

January 4, 2024

Kawasaki Kisen Kaisha, Ltd.

New Year Message from the President

*Plant your feet firmly on the ground, think things through, and act swiftly.*

To everyone in the “K” LINE Group, I would like to wish you and your families a Happy New Year. I hope that you were able to spend an enjoyable year-end and New Year period, and that you are ready to start 2024 feeling refreshed. I would like to express my deepest condolences to those who lost their lives in the Noto Peninsula earthquake that occurred on New Year's Day, and my heartfelt sympathies to those affected. We hope to ensure the safety of everyone in the affected areas and hope for a soonest recovery.

Looking back on the past year, we have been shocked by the news reported daily in the media, such as the extremely challenging situation in the conflicts between Israel and Palestine, as well as the prolonged conflicts between Russia and Ukraine. We sincerely hope for the early realization of peace through international solidarity and cooperation. These increasing geopolitical risks and their impacts on the supply chain have the potential to jeopardize the freedom and safety of navigation, which is the foundation of international maritime transport. The global economy has increased the degree of uncertainty surrounding the business environment such as rising inflationary pressures, the tightening of monetary policy in countries around the world, and the impact on the Chinese economy of the real estate downturn. A careful response and attentiveness are required in business operations.

To continue to solidify our management base amid the accelerating pace of change, let's properly analyze and swiftly respond to the constantly changing situation, demonstrate a renewed awareness of sustainable contributions to society as social infrastructure befitting these times, treat the changes we currently face as opportunities to think through things and take steady action to achieve growth and enhanced corporate value as a professional in the shipping industry.

This year “K” LINE will reach the mid-way point of the five-year medium-term management plan launched in FY2022. In the current fiscal year, while the overheated container shipping market conditions are returning to normal, our directly operated business is steadily making progress, thanks to the hard work that you do every day. To achieve our ¥140 billion target for ordinary income set out in the Medium-term Management Plan ahead of schedule, we keep focusing on businesses that play a leading role in driving growth, and also started to revise to our growth strategy to raise the bar from the targets laid out in the medium-term plan.

By maintaining investment discipline based on the investment practice of being restrained under favorable conditions and strategic under poor market conditions, we will aim to achieve

sustainable growth as a company that boasts high market resilience. At the same time, we have introduced business-based responsible accounting management system, demonstrating an awareness of capital cost and cash flow by further advancement of business management. We will produce profits that exceed capital cost to bolster measures aimed at enhancing corporate value.

The keys to making steady progress towards sustainable growth and enhanced corporate value will be promoting customer-oriented sales and environmental sales, rolling out customer support that integrates operations on land and at sea with technology and marketing, and effectively refining specialized functions unique to the “K” LINE Group. We will set a new goal by taking a fresh look at where we are rooted, what our strength is, and how we can obtain a competitive advantage to become the shipping company chosen by customers.

This year will be a first for the environment, because it is the year when the full-fledged adoption of the EU Emissions Trading System (EU-ETS) will start. We will deal properly with these regulations and become a shipping company that can provide solutions for reducing environmental impact to customers. In the world’s first full-scale carbon capture and storage (CCS), the Northern Lights project, the marine transport of liquefied CO2 will actually set off in Norway. We will bring our efforts to date to fruition as a new business and steadily link them to the businesses of offshore wind power support vessel and the transport of new forms of energy such as hydrogen and ammonia.

Last year “K” Line Maritime Academy Philippines, a training center for seafarers in Philippines of “K” LINE, celebrated its 30th anniversary. We must approach safety in navigation and cargo operations as our top priority, and the most critical factor underpinning that is the power of people. To achieve high levels of safety and transportation quality, we will implement detail-oriented safety management and quality control leveraging the power of people, while strengthening our three-region global monitoring structure combining people with technology as integral elements to complement advanced and digital technologies through the conversion of tacit knowledge into data, thereby providing safety and optimal services that put customers first.

Lastly, in terms of human resources, as a custodian of key infrastructure supporting a global society and in order to further expand our business in growth markets, particularly in Asia, we must develop and secure human resources who can adapt flexibly to changes in the business environment. Starting this fiscal year, we also revived “K” LINE UNIVERSITY. Our aim is for human resources with a diverse range of values to maximize their abilities in a safe and comfortable work environment. In addition to business management training, we will enhance business training in shipping and onboard training to promote the development of strong marine professionals, and advance DX training for all employees to ensure greater readiness for business transformation.

2024 is the year of the wood dragon according to the Oriental Zodiac. Wood represents the growth of plants and trees, and describes how a plant increasingly gains vigor and size as it

grows. By making further efforts in this year of the dragon, let's put down strong roots and lay the foundations for growth. Along with my best wishes for the year ahead, I hope that around this time next year we will be discussing all that has been accomplished. Finally, I wish safe operation of all our vessels.

