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IINO KAIUN KAISHA, LTD.

Hiromi Tosha, President and Representative Director of IINO KAIUN KAISHA, LTD, delivered a new year's message for 2021 to all employees in IINO Group.

New Year's Greetings 2021

Happy New Year everyone. I would like to express new year's greetings at the beginning of our work in 2021.

In the 2020, with Coronavirus

“How was new year holidays? How was the last year for you?” I had started my new year's greetings with these words every year, however I guess the last year was like a “COVID colored 2020” for both the company and the employees. While we started remote work at home suddenly, we had to commute carefully to office for works we cannot do from home. At sea, we had faced a lot of difficulty to get on/off board and some crew members were forced to stay on board for a long time. In the Real Estate division, it should have been the year of constant hardship, including COVID support for tenants of owned buildings, IINO Building as well. Thank you very much for your hard work in a difficult circumstances.

In addition, the third wave of infection came up at the end of last year, and the situation is still unpredictable even now. I would like to request your continued efforts to carry out our work safely and reliably, with more care than ever before.

Mid-term Management Plan - progress in the first year -

2020 was the year IINO Group announced the new Mid-term Management Plan “Be Unique and Innovative.: The Next Stage.” In this Mid-term Management Plan, we set out “three priority measures” and “six foundation items”, showing up the specific route to fiscal year 2022, and clearly spotlighted IINO VISION for 2030, which we should aim for 2030 in a long-term point of view. To confirm the content, it says "We aim to be an independent global corporate group that meet the demands of the times and continues to evolve with creative ideas.”

In 2020, the first year, we launched two large task forces (TF) in line with our planning strategy, they are IINO Environment TF and IINO DX TF. Taking up these two themes, Environment and Digital Transformation.as requirements of the current era, IINO Group

will strengthen its company-wide responses and initiatives to the environment and DX. With regard to the environment, one of our big goals is to reduce greenhouse gases. Environmental protection has a variety of factors such as reducing marine plastic waste and preventing air pollution, but first of all, we have set a numerical target in Mid-term Management plan for reducing greenhouse gas emissions by 40% compared to 2008 levels by 2030. In shipping business, we will actively introduce larger vessels, eco-engine ships and ships fueled by methanol, LPG, and LNG, etc., which have lower CO₂ emissions than heavy fuel oil. Furthermore, we will continue to study ammonia and hydrogen fuels with zero CO₂ emissions for the future. In the real estate business, we will gradually increase the utilization of electricity generated by renewable energy in our buildings. I would like to set up solar power panels into IINO Building.

IINO DX TF has set a goal to execute business improvement, safe operation, and ESG management by changing our working practices by promoting IT and digitization among IINO Group. We will change our system from current each department-wise into a company-wide integrated manner through “DX TF”. Especially improving working practices, as one of main purposes of this TF, is directly related to each of you. I have already heard that some departments introduced robotic process automation (RPA) and it has been effective. I would like all of you to work on your daily work while asking yourselves if there are any improvements that can be made in each business or if there is a better alternative.

Furthermore these two TFs have same “cross-functional” basic policy which is to face with the internal issues together with an efficiency and togetherness throughout IINO Group, which each department used to be working on respectively. Your department may also have ideas about the environment and DX. I would like you to share your ideas what you can do and what you want to do, working with both TFs.

Globalization and Sustainability

One of the key measures in the Mid-term Management Plan is to further promote global business. As a result, we acquired an office building in London U.K. in the first half of 2020 and started its operation. We have several plans to promote various global expansion but the plan cannot be implemented as thought, due to travel restriction by COVID disaster, and it is forced to stagnate. However, we cannot just be grieving. I think about the direction of how we will expand globally in the future as follows.

The “tide” of the world are clearly moving toward environmental conservation, and the speed and strength of the “tide” are increasing day by day. In Europe, the shift to clean energy and renewable energy are promoting, environmentally deteriorating businesses will be blamed, and companies that do not tackle environmental conservation will be forsaken by investors. I feel that there is a growing consensus to recognize social value in environmental improvement initiatives and to bear the costs of these costs throughout society.

Even in United States, new president Joe Biden administration has promised to rejoin the Paris Climate Agreement, and there was an event that ExxonMobil was removed from the Dow's designated stock list, which symbolize the end of their era.

Looking at the current situation in Japan, the Suga administration has gradually set a target for reducing greenhouse gas emissions in line with Europe, but you know that the responses and motivation of the public and private sectors are far behind Europe.

Under this recognition of the current situation, we, IINO Group, which has set "further globalization" and "sustainability (balancing the maintenance of an environment in which ecosystems on earth can survive and connecting it to future generations)" as measures to strengthen our main focus, will be left behind the world if we are looking only at Japan, that is I am concerning about. We need to pay close attention to movement in Europe and United States, deepen our relationship with these societies, and entrust ourselves to new trends so that we can look to the future from a global perspective.

We are preparing to develop our Europe office this year to deepen relationships with Europe customers for local transportation services. We have to wait a bit more until COVID infection decrease by vaccines, etc., but we will carry out the expansion plan to develop a strategy to look at more overseas customers. Each of you has opportunity in this global expansion, and I hope that each person will take advantage of that opportunity to further globalize the IINO Group as a whole.

Commitment to Employees

Lastly, I would like to talk about my commitment to the executives and employees, one of IINO COMMITMENT, which is a commitment to stakeholders set out in the Mid-term Management Plan. I promised all employees to provide opportunities for ease of work, worth working, and self-realization. As for ease of working, we have not achieved the results in the COVID disaster, but we will continue to work on it.

So, what is self-realization for you? While working as a member of IINO Group, I would like you to think once and for all about what self-realization is. Please consider it as your New Year's Ambition. I hope that you will achieve your own self-realization by connecting the goals of the Mid-term Management Plan with the self-realization you think about. Oddly remote work due to this COVID disaster has made us more aware of the importance of communication. Let's continue to work together as the IINO Group, which communicates well from both top-down and bottom-up directions and will have a more "well ventilated" atmosphere than ever before!

In conclusion, I wish

Safe operation of all group ships, safety and no accidents in owned buildings,

Further prosperity of group companies, and

I would like to express my heartfelt greetings to all group officers and employees and their families for their good health and happiness.

Thank you very much for your listening.

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