

January 5, 2026

Kawasaki Kisen Kaisha, Ltd.

2026 New Year's Message from the President & CEO

To a Year of Challenges and Progress

The New Year Message delivered by Takenori Igarashi, President & CEO  
at "K" LINE Tokyo Head Office on January 5, 2026 is posted below.

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 2026 feeling refreshed.

Looking back on 2025, the business environment surrounding our Group was marked by geopolitical risks that became apparent throughout the year. These included the rivalry between the US and China, heightened tensions in the Middle East, and the prolonged Russia-Ukraine situation. In addition to these, concerns over a global economic slowdown and uncertainty surrounding energy and environmental policies in various countries further compounded the situation, leaving the future business environment facing a high degree of uncertainty.

In particular, the impact of tariff policies (primarily in the United States), the introduction of punitive port fees by the US Trade Representative (USTR) targeting ships (though temporarily suspended), and the responses of China and other countries to these measures became major factors disrupting global trade and maritime transport demand. For our Group, which focuses on the shipping industry, this past year also forced us to deal with such disruptions.

In terms of environmental regulations, the IMO MEPC meeting held last October postponed the adoption of medium-term measures to reduce greenhouse gas (GHG) emissions from international shipping, delaying the establishment of unified international rules. Some countries and regions have also seen setbacks in certain decarbonization initiatives, necessitating careful attention to future national energy mix policies. Despite these circumstances, the global trend toward GHG reduction from a medium to long-term perspective remains unshaken, and "K" LINE is committed to steadily implementing its various measures to reduce environmental impact.

Since our medium-term management plan started in FY2022, we have built a stable revenue base. This has been achieved by focusing on our three core businesses that drive growth, alongside our container shipping operations, where we support Ocean Network Express (ONE) as a shareholder, all while navigating various changes in our business and external environments.

For FY2025, we forecast ordinary income of 100 billion yen. Looking ahead to FY2030, we aim to achieve ordinary income of 250 billion yen plus additional growth. Based on these assumptions, cash flow from operating activities over the five-year medium-term plan period is projected to increase from around 1.0 trillion yen at the plan's initial formulation to 1.5 trillion yen.

Cash flow from investment activities has also been increased from 520 billion yen at the plan's formulation to 610 billion yen, ensuring continued robust investment for growth. In terms of shareholder returns, based on the latest cash allocation, the scale of shareholder returns has increased from the initial plan of 400-500 billion yen to over 800 billion yen at present. For FY2025, we plan to pay dividends of 120 yen per share, comprising a base dividend of 40 yen and an additional dividend of 80 yen.

FY2026—the final year of the medium-term plan—will be a crucial year for advancing to the next stage of our growth, building on our efforts and achievements to date. For example, starting in 2024, we are participating in the world's first full-scale Carbon Capture and Storage (CCS) project, the Northern Lights Project, in the key role of ship management. This initiative represents an integrated achievement combining the robust relationships built with customers through our years of accumulated experience in the liquefied gas transportation business, our maritime expertise and technology capabilities, and our environmental technology capabilities. It is a symbolic model demonstrating how our strengths can contribute to solving societal challenges. The Seawing shipboard kite system—which utilizes wind power to reduce carbon dioxide emissions—represents another effort leveraging our technological capabilities, and serves as a new solution-based model for contributing to decarbonization.

We believe that the source of our competitiveness lies in our maritime technology expertise, backed by extensive experience and advanced know-how cultivated through the operation and management of diverse types of vessels; our technological capabilities in shipbuilding, environmental, and marine fields; and our strong trusting relationships with global customers and partners. We have honed our engineering capabilities to maximize these strengths and provide customers with optimal solutions in areas such as fuel conversion and supply chain decarbonization.

Looking ahead, we will actively leverage these engineering capabilities—centered on our core shipping business—to contribute to building new supply chains, fulfilling our responsibility to society as a logistics infrastructure company while aiming to further enhance our corporate value by strengthening profitability.

Three foundational pillars—human resources & organization, digital/DX, and management control—will be key to meeting future challenges.

- In human resources & organization, we will secure and develop talent dedicated to solving issues both at sea and on land. Organizationally, we will redesign our structure to strengthen access to growth markets by developing our global network.
- In digital/DX, we will advance data development for decision-making, business process execution, and value creation. We will aim to achieve data-driven management, and engage in external collaboration and partnerships.
- In management control, we will seek to further increase the sophistication of our business operations and investment decisions. We will maximize returns exceeding the cost of capital, based on the characteristics of each business, while driving corporate value enhancement.

2026 is the Year of the Fire Horse according to the Chinese zodiac. “Fire” signifies a year of strong yang energy, where matters come to light, while the zodiac symbol “Horse” symbolizes action and passion, like a horse charging forward with vigor. This year is truly one worthy of challenge and progress. Furthermore, I would like to draw inspiration from the left-facing horse symbol (*hidari-uma* in Japanese), which is known as an auspicious symbol in Japan. The symbol, created by reversing the usual *kanji* character for “horse,” is believed to bring good fortune, business prosperity, and good interpersonal connections, and is symbolic of guiding business development. This year combines the strength of the year of the Fire Horse with the auspiciousness of the *hidari-uma*. Let us pool the strength of each and every employee as we continue to take on challenges and advance forward, making this a year of further growth and leaps ahead.

I would like to end these remarks by extending my best wishes for the health and well-being of all our officers, employees, overseas staff and crew members, as well as their families, and for the safe operation of our vessels.

