



7 January, 2022

IINO Kaiun Kaisha, Ltd.

Hiromi Tosha, President and Representative Director of IINO KAIUN KAISHA, LTD, delivered a new year's message for 2022 to all employees in IINO Group on 4 January, 2022.

New Year's Greetings 2022

Happy New Year, everyone. I would like to express new year's greetings to all of you as we begin our work in 2022.

Approaches to Safety under the COVID-19 pandemic

With the progress of vaccination, the corona outbreak seemed to be coming to an end for a while. However, mutant strains have appeared one after another, and the situation continues to be unpredictable with more than 100 new infections in Tokyo. In such an environment, land-based employees worked both from home and at the office to prevent infection and to ensure that the quality of their work was not compromised, while sea-based employees had to be isolated when boarding and disembarking ships, and despite the many restrictions, efforts were made to achieve both infection control and safe operations. In the real estate business, we have been able to continue to provide safe and secure spaces with thorough infection control measures in office buildings, commercial tenants, rental halls and studios, including the Hibiya Fort Tower completed in June last year. I would like to take this opportunity to express my sincere gratitude for your efforts. Thank you very much for your hard work. I would ask for your continued safe and reliable operations in 2022.

Mid-term Management Plan: Progress in the Second Year

IINO Group is moving forward with its current mid-term management plan, "Be Unique and Innovative.: The Next Stage", starting in 2020. The message I delivered to everyone on the anniversary of our founding last year was "Don't hesitate to change. Let's take a look back at the progress we made last year.

As for "further promotion of global business," which is one of the three priority strengthening measures, we established a local subsidiary, IINO LINES GULF DMCC, in Dubai in August. The Middle East is the home ground of our chemical tanker business, and our seven expatriates are working closer to customers to strengthen relationships and develop new business. In Europe, where the number of new environment-related projects is increasing, we expanded IINO UK, our sales base, and three

employees are currently working there. We have also established a Business Development Department in Tokyo as a headquarters for promoting global business. We have integrated the Overseas Strategy Department, which oversees our overseas offices, and the Business Development Department, which plans, researches, and develops new businesses, to take on the challenge of opening up new business fields in Japan and overseas.

The key word in our "sustainability initiatives," which is another priority strengthening measure, is ammonia. In September last year, we won a time-charter contract of a new 23,000m³ ammonia carrier for Mitsui & Co. This vessel will be built at Hyundai Mipo Dockyard and scheduled for delivery at the end of 2023, and has obtained basic certification for ammonia-fuel-ready ship by the American Bureau of Shipping (ABS). This is the first step in IINO Group's challenge to commercialize ammonia fuel. Ammonia is not only a raw material for chemicals and fertilizers, but is also attracting attention as a zero-emission fuel that does not emit carbon dioxide when burned, and as a means of transporting hydrogen. Ammonia as a fuel is highly toxic and difficult to handle, and there are still many technical issues that need to be addressed, such as improving combustion efficiency to prevent the generation of nitric oxide. However, this is a great opportunity for our Group to use its knowledge and experience to solve these issues and demonstrate our challenging spirit. On the sales side, ammonia, which can be used as both raw material and fuel, is an ideal transport cargo for our Group, as we are aiming to establish a combined sales system for a wide range of customers that transcends the framework of the gas, chemical, and drybulk sales divisions.

As you can see, ammonia is a cargo and fuel that has various future possibilities for IINO Group. It will lead to the improvement of the global environment, and it can also be a business that creates both economic and social value for our Group. In 2022, the entire Group will continue to work on this project.

Digital Transformation (DX) Promotion

Next, I would like to introduce the progress of DX promotion as outlined in the current mid-term management plan, which aims to improve operations, ensure safe operations, and support ESG promotion by 2030. The first step in this process, the development of a digital infrastructure, is now taking shape.

We will start full-scale operation of a new operation management system for chemical tankers this month. The three bases of the chemical tanker division in Tokyo, Singapore, and Dubai will be able to share information in real time, which will help strengthen our sales force and improve operational efficiency.

In April, an electronic voucher system will be introduced in accounting, which will digitize the paper forms that have been circulated.

In addition, IINO Marine Service, our ship management subsidiary, will introduce an integrated ship management package system sequentially in early spring. The system will centralize the management of data that had been dispersed individually. Communication between ships and land will be basically completed within the system, instead of being based on conventional e-mail. This will enable us to further improve the quality of our ship management and, in turn, create an environment where we can further concentrate on safe operations, which is the foundation of our company.

We will continue to move forward with DX in 2022. Don't get stuck in the old ways. Let's see if we can do something like this or try something like that, and let's change the way we work with an awareness of the need for change.

Toward the formulation of a new mid-term management plan

The year 2022 will be the final year of the current mid-term management plan.

Let's reaffirm the IINO VISION for 2030, which states, "We aim to be an independent, global corporate group that continues to evolve in response to the needs of the times and with a free spirit" and promote CSV (Creating Shared Value) to increase the Iino Group's economic value and create social value at the same time.

This year we will continue to promote the current mid-term management plan and at the same time, formulate the new mid-term management plan that will start in 2023. Society has changed dramatically in the past two years. Let's actively think and discuss how we can balance economic value and social value by identifying the needs of the times, with individuals, departments, companies, and generations.

The year 2022 will be an important year for IINO Group to determine its future course. "Don't hesitate to change." This message will remain the same this year. Let's discuss what we need to do now and formulate a new mid-term management plan together, looking ahead to 2030 and beyond to 2050.

I would like to conclude my remarks by praying for the safe operation of all Group vessels, the safe and accident-free operation of all Group-owned buildings, the further prosperity of all Group companies, and the good health and happiness of all Group executives and employees and their families.

Thank you very much for your attention.

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