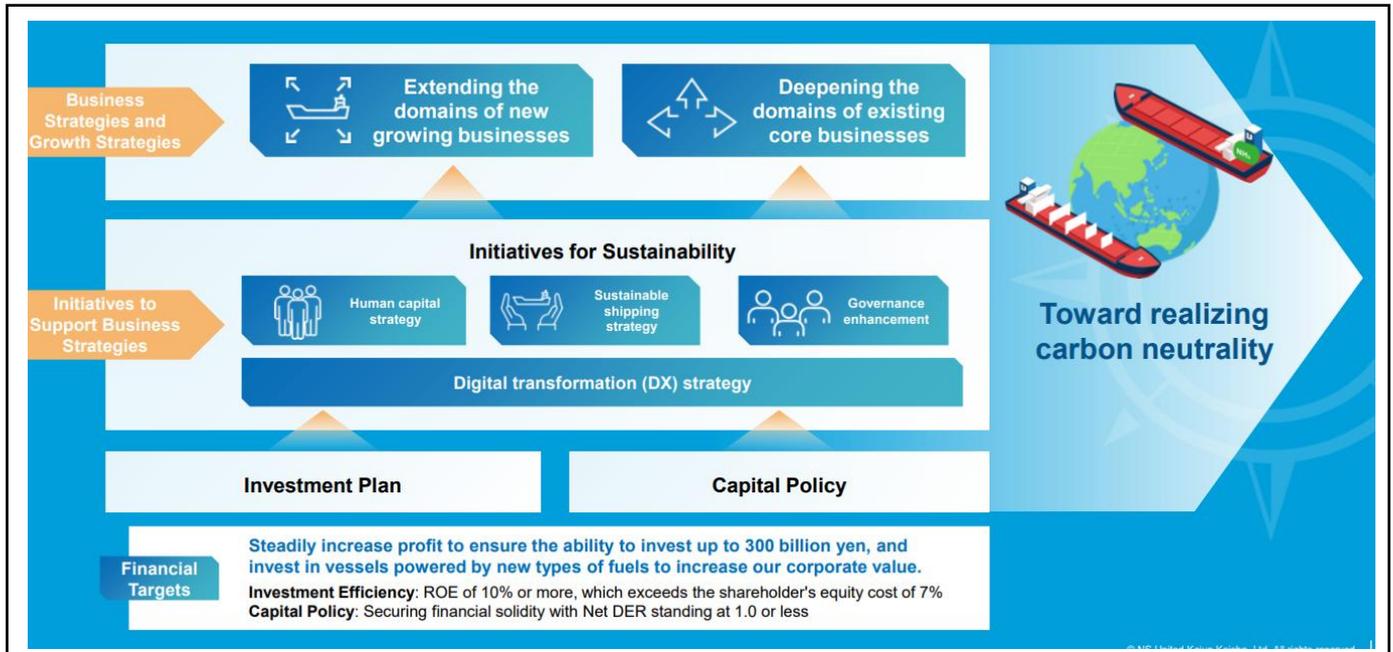
Through Marine Transportation, We will Work Together to Shape the World Today and Create a Sustainable Future.

### Sustainability Basic Policy

- We position sustainability as the foundation of our management, sincerely address social issues, and strive to become a sustainable company by enhancing corporate value.
  - Enhance the understanding of sustainability as a management issue and develop business strategies to create value through sustainability
  - Improve economic, environmental, and social value at once from a long-term point of view in order to contribute to the sustainable development of society
  - Encourage collaborations with various stakeholders to create innovations
  - Incorporate sustainability into organizational culture and management processes to enhance corporate sustainability initiatives
  - Create a workplace where all individual employees are highly motivated to display their abilities and thrive on challenges, while being committed to making a contribution to solid affluence that will be appreciated by all stakeholders and society at large

- As shown in Figure 2, our Company has identified six sustainability-related priority issues (materiality). Climate change has the potential to seriously impact the business environment of our Group, which provides marine transportation services, and therefore we recognize climate change action as an important initiative and have positioned its strengthening as one of our sustainability-related priority issues.

■ Figure 7 Medium-Term Business Plan "FORWARD 2030 II" Strategy for Achieving the 2030 Vision



- Our Company has identified "enhancing activities for environmental conservation and climate change" as one of the six sustainability-related priority issues, and is advancing a wide range of initiatives as investments and action plans toward the 2030 milestone (annual total GHG emissions of 1.5 million tons) stated in the Environmental Roadmap announced in the Medium-Term Business Plan, aiming for carbon neutrality by 2050.

### 2-(3) Climate transition strategy and targets based on scientific evidence

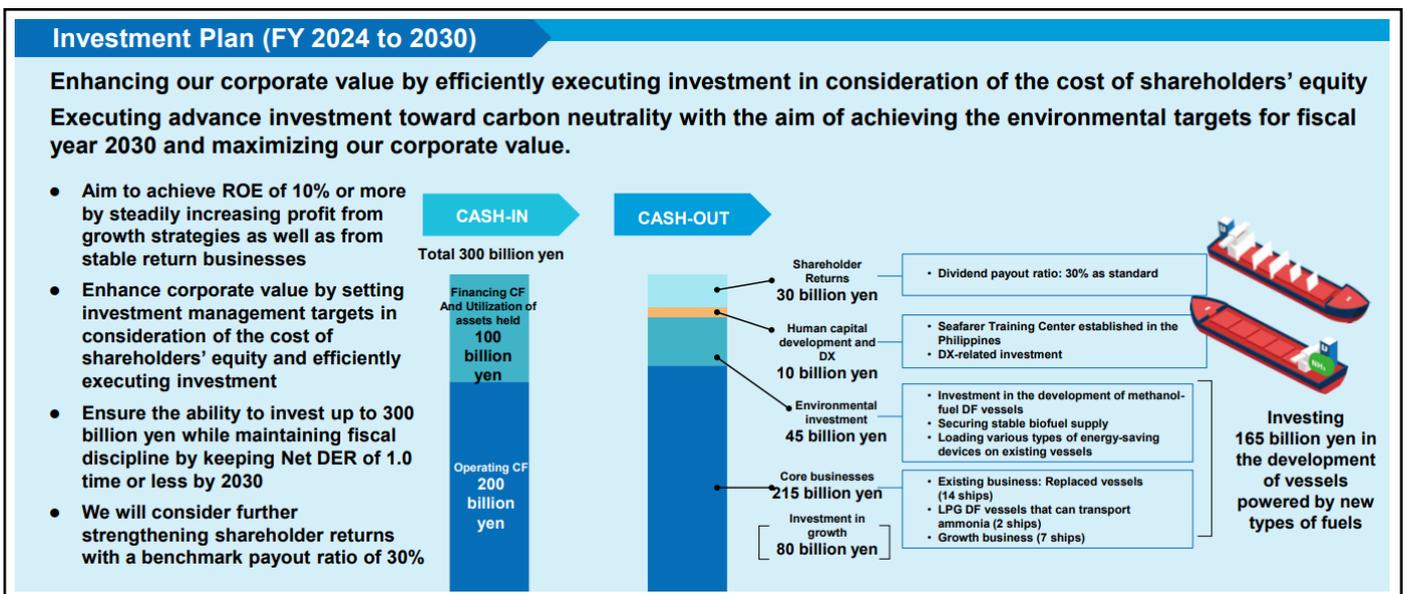
- Our Group has positioned enhancing activities for environmental conservation and climate change as one of the priority issues (materiality) in the Medium-Term Business Plan "FORWARD 2030 II Challenge for innovation and further growth with U," and has formulated targets for reducing greenhouse gas emissions. We have formulated a roadmap to achieve the long-term goal of carbon neutrality by 2050, and have set an interim reduction target to reduce total GHG emissions by 25% compared to 2019 by 2030. Previously, we had set a target to reduce emissions per transport unit by 20% compared to 2019 by 2030, but we have changed the target to total emissions reduction in response to the new IMO strategy.
- In addition to the previous reduction target compared to 2019, we have also indicated the reduction target compared to 2008 as a reference value so that it can be compared with the IMO reduction target. The IMO reduction target is consistent with the Paris Agreement and is therefore set based on scientific evidence. We believe that the current target, which has shifted from reduction per transport unit to total emissions reduction, is a scientifically grounded target.

- Furthermore, to achieve the numerical targets of the IMO GHG reduction strategy, the Shipping Zero Emission Project Team led by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has identified options for promising alternative fuels and technologies, such as hydrogen fuel, ammonia fuel, carbon recycled methane fuel, and onboard CO2 capture, and is considering scenarios to achieve the 2050 GHG reduction target by utilizing these options. Our initiatives in the Environmental Roadmap toward Achieving Carbon Neutrality by 2050 are aligned with these and are in line with national policies.
- In addition, we identify risks and opportunities related to climate change and conduct scenario analysis in accordance with the TCFD Recommendations to facilitate objective discussion of the potential impacts on our Group. In scenario analysis, we examine and formulate transition strategies consistent with the analyzed scenarios, including our long-term goal of net zero CO2 emissions by 2050, the "1.5°C scenario," the "below 2°C scenario," and the "3°C scenario," which assumes insufficient global progress in climate change measures.
- If there are any changes to the GHG reduction targets by the Japanese government or by the IMO or other international organization in the future, we plan to review our targets accordingly.
- Currently, our 2030 target covers emissions from operating vessels in Scope 1. For carbon neutrality in 2050, we envision the entire supply chain, including not only Scope 1 and 2 but also Scope 3. For Scope 3, we measure and disclose results for categories that are highly important to our Company.
- Our Group has obtained a verification statement for GHG emissions calculated based on ISO14064-1 through third-party verification.

## 2-(4) Transparency of implementation

- In our March 2024 announcement of the Medium-Term Business Plan, we plan to secure investment capacity of 300 billion yen from 2024 to 2030 while maintaining financial discipline, of which 215 billion yen will be invested in core businesses such as replacement of existing vessels, and 45 billion yen will be invested in environmental initiatives such as dual-fuel methanol conversion, stable procurement of biofuels, and installation of various energy-saving devices on existing vessels. Of this, we plan to invest 165 billion yen in vessels powered by new types of fuel, such as dual-fuel methanol-powered vessels.

■ Figure 8 Medium-Term Business Plan "FORWARD 2030 II" Investment Plan



- At present, we do not anticipate any additional negative impact from our transition strategy. However, in implementing our business, we will comply with laws and regulations, and actively work to improve fuel efficiency through operational efficiency using IT, and introduce alternative fuels and new technologies. In addition to climate change, we are also working to reduce the environmental burden on the planet in various ways, such as by reducing emissions of air pollutants like SOx, protecting biodiversity, and ensuring safe navigation.
- Our action plan does not cause significant harm to other green projects.

### 3. Disclosure items based on Green Loan Principles, etc.

- This framework has been prepared based on the Green Bond Principles (GBP), Green Loan Principles, Green Bond Guidelines, Green Loan Guidelines, Climate Transition Finance Handbook, and Basic Guidelines on Climate Transition Finance. Here, we explain the status of compliance with the following four elements stipulated by the Green Bond Principles (GBP), Green Loan Principles, Green Bond Guidelines, and Green Loan Guidelines.

- (1) Use of fundraising
- (2) Process for project evaluation and selection
- (3) Management of proceeds
- (4) Reporting

#### 3-(1) Use of fundraising

Funds raised through climate transition finance will be allocated to new expenditures and refinancing of existing expenditures related to the following eligible projects. For refinancing of existing expenditures, only expenditures made within three years prior to the climate transition finance fundraising are eligible. When new vessels are the use of funds, it will be confirmed that they are not dedicated vessels for transporting fossil fuels.

#### ■ Transition projects

Eligible categories	Project
Dual-fuel methanol-powered vessels	Expenditures related to dual-fuel methanol-powered vessels (capital investment, etc.)
Zero-emission vessel	Expenditures related to zero-emission vessels (capital investment, etc.) - Ammonia-fueled vessels and others
Procurement of new types of fuel	Expenditures related to procurement of new types of fuel - Procurement of fuels such as green methanol, ammonia, biodiesel, etc.
Introduction of energy-saving technologies	Expenditures related to the introduction of energy-saving equipment (capital investment, etc.) - Energy-saving propellers, rotor sails, etc.

### 3-(2) Process for project evaluation and selection

<p>Process for selecting eligible projects</p>	<ul style="list-style-type: none"> <li>· The Finance and Accounting Group, Corporate Strategy &amp; Planning Group, Environment Conservation Promotion Group, and others are involved in investments for projects. Following deliberation by the Investment Committee, the matter is submitted to the Board of Executive Officers or Board of Directors for final approval. For the selection of eligible projects for fundraising, the Finance and Accounting Group confirms the suitability thereof, and a submission for final approval is made to the Board of Executive Officers or Board of Directors.</li> </ul>
<p>Negative impacts on the environment and society, and the countermeasures thereagainst</p>	<p>Anticipated risks</p> <ul style="list-style-type: none"> <li>· Adverse effects on ecosystems due to ballast water</li> <li>· SOx , NOx-induced air pollution</li> <li>· Occurrence of accidents</li> </ul> <p>Countermeasures</p> <ul style="list-style-type: none"> <li>· We are taking measures in accordance with the Ballast Water Management Convention. All vessels are equipped with and operate ballast water treatment systems.</li> <li>· SOx and NOx are addressed in accordance with the International Convention for the Prevention of Pollution from Ships (MARPOL). Following the strengthening of SOx regulations in 2020, we installed SOx scrubbers mainly on large vessels. We are also installing, operating, and maintaining devices that comply with NOx regulations.</li> <li>· We position safe navigation as our top priority and aim to deepen existing initiatives and expand new measures in each area, including establishing a safe navigation system, improving the workplace environment, and securing human resources.</li> </ul>

### 3-(3) Management of proceeds

Method of linking procured funds to assets	<ul style="list-style-type: none"> <li>• All procured funds are fully linked to eligible projects.</li> </ul>
Method of tracking and managing procured funds	<ul style="list-style-type: none"> <li>• Funds procured through transition finance are scheduled to be fully and promptly allocated to expenditures related to eligible projects after procurement.</li> <li>• Allocation and management of procured funds are handled by the Finance and Accounting Group's Finance Team. The Finance and Accounting Group's Finance Team confirms that deposits and withdrawals of funds are conducted in accordance with accounting regulations. For management of procured funds, a dedicated ledger is created and stored in accordance with internal document retention regulations.</li> </ul>
Internal controls and external audits related to tracking management	<ul style="list-style-type: none"> <li>• The Finance and Accounting Group's Finance Team tracks the allocation status to eligible projects on a quarterly basis.</li> <li>• The above tracking management processes and dedicated ledgers are regularly subject to external audits by audit firms.</li> </ul>
Method of managing unallocated funds	<ul style="list-style-type: none"> <li>• As a general rule, all procured funds are allocated on the day of procurement, so we do not anticipate any cases of unallocated funds.</li> <li>• If there are unallocated funds, they will be managed as cash or cash equivalents, or early repayment of transition finance will be implemented.</li> </ul>

### 3-(4) Reporting

Method of disclosing allocation status of funds	<ul style="list-style-type: none"> <li>• All procured funds are scheduled to be allocated in full on the day of procurement. After full allocation of procured funds, the allocation status is promptly disclosed on our website (for bonds only) or to lenders (for loans only).</li> </ul>
Method and frequency of impact reporting disclosure	<ul style="list-style-type: none"> <li>• Within the scope of confidentiality obligations and to the extent that is reasonably feasible, the contents specified below will be disclosed annually on our website (for bonds only) or to lenders (for loans only).</li> </ul>

## Examples of impact reporting

Eligible categories	Project	Impact reporting indicators
Dual-fuel methanol-powered vessels	Expenditures related to Dual-fuel methanol-powered vessels (capital investment, etc.)	<ul style="list-style-type: none"> <li>• Number of Dual-fuel methanol-powered vessels</li> <li>• CO2 emission reduction rate (%) compared to using heavy oil as fuel</li> </ul>
Zero-emission vessel	Expenditures related to zero-emission vessels (capital investment, etc.) <ul style="list-style-type: none"> <li>- Ammonia-fueled vessels and others</li> </ul>	<ul style="list-style-type: none"> <li>• Number of zero-emission vessels</li> <li>• CO2 emission reduction rate (%) compared to using heavy oil as fuel</li> </ul>
Procurement of new types of fuel	Expenditures for procuring new types of fuel <ul style="list-style-type: none"> <li>- Procurement of fuels such as green methanol, ammonia, biodiesel, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Volume of new types of fuel introduced, switching ratio, etc.</li> <li>• CO2 emission reduction rate (%) compared to using heavy oil as fuel</li> </ul>
Introduction of energy-saving technologies	Expenditures related to the introduction of energy-saving equipment (capital investment, etc.) <ul style="list-style-type: none"> <li>- Energy-saving propellers, rotor sails, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of vessels equipped with energy-saving technologies</li> <li>• Overview of energy-saving technologies</li> <li>• CO2 emission reduction by energy-saving technologies</li> </ul>

\* Appropriate indicators will be adopted according to the content of eligible projects.