



OCEAN BREEZE

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Construction Completed on the CENTURY HIGHWAY GREEN, a Next-Generation Environmentally-Friendly LNG-Fueled Car Carrier

Car Carrier Planning and Development Group/Car Carrier Business Group

On March 12, the CENTURY HIGHWAY GREEN, a car carrier fueled by LNG (liquefied natural gas) that has been under construction with Tadotsu Shipyard Co., Ltd., part of the Imabari Shipbuilding Group, was completed and delivered to "K" LINE.

Compared to conventional vessels using heavy fuel oil, this next-generation environmentally friendly car carrier, the first LNG-fueled vessel for "K" LINE, is expected to reduce emissions of carbon dioxide (CO₂), a greenhouse gas (GHG), by 25% to 30%*¹, emissions of sulfur oxides (SO_x), which cause air pollution, by almost 100%, and emissions of nitrogen oxides (NO_x) by 80% to 90% with the use of Exhaust Gas Recirculation (EGR) as well as through the use of LNG fuel. The launch of "K" LINE's first LNG-fueled car carrier realizing transport with a low environmental impact is an important milestone for achieving the targets set forth in the "K" LINE Environmental Vision 2050.*²



Remote Pandemic Naming Ceremony

We had moved forward with preparations assuming that the naming ceremony for the first LNG-fueled vessel for both "K" LINE and Imabari Shipbuilding would take place on-site at the Tadotsu Shipyard, but as the State of Emergency was extended in the Tokyo area at the beginning of March, we abandoned the idea of holding the naming ceremony on-site and instead decided to hold the ceremony remotely. Four locations in Aichi, Kagawa, Okayama, and Tokyo were connected online, with attendees including Toyota Motor Corporation Chairman and Representative Director Takeshi Uchiyamada and his wife, Ministry of Land, Infrastructure, Transport and Tourism Maritime Bureau Director-General Shinichiro Otsubo, Ministry of the Environment Chugoku-Shikoku Regional Environmental Office Director Kenji Kamita, Imabari Shipbuilding Co., Ltd. President Yukito Higaki, and "K" LINE President & CEO Yukikazu Myochin. It was an experiment as besides the toast, the naming ceremony and celebrations were all held remotely. For the cutting of the support ropes, we made it seem as though a single rope was connected on-screen and that everyone was present, as Mrs. Uchiyamada cut an actual rope at the venue in Toyota City, Aichi Prefecture at the same time as the vessel's captain, Captain Hosomi, cut a rope at the shipyard. Cutting ropes have special meaning in Japanese tradition, shipyard's and shipowner's celebrating newly born vessel with wish for safe navigation during her entire life.



Naming Ceremony at Tadotsu Shipyard Co., Ltd.

From left:

Setsuhiro Kurokawa, Executive Vice President, Imabari Shipyard Co., Ltd.
 Captain Gakuro Hosomi, captain of the CENTURY HIGHWAY GREEN
 Takeshi Uchiyamada, Chairman and Representative Director,
 Toyota Motor Corporation, and his wife (participating remotely)
 Takeya Mikami, chief engineer of the CENTURY HIGHWAY GREEN
 Yukito Higaki, President, Imabari Shipyard Co., Ltd.

On that momentous day (March 3, 2021, or the 3rd day of the 3rd month in the 3rd year of the Reiwa Era in Japan) was a memorable naming ceremony that was appropriate for the start of our first LNG-fueled car carrier’s journey thanks to everyone’s support, including the powerful christening by Chairman Uchiyamada and rope cutting by his wife, followed by speeches from various representatives, for which we are very grateful. The vessel was named by adding the word GREEN, evoking images of harmony with the planet and the environment, to the traditional CENTURY HIGHWAY name that has been used in four of “K” LINE’s car carriers in the past.

Vessel Overview	
Overall Length	199.98 meters
Beam	37.2 meters
Maximum Number of Cars Loaded	7,080
Gross Tonnage	73,515 tons
LNG Fuel Tank Capacity	2,439 cubic meters
Registry	Japan



Online participation in the naming ceremony from Tokyo

The Vessel’s Environmental Performance

- This vessel uses a dual fuel main engine and auxiliary engines (generator, boiler) capable of operating on either LNG or Marine Gas Oil (MGO). The main engine uses a high-pressure ME-GI engine, reducing emissions of residual methane content (unburnt gas), a greenhouse gas.
- The main engine utilizes exhaust gas recirculation (EGR) and the generator utilizes selective catalytic reduction (SCR), meeting Tier III regulations for nitrogen oxides when using either LNG or MGO fuel.
- The construction of this vessel received support of the “Model Project for Measures to Reduce Emissions of CO2 from Vessels Utilizing Alternative Fuels,” a joint project by the Ministry of the Environment and the Ministry of Land, Infrastructure, Transport and Tourism.
- Part of the funding for the construction of this vessel was procured from Mizuho Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited through Japan’s first climate transition loans.*3
- The vessel is equipped with training vessel specifications to promote the popularization of LNG-fueled vessels and a reduction of greenhouse gases. One issue in increasing the number of LNG-fueled vessels is the need for the captain and all engineers, including the chief engineer, to acquire IGF*4 qualifications. The requirements for IGF certification include on-board training on an LNG-fueled vessel, and this vessel has been designed from the outset with a maximum crew of 50 - one of the largest crew capacities in the world - to enable many crew members to train on board.

Digital Technologies Onboard the Vessel

● Expansion of On-board Wifi

In addition to living areas, wifi has been installed on the cargo deck, in the engine room, and in LNG fuel-related equipment compartments with the goal of improving efficiency of operations, such as remote monitoring of the vessel interior.

● Installation of cameras inside the vessel

Multiple web cameras were installed on the cargo deck and in the engine room, enabling real-time monitoring via computers and mobile devices within the vessel through on-board wifi. Recording is also possible, enabling the monitoring of on-board conditions from land through the internet.

● Use of Mobile Devices

On-board wifi can be used to share audio, video, text communication, and digital files using smartphones and smart glasses, enabling improvement in operational efficiency, a reduction in workload, and a strengthening in communication among crew members. These devices are also used in ship-to-shore audio and video communication.

● Preventative Diagnostic System for Dual Fuel Generators

This vessel is equipped with Class NK-CMAXS, a maintenance support system that monitors generator status using technology that diagnoses abnormalities.



Graphical rendering of the vessel

*1 Based on EEDI (Energy Efficiency Design Index), this vessel is expected to reduce CO₂ by approximately 45%, which is higher than the Phase 3 target of a 30% or higher reduction that applies to new vessels with contract dates after 2025.

About EEDI:

<https://www.kline.co.jp/ja/csr/environment/regulation.html>

*2 The "K" LINE Environmental Vision 2050 is a long-term environmental vision that was established by "K" LINE in 2015. The vision was revised in June 2020 to set a target of improving CO₂ emission efficiency by 50% compared to 2008, which exceeds the International Maritime Organization (IMO) target for 2030 of 40% improvement, and the introduction of LNG-fueled vessels was established as part of the action plan for achieving this.

*3 Transition loans are a financial framework meant to accelerate the efficient flow of financing to initiatives (climate transitions) towards corporate decarbonization and to contribute towards a carbon-neutral society by 2050.

*4 The International Code of Safety for Ships Using Gases or other Low-flashpoint Fuels (IGF Code) established by the International Maritime Organization (IMO)

Start of the "K" ARE Program, Which Aims to Familiarize Non-Technical Skills

Quality Management Team, Safety and Quality Management Group

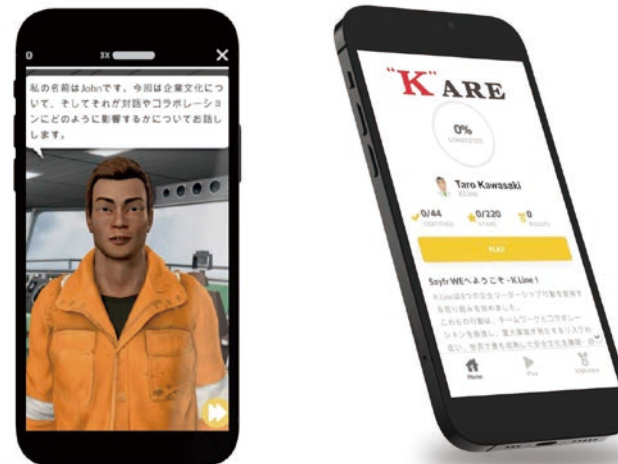
We think there may be many people who are hearing "non-technical skills" for the first time. These are skills to improve collaboration and communication among people within an organization, and are social and cognitive skills that consider a relationship between people that offers mutual respect and care.

In the past, the Safety and Quality Management Group has implemented activities to acquire these non-technical skills.

At the same time, "K" Line LNG Shipping UK (KLNG) started the "K" ARE Program in 2015, working on non-technical skills with help from SAYFR, a consulting company based in Norway. Deemed effective, we decided to integrate the name to the "K" ARE Program as a "K" Line group-wide initiative and have decided to work on this program to improve non-technical skills.

With the "K" ARE Program, we make working environment where both ship and shore staffs have openness to report and share failures regardless of title and background so that we can construct "organizational culture learning from failure" by utilizing SAYFR's insight and gamified learning apps. If failures on the ship are not shared in the organization, the same failure occur at other ships without learning as an organization, then the chain of failure can lead to a serious incident. As a learning method to mature organizational culture, we will learn about eight safety leadership behaviors which is necessary to mature organizational culture by installing SAYFR app on the personal smartphone of ship and shore staffs. With this app, in addition to explanations of a brief recap of each leadership behaviors, we can deepen our study of non-technical skills actively and enjoyably through the example case which can happen on the ship by utilization of gamified educational smartphone application.

This "K" ARE Program will be effectively promoted, then the group will foster a sense of unity, and everyone in the "K" LINE group both onboard and ashore will develop a truly open culture where each individual can naturally demonstrate leadership regardless of title or background. We will deliver safe, high quality and sustainable transportation service that will contribute to society.



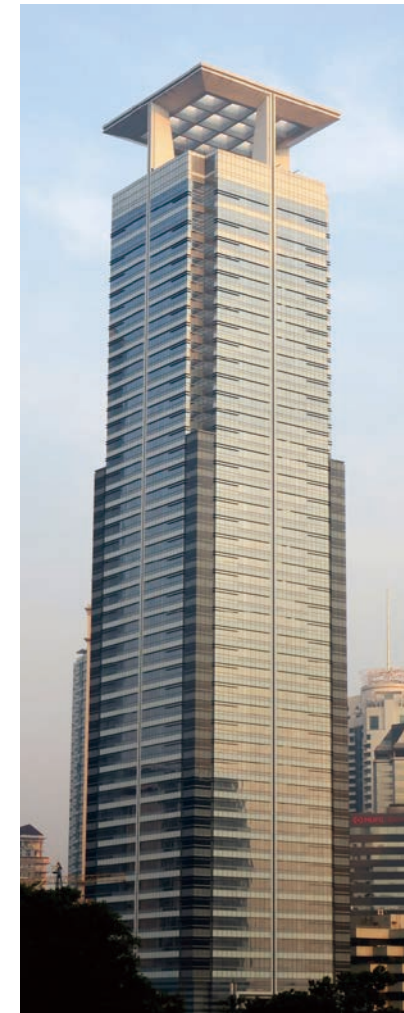
K Line Indonesia Offices Moved for the First Time in 26 Years

Both PT. "K" Line (Indonesia) (KLI) and PT K Line Total Logistics Indonesia (KTLI) moved office and began working at their new offices on July 1, 2021.

We are sure many of you visited our office during business trips, etc., our office located in the Summitmas2 building for about 26 years. As the contract was due to expire in August of this year, we studied whether to move the office or renew the contract. In considering we will continue working from home even after COVID-19 pandemic finish. In the future, as working from home has become normalized now. Finally, we decided to move to new place as we received favorable offer. The space of the new office is approximately 2/3 of the old office and we were able to reduce our monthly rent by approximately 60% from current rental cost of current office under current market condition.

The new offices are in the Sinarmas MSIG Tower, located about 3 km north of our old offices on Sudirman, a main thoroughfare in Jakarta. The building is new, built in 2016. Our office is located in the 41st floor. The sounds of the street below were noisy at our previous office on the 4th floor, but the new office has great views and on clear days, you can see the ocean off in the distance. The end of the pandemic is still out of sight, we all look forward to the start of operations at our new office. New era of KLI/KTLI begins.

PT. "K" Line Indonesia



KLI Donates PCs Replaced by Laptops to School

PT. "K" Line Indonesia

Since the start of the spread of COVID-19, almost all of the in-person classes at all schools, from elementary school to university, were halted in Indonesia, and online classes are still being held today. But there are many schools that cannot offer satisfactory online lessons and many students who cannot receive this education due to a lack of an internet environment and equipment and due to their home environments. KLI donated 48 desktop computers and 102 monitors and other equipment to high school in Depok city, near Jakarta. These depreciated computers and equipment were replaced with new laptop PC last year in order to proceed work from home for all staffs. A presentation event was held at the school site on June 9th 2021.

This was in response to a project organized by an NGO named BenihBaik.com

KLI also donated 12 million rupiah (about 90,000 yen) to the NGO as funding for their activities. Prior to donation, data was erased from the hard drives of all the computers and a small sticker with the "K" LINE funnel mark was attached.

We hope that these computers will be useful in students' education, and we also hope that some of the students will develop an interest in "K" LINE and choose to work in the logistics business in the future.



Announcement of the Winners of the "K" Line Group Environmental Awards 2021

Environment Management Group

The "K" LINE Group Environmental Awards were established to honor and give recognition to outstanding activities that contribute towards environmental preservation undertaken by any employee working in the "K" LINE Group according to the direction developed in the "K" LINE Environmental Vision 2050. This year marks the 7th time these awards have been offered since the establishment of the awards in 2015, and we received a total of 23 entries this year from our group companies both in Japan and overseas (22 last year). We are so grateful for everyone's cooperation.

We have selected one recipient for the Grand Award, three recipients for the Excellence Award, and one recipient for the Special Award as a result of the deliberations held by the "K" LINE Group Environmental Awards Review Committee on April 23 (Fri). An awards ceremony was held at "K" LINE headquarters on June 4 (Fri). In consideration of the effects of the spread of COVID-19 this year, we held an awards ceremony just for the single Grand Award online, and a commemorative gift and catalogue were presented by President & CEO Myochin. Thank you to all the recipients of the Grand Award, Excellence Award, and Special Award.

Message from the President & CEO

Thank you for taking time out of your busy schedules to attend the Environmental Awards Ceremony today. This is the 7th "K" Line Group Environmental Awards since we started in 2015, working towards achieving the goals of the "K" LINE Environmental Vision 2050. We received 23 submissions this year, and have selected one recipient for the Grand Award, three recipients for the Excellence Award, and one recipient for the Special Award. We have held our award ceremony around June 5 - World Environment Day as established by the UN - every year, and we decided to host this year's ceremony on June 4. This year's ceremony was held online the same as last year due to the spread of COVID-19, and we decided to recognize Nitto Total Logistics, the recipient of the Grand Award. I want to offer my congratulations to all award recipients, including those who could not participate in the ceremony today. We have been thrown about by COVID-19 this past year, and this minuscule virus has had a major impact on our economic activities and our lifestyles. We were once again firmly reminded that we are nothing more than a part of the natural world. For our comprehensive logistics group, based in the marine transport business, contributing towards the creation of a sustainable society through the preservation of the global and marine environments is one of our most important duties. The theme for this year's management plan was to connect the world through the sea and technology, and through offering a safe service that adequately considers secure transport and environmental protection, we will play a part in the supply chain as a form of infrastructure that supports people's lives. I hope to also advance our initiatives towards the realization of becoming carbon neutral by improving both our infrastructure- and service-based technologies aimed at reducing our environmental impact as maritime shipping professionals. For our businesses, we began operations of CENTURY HIGHWAY GREEN, our first LNG-fueled car carrier that was completed in March of this year, and we entered into the LNG fuel supply business. On June 1, we established "K" Line Wind Service, Ltd., and are advancing preparations for the support ship business for offshore wind power generation, which is due to be introduced and developed in Japan in the future. On the technology front, we are developing our approach to various energy-saving technologies to reduce greenhouse gas emissions, such as Seawing and the implementation of optimally economic operations through K-IMS. With regards to our organizational structure, in April this year, we established the new Corporate Sustainability, IR and Communication Group, the GHG Reduction Strategy Group, and the Carbon-Neutral Promotion Group, and we promoted the alternative fuel project to a committee, creating a system to promote sustainability including our environmental initiatives. In addition to these actions, I hope to actively develop our Group-wide initiatives towards environmental protection along with all of you through the "K" LINE Group Environmental Awards as a grassroots action. I hope that all of you will continue to strive to prevent COVID-19 infections and that you and your families may be in good health.



Grand Award (1)

Awarded to "K" LINE Group initiatives that are considered to match the purposes of this award.



Nitto Total Logistics Ltd.

[Recycling Shrink Wrap to Reduce Costs, Industrial Waste, and CO₂ Emissions]

At Nitto Total Logistics' CFS warehouse, shrink wrap was used when receiving loose or unstable cargo to prevent them from collapsing, and was then peeled off and discarded as industrial waste when the cargo was loaded into containers. They threw out plastic-based industrial waste seven times between April and December 2019, but by making recycling possible, this was reduced to three times in FY2020.

To actually recycle the shrink wrap, they had to consider many things in detail, including the decision to stop attaching labels to the shrink wrap, as the presence of a label meant recycling wasn't possible. A container was also set up to collect the shrink wrap and they had thorough meetings with the operating company to allow for safe collection with one-way traffic flow onsite according to the rules. This project was rated highly due to its continuity, environmental contribution, and its positive repercussions.



Excellence Award (3, in no particular order)

Awarded to projects that are considered excellent initiatives with creativity, continuity, etc., even if on a small scale.



Prixcar Services Australia [ECO DRIVING TRAINING PROGRAM]

At Prixcar Services Australia, they did the following to reduce fuel consumption and environmental impact.

ECO Driving Program:

- 1) Deliveries were made at night, as an up to 6% reduction in fuel consumption was possible if peak traffic congestion was avoided.
- 2) The amount of time trucks and trailers spent idling during loading and unloading was reduced. This reduced average fuel consumption by up to 11%.
- 3) Cruise control is used whenever safe.
A reduction of 0.1 l/km was achieved by reducing cruising speed by 2 km/h.
- 4) Drivers were taught about techniques that can reduce fuel consumption by up to 27%.

ECO Training:

ECO training was offered so that employees and subcontractors would operate under the following rules:

Three Rules:

- SMART:** Predict traffic conditions and plan routes in advance
- SMOOTH:** Control speed and focus on maintaining a fixed speed
- SAFE:** Take the shortest distance and avoid unnecessary lane changes



The reduced environmental impact and costs from reduced fuel consumption were evaluated. This project was rated highly due to its environmental contribution and its positive repercussions in consideration of the fact that it offers major improvements in environmental impact through individual actions and the reexamination of their resources and personnel and that the project considered everything, including the training of subcontractors.



K Line (China) Ltd. [Raising Employees' Awareness of Environmental Conservation by Issuing Environmental Reports and Participating in Social and Environmental Conservation Activities]

An environmental report is created each month to educate employees, introducing employees to environmental knowledge and specific environmental initiatives and their results. These reports also evoke environmental awareness among employees and urge them to actively participate in environmental activities. For example, small actions such as collecting used cardboard and being thorough with turning off work computers before going home.

There is a tree planting program called AntForest with the Alipay payment app in China, and KCH participates in this program.

This program has users collect points when taking environmentally friendly actions, such as using public transit or walking a lot, and users participate in the tree planting activities by having their points added. KCH has already planted three trees, and we gave the employee that contributed the most points last year a folding bicycle as a prize.



This program was rated highly due to KCH's actions that aim to inspire and teach employees that individual actions enable environmental improvements by having them participate in activities in which individual actions directly lead to more trees planted, in addition to engaging in other actions as a company. This project was rated highly due to its positive repercussions and continuity.



Fuel and Performance Management Team, Advanced Technology Group, Kawasaki Kisen Kaisha, Ltd.

[Raising the Crew's Awareness of Energy Saving by Distributing Energy-saving Stickers]

Stickers were distributed to operational vessels to visually enhance awareness in order for the crew to have a continuous awareness of energy saving and as an effort to reduce fuel consumption.

To check the effectiveness of this plan, the stickers were distributed to 10 vessels as a trial, the crews were surveyed, and the results were examined.

Many crew members said that the program contributed to an increase in energy saving onboard, and in the end, on-board notice stickers were distributed to about 300 vessels, including medium and long term hired vessels, promoting optimal operations of equipment by displaying the stickers in places to attract attention.

While it is impossible to calculate an accurate number for reduction, if we assumed that it tentatively achieves a fuel consumption reduction of 1 MT/month for each ship, then it will result in a reduction of 11,210 t of CO₂ emissions and a savings of \$1,800,000 in fuel costs annually. (Calculated based on a total of about 300 operational vessels, the price of fuel at \$500/MT, and CO₂ emissions at 3.114 t/ MT)



While an accurate calculation is not possible and this is only an estimate, the project was rated highly for its contribution to environmental improvements through its considerable reduction in fuel consumption. This project was also rated highly due to its positive repercussions, continuity, and environmental contribution in consideration of the fact that it emphasizes direct, on-site awareness raising activities.

Special Award (1)

Awarded to companies that have had 10 or more entries since the awards began.



SEAGATE CORPORATION (20 total entries)

Entry List for the 2021 Environmental Awards

Title	Company
Reduction in CO ₂ Emissions Through Digitizing Documents and Use of Personal Mugs	KMTS
Staff Donations of Old Clothing	"K" Line Chile Ltda
Online Lecture on Ship Recycling, Presented by EMG	
Switch to Fully Online Pre-boarding Captain Briefing	Crew Skills and Quality Team, Car Carrier Quality and Operations Group, Kawasaki Kisen Kaisha, Ltd./Crewing Team, Crewing Group, "K" Line RoRo Bulk Ship Management Co., Ltd.
Reduction in Paper through Promoting Digitalization	Daito Corporation, Ltd.
Recycling office supplies and saving greenhouse gas.	"K" Line (Korea) Ltd.
Waste reduction by donates old calendars to reusing for blind school	K Line (Thailand) Ltd.
Create awareness on environmentally friendly practices	"K" Line Pte Ltd
Reduce Print Count (Paper usage) by 40% against 2019 Volume	
To apply Low-Friction Anti Fouling paint to at least the Vertical Bottom of all 18 KLPL fleet of vessels	
Recommending the Use of Environmentally-friendly Products	"K" Line Logistics, Ltd.
Prevention of Pollutants Discharge from the Vessel	MV EUROPA BAY
"K" Line America Lights Out Program	"K" Line America, Inc.
Supporting sustainability while saving on ocean freight	Century Distribution Systems, Inc.
Prevention of Pollutants Discharge from the Vessel	MV FALMOUTH BAY
Cleanup Activities Within and Outside the Head Office Premises	Nitto Tugboat Co., Ltd.
RECYCLING ACTIVITY AT HOME	"K" Line Peru S.A.C.
Online lecture about Ship-Recycle jointed with Kline Chile	

To achieve the goals set forth in our "K" LINE Environmental Vision 2050, it is necessary for all "K" LINE Group officers, employees and crews on our ships to continue to engage in honest environmental preservation actions as part of our everyday lives. We have reached the 5th year since the start of the Drive Green Network, a comprehensive environmental management system made up of the entire Group, and it has grown to be a system that covers most of our domestic and global group companies. In the future, we plan to encourage further communication among members and add further depth to our initiatives. We will widely share each company's actions to preserve the environment through the "K" LINE Group Environmental Awards, and we hope to continue our efforts in a way that will lead to more in-depth environmental initiatives across the entire "K" LINE Group. Thank you for your cooperation.

We plan to start accepting submissions for the next Environmental Awards at the start of 2022. We look forward to many submissions!

About the Management Plan in Fiscal 2021

Corporate Planning Group

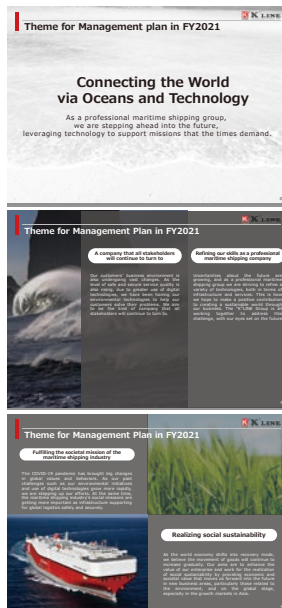
About the Management Plan: What is Rolling Planning?

Flexible Annual Review and Revision of Strategies to Achieve Medium- and Long-Term Targets

The world has changed drastically as a result of the COVID-19 pandemic. In the management plan announced in August 2020, "K" Line laid out details of its responses to current conditions and the direction that it should take in the future, with a medium- to long-term perspective of the post-COVID-19 world. In the management plan announced in May, we changed to a rolling planning system in which we review strategies every year in order to flexibly adapt to changes and enable the management plan itself to evolve, while firmly maintaining medium- and long-term targets, as situations and social and economic uncertainties surrounding the COVID-19 pandemic have a significant impact on the business environment.



Theme for this Management Plan



"Connecting the World via Oceans and Technology"

The maritime logistics services provided by the "K" Line Group help to support the global economy and play an important role as part of social infrastructure. We have recognized, once again, the importance of our mission of never stopping our ships and continuing safe operation to maintain logistics services, which are the main artery of economy. In order to fulfill this mission, it is necessary to grow and develop together with society by utilizing our knowledge and experience while providing stable services, as professionals in both physical and human aspects of our operations. In order to make full use of our technological capabilities, we must also work to make effective use of digital technologies.

Our Enthusiasm for this Management Plan

A Secure Connection, as a United Team

During the current COVID-19 pandemic, we have experienced a number of major changes, including changes to the working styles and rapid changes in market conditions. In this uncertain and discontinuous time, which we are all experiencing for ourselves first-hand, the Group must adapt appropriately and evolve flexibly. This management plan is a strategy to achieve the "K" Line Group's vision for 5–10 years from now by examining business plans for the future based on various assumptions.

In face of these difficult times, we will work together to update our organization to fit in with the new environment. Looking back over the past year, it may be that our predecessors worked to overcome the hardships of the past in this same way. The true essence of the "K" Line Spirit is in opening up paths for the future by regarding change as opportunity. Together, we must build a solid future for 5–10 years from now, and pass on the "K" Line Spirit to future generations.

Review of Last Year (Fiscal 2020)

A Year of Solidifying Our Defenses in Readiness for Risks

The management plan announced in August 2020 was designed to control immediate damage, strengthen our defenses and prepare for risks. In order to bolster our defenses, we worked to enhance the level of our business management, while at the same time adjusting the scale of our assets to comfortably match our capabilities. As a result, equity capital has been improving steadily with financial results for the year. Going forward, let us brace ourselves and continue to work together as we shift to a more aggressive attitude for the next year, as we continue to create an environment in which we can take appropriate risks and make investments in order to improve our financial standing.

Fleet scale optimization: We have set the target of reducing the size of our fleet by 50 vessels by 2025. We have already achieved half of this target, by reducing fleet size by 25 vessels during the last fiscal year. Since the market for second hand vessels such as dry bulk carriers is currently improving, we will proceed with the replacement of ships not only for cost competitiveness but also for the purpose of reducing environmental impact, such as by bringing forward our schedule for fleet scale optimization.

An example of a growth strategy considering safety, environmental and quality aspects: The completion of the CENTURY HIGHWAY GREEN car carrier proved to be a very good result, which included a good evaluation by customers. Moving forward, we will continue to demonstrate the Group's technical capabilities and drive the development of a more environmentally friendly fleet.

Patchy Financial Results Due to the Impact of COVID-19

Financial results for fiscal 2020 featured both positive and negative aspects, due to the impact of the COVID-19 pandemic.

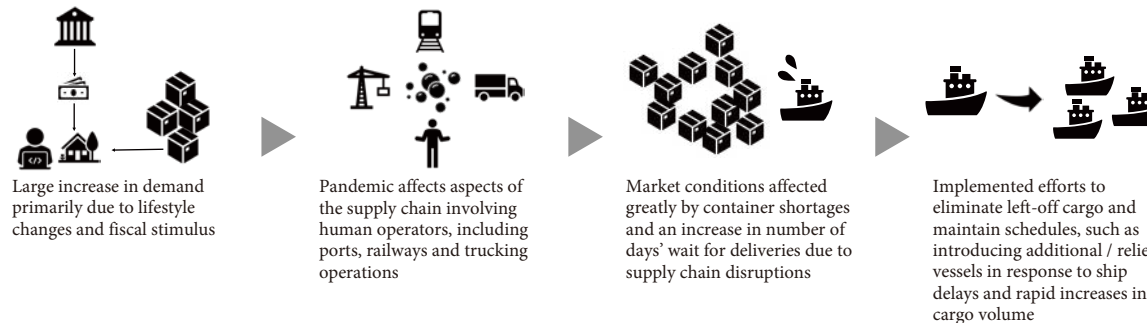
Business with exposure to market conditions—such as dry bulk carriers and car carriers—were negatively impacted, mainly during the first quarter, due to a temporary decline in transportation demand, including the stagnation of economic activity and a slump in vehicle sales. This also left a strong impact throughout the year, and operating income worsened as a result. In the containership business, a shortage of workers due to the pandemic caused supply chain disruptions to port, trucking and railway operations, and led to port congestion and container shortages at each port. We have therefore been working to prevent stoppages in the flow of logistics, such as by introduction of additional / relief vessels. At the same time, despite an initial decline, the movement of cargo recovered rapidly, with changes in behavior due to an increase in the number of people working from home (telework), and an increase in stay-at-home demand, partly due to government fiscal stimulus. Demand has remained strong since summer. As a result of this situation, market conditions remained at significantly higher level than expected, enabling the containership business to improve its balance of income and expenditure.

As a result, financial results for the year were ultimately driven by the containership business.

■ Financial Results for FY2020 by Segment

(billion yen)

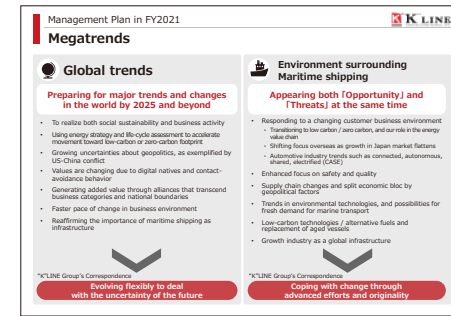
Business Segment (Upper row : Operating Revenues) (Lower row : Ordinary Income/Loss)	FY2020							FY2019	
	1Q	2Q	1H	3Q	4Q	2H	Total (f)	Total (g)	(f)-(g)
Dry Bulk	45.2	42.8	88.0	47.5	46.5	93.9	182.0	233.8	- 51.8
	- 4.4	- 4.9	- 9.3	1.6	- 1.5	0.1	- 9.1	4.1	- 13.2
Energy Resource Transport	19.2	18.5	37.8	19.8	20.0	39.9	77.6	84.7	- 7.0
	1.6	1.8	3.4	0.6	- 2.9	- 2.3	1.1	9.9	- 8.8
Product Logistics	81.4	80.3	161.7	92.3	85.7	177.9	339.7	384.5	- 44.8
	3.0	15.7	18.7	33.2	52.6	85.8	104.5	- 2.9	107.5
Containership	10.8	10.5	21.3	10.8	10.1	20.9	42.2	102.0	- 59.8
	5.1	16.5	21.5	30.2	52.1	82.3	103.8	- 10.4	114.2
Other	6.3	6.2	12.5	9.1	4.6	13.6	26.2	32.3	- 6.1
	0.2	0.5	0.6	0.0	0.4	0.4	1.1	1.7	- 0.6
Adjustment	-	-	-	-	-	-	-	-	-
	- 1.4	- 2.1	- 3.5	- 2.4	- 2.1	- 4.5	- 8.1	- 5.4	- 2.7
Total	152.2	147.9	300.1	168.6	156.8	325.4	625.5	735.3	- 109.8
	- 1.0	11.0	10.0	32.9	46.6	79.5	89.5	7.4	82.1



Awareness of the Megatrends

The World Demands Faster Action and a More Flexible Response to Changes

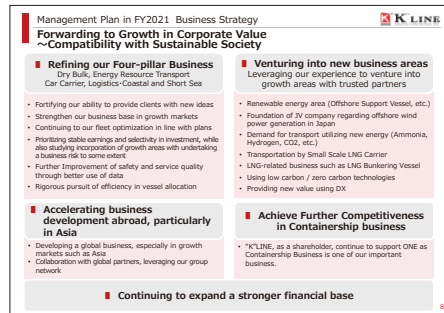
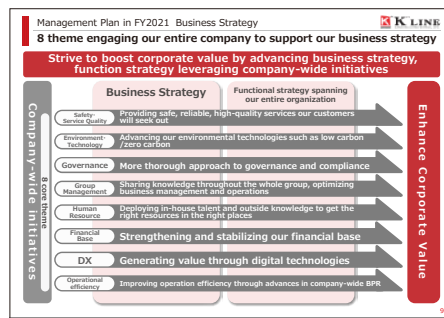
The COVID-19 pandemic has brought about major transformations in a wide range of fields, from lifestyles to politics and environmental measures. Conditions surrounding maritime shipping are also changing. It is a complex situation that presents great opportunities and also threats if mistakes are made; such as changes in the business environment surrounding customers, growing awareness of safety and quality, and increasing importance for responding to environmental issues. In response to this uncertain future, the "K" Line Group will seek to adapt and evolve flexibly, take on advanced challenges in tackling changes, and enhance its level of uniqueness.



Explanation of Business Strategies

Eight Company-wide Themes: Driving Strategies through Unity in Business Operations and Management

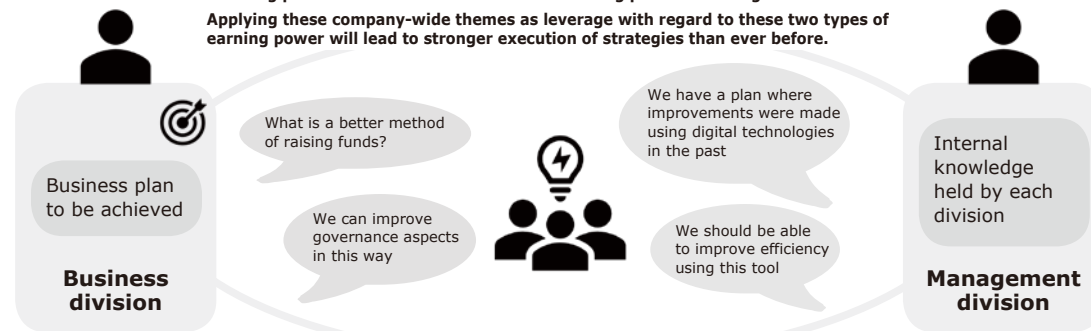
In this management plan we have established five business strategies (as detailed on the left-hand page) and eight company-wide themes, with the aim of improving corporate value by tackling these measures as business strategies on a company-wide scale, and functional strategies spanning our entire organization.



Company-wide Themes

- (1) Safety & Service Quality: Providing safe, reliable, high quality services our customers will seek out
- (2) Environment & Technology: Advancing our environmental technologies such as low carbon / zero carbon
- (3) Governance: More thorough approach to governance and compliance
- (4) Group Management: Sharing knowledge throughout the whole group, optimizing business management and operations
- (5) Human Resources: Deploying in-house talent and outside knowledge to get the right resources in the right places
- (6) Financial Base: Strengthening and stabilizing our financial base
- (7) Digital Transformation (DX): Generating value through digital technologies
- (8) Operational Efficiency: Improving operational efficiency through advances in company-wide BPR

"Earning power of business divisions" and "Earning power of management divisions"
Applying these company-wide themes as leverage with regard to these two types of earning power will lead to stronger execution of strategies than ever before.



Business Strategies

Taking on New Challenges While Refining Our Core Business Operations**Refining Our Four-Pillar Business**

We will work to make our four pillar businesses (Dry Bulk, Energy Resource Transport, Car Carriers, Logistics / Coastal and Short Sea) more competitive. We will improve our business structure to become leaner and more highly profitable by continuing to optimize the scale of our fleet, primarily by replacing old and inefficient vessels with competitive vessels.

**Venturing into New Business Areas**

We will venture into new business areas such as small-scale LNG carrier transportation in Asia, LNG-related businesses such as LNG bunkering vessels, and the offshore wind power support vessel business ("K" Line Wind Service, Ltd.), which was launched in collaboration with Kawasaki Kinkai Kisen Kaisha, Ltd. to contribute to low-carbon and decarbonization. While the practical application of new energy may still be a long way off, we also want to engage in businesses relating to the demand for transportation utilizing new energy, including ammonia, hydrogen, and CO₂. In addition, we will also further enhance our use of DX and various technologies seeking to improve the Group's services and quality, and to reduce environmental impact.

**Accelerating Business Development Abroad, Particularly in Asia**

By expanding our business domain not only to Japan—which is a mature market—but also to growth markets, we will seek to further strengthen our four-pillar business divisions working in collaboration with partners, and utilizing the numerous bases we have built up together with partners through our containership business.

**Achieve Further Competitiveness in Containership Business**

While the performance of Ocean Network Express (ONE) improved significantly during the previous fiscal year, we must assess thoroughly the extent to which this improvement was due to demand resulting from the COVID-19 pandemic, as well as developments in the reorganization of the industry, and where ONE's true abilities lie. At present, the synergies and best practices expected at the time of establishment are steadily coming to fruition. As shareholders, we will continue to firmly support ONE and work on strategies to increase its corporate value.

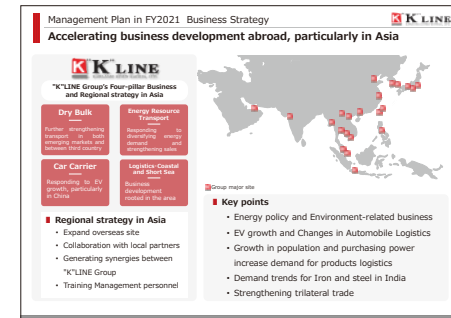
**Continuing to Expand a Stronger Financial Base**

Equity capital improved dramatically, increasing by ¥117.1 billion—from ¥101.1 billion to ¥218.2 billion—at the end of the previous fiscal year, as net income for the year rose substantially to ¥108.7 billion. By refining our own business operations, we will seek to further improve our equity ratio by ensuring that we are able to raise profits. Moving forward, we will continue to advance our investment plans based on the concept of taking a growth strategy while carefully selecting which projects to invest in.

Global Strategy in Asia

Enhancing “K” Line’s Brand in Asia

The Group is already engaged in global expansion for all of its four pillar businesses (Dry Bulk, Energy Resource Transport, Car Carrier, Logistics / Coastal and Short Sea), and is advancing its strategic business development while making effective use of its bases in various locations. At the same time, however, the speed of development in emerging countries—primarily in Asia—is increasing at an elevated pace. Considering the increasing importance of these countries, in addition to the further acceleration of environmental-related businesses as a result of developments in energy policy, we will once again be utilizing our brand power to bolster our strategy especially for Asia more than ever before.



Medium- and Long-Term Business Targets

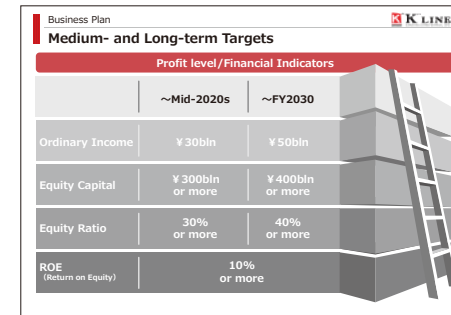
The Group’s Vision to Achieve 5–10 Years from Now

“K” Line has established business targets for the mid-2020s and fiscal 2030.

In terms of equity capital, we have set the targets of ¥300 billion by the mid-2020s and ¥400 billion by fiscal 2030.

With regard to income and expenditure (ordinary income), although the plan for ONE at the present time is based on tentative figures, we plan for at least ¥20 billion of the target of ¥30 billion in ordinary income to be achieved by the mid-2020s to be generated through our four pillar businesses. We will then seek to further increase sources of income through new businesses to exceed this target.

Equity capital has recovered, doubling from ¥101.1 billion at the end of fiscal 2019 to ¥218.2 billion at the end of fiscal 2020. Going forward, we will aim to achieve greater financial soundness to withstand fluctuations in market conditions, while at the same time allocating assets firmly to investments for carbon neutrality and future growth.



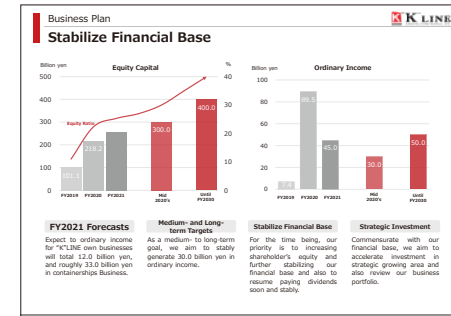
Business Targets	~Mid-2020s	~FY2030
Ordinary income	¥30 billion	¥50 billion
Equity capital	¥300 billion or more	¥400 billion or more
Equity ratio	30% or more	40% or more
ROE (Return on Equity)	10% or more	

Stabilizing Our Financial Base

Creating a Strong Financial Base to Withstand Unforeseen Worsening of Market Conditions Such as During the COVID-19 Pandemic

Both equity capital and ordinary income are at their highest ever levels this time, meaning that we have achieved our initial targets ahead of schedule.

We will continue to advance our capital policy to achieve a financial standing that will enable stable and continuous development, which is our vision. In terms of shareholder returns, we will aim to resume stable dividend payouts as soon as possible.

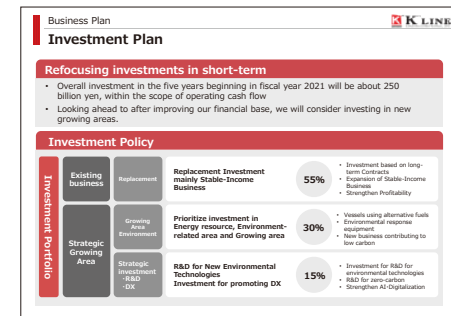
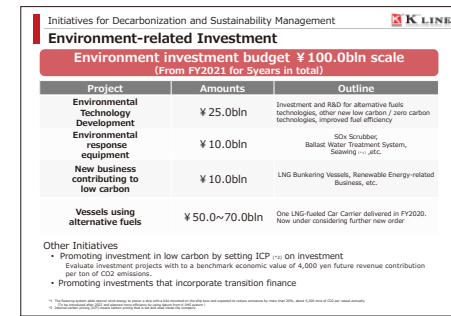


Investment Plan

Changing Course Toward Growth Strategies While Making Carefully Selected Investments

Our investment plan consists of overall investment of around ¥250 billion over a five-year period, within the scope of operating cash flow. Although we do intend to revise this plan as our balance of income and expenditures improves, we will not make any rash investments, and will continue to implement growth strategies while carefully selecting investment opportunities.

A 55% share of the ¥250 billion will be used for replacement investments focused mainly on medium- to long-term contracts in existing businesses, while the remaining 45% will be allocated to environmental and growth areas. This ¥250 billion includes ¥100 billion in environment-related investments.



Sustainability Management

An Important Issue: Being Useful to Society, Good for the Environment, and Satisfying Stakeholders Through Income

By providing value through its main business, the Group will contribute to the realization of a sustainable society, leading to the continuous development of the Group itself. Since this requires company-wide efforts involving not only management divisions but also business divisions, it is necessary to work together as a whole.

Policy for Fiscal 2021 Initiatives

We will strengthen the internal development of sustainability management and external communication, and enhance our response to issues among our initiatives which are evaluated relatively poorly by external evaluation organizations.

Schedule of Main Initiatives

- April 2021:** Reorganized into Sustainability Management Promotion Committee and Sustainability Sub-Committee (regular meetings held)
- June 2021:** Issued Sustainability Booklet, held explanatory briefings for investors based on the booklet and conducted awareness-raising activities both internally and at Group companies

The Community Where I Live ~Republic of Panama~

Contributed by Mr. Yuzan Tanaka,
Leave of Absence (Ministry of Foreign Affairs post)
(Latin America Team in the Car Carrier Business Group, starting July 1)

I wrote, "Ministry of Foreign Affairs post," in the Leave of Absence column on the personnel roster, and I'm working as a secretary of economic affairs at the Japanese embassy in the Republic of Panama, located in Central America. I'd like to introduce my work at the embassy and my life in Panama.

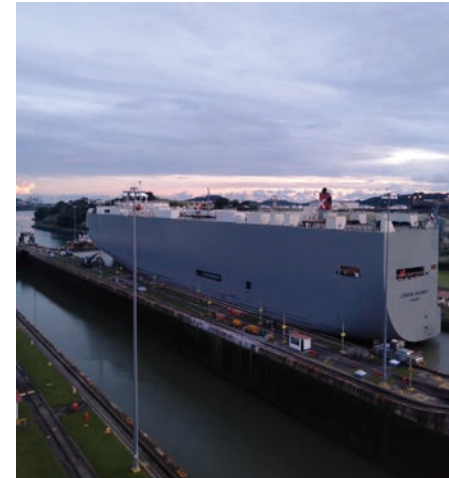
When you think of Panama, you probably think of the canal. The Panama Canal was completed in 1914 through American funding and is closely linked with foreign maritime transportation. You can find out more about it online, but it is said to be the greatest public works project in human history, and I was moved when I saw it in real life, thinking about how they chose the narrowest part of land, created artificial lakes, and then created this canal with locks that are raised and lowered with just measurements in a time before satellites. When I looked at the canal, I sensed the dynamism of maritime transportation, but at the same time, I was surprised to learn that the raising and lowering of boats with the locks was regulated simply by the difference in water level (a phenomenon where water flows from a high location into a low location and stops once it becomes even) - something that is based on a rule that you could experiment with in a bathtub. The best thing about my life in Panama is that I can see the entrance (Pacific Ocean side) to the Panama Canal from my veranda. For a guy who is in to maritime shipping, there is nothing better than being able to see commercial vessels when I open my blinds, but I don't see "K" LINE funnels very often. The ships that stand out are Maersk, MSC, CMA-CGM, and other European container ships. Some days I wonder how we can increase our presence here. When KAM President Sakamoto visited Panama on a business trip, it was miraculous that the LONDON HIGHWAY passed through when he was touring the canal. There was a moment where the boss of the agency attending the president thoughtfully phoned the captain of the ship on the spot, when the president wished him a safe voyage. But while I was enjoying myself, that fateful day suddenly appeared in March of 2020, just 8 months after I took my post. (To be continued later)



The author

Work at the Embassy

I'm often asked what I do. Sometimes I say half-jokingly that I can't answer as it involves state secrets, but it is actually very rare for someone at my level to encounter state secrets, and in general, my main work involves stationary measurements of the macroeconomics in Panama, access to the government of Panama on orders from the Ministry of Foreign Affairs in Tokyo, and support of Japanese corporations here. I also quickly inform Japan about information sent out from the Panama Canal Authority or the Panama Maritime Authority, for example, if they announce changes to the canal tolls, and I then sometimes arrange negotiations between Japan and Panama. Just before I was posted here, the Canal Authority raised the price of passage, and just when I thought that they wouldn't raise the price anymore while I was here, they introduced a new surcharge related to the water levels in the canal in 2020 and then raised the transit reservation fees in 2021, raising the prices each year. An exasperated superior told me, "Don't come home until you stop the price hikes," and I managed to somehow feel responsible. And when I saw the grounding of that container ship in the Suez Canal in March of this year, I was also worried that something like that could easily happen in Panama, as well. The incident was extensively reported on in newspapers here, and there were sensational articles questioning whether it could also happen at the Panama Canal or whether ships that couldn't traverse the Suez would instead come to Panama. Due to my work, I have become sensitive to incidents involving Japanese-owned ships and vessels operated by Japanese ship companies, and I have gotten into the habit of checking the vessel registration when I first see news of a maritime accident.



The LONDON HIGHWAY passing through the Panama Canal



Pancanal Shipping Agency - "K" LINE's agent in Panama

Embassy Website

Have you checked it out? Did you know the embassy website is actually a treasure trove of information? Currently, Japan has embassies in 153 of the 195 countries that it recognizes as countries. Basic information about the countries, economic reports (monthly), and political reports (monthly) are posted on the websites of each of these embassies, and the latest information from local newspapers, etc. is sorted and can be read in Japanese on the sites, as well. Isn't that amazing? I upload the economic report on Panama each month to the embassy's website, and if the report isn't posted on time, Japanese employees stationed here sometimes urge us to hurry up and post it! When researching foreign countries or prior to business trips, have a look at the Japanese embassy website of that country. Economic information is also posted to the JETRO website for countries with a JETRO office. Even beyond work, you can deepen your understanding of a country in this way before a vacation. You can also ask the economic team at the embassy directly if there is any specific information that you want to know (for example, the number of new cars sold in a country, etc.). The contact information for the economic supervisors are listed on the embassy websites.

Economic Conditions in Panama

Economic growth in 2020 was up 17.9% (it was up 3.0% in 2019), and the unemployment rate was 18.5% (7.1% in 2019), making Panama one of the countries most affected by the pandemic in Central and South America. At the same time, the revenue from canal tolls and port container trading volume were strong, showing Panama's geographical benefits. Currently, the unemployment rate is increasing in Central and South American countries with no means of foreign exchange except through tourism and agricultural products, and poverty is increasing. The increase in unemployment is related to the illegal inflow of immigrants into the U.S., and so international organizations centered around the U.S. actively offer economic support, but the poverty issue is also closely related to education and is a deeply-ingrained problem that cannot be solved quickly. Nepotism and corruption are also spreading, and dissatisfaction is building among young people as they do not have equal opportunities. Unfortunately, the average standard of living in Panama is very different depending on one's race. Being able to see not only the good parts but also the hidden parts of a country is what makes living abroad such a valuable experience, and I think it allows you to see things from many more angles.



Panamá Viejo, a world heritage site and the remains of a fort from when Panama was a colony of Spain



"Las Americas", which is the bridge of crosses the entrance on the Pacific Ocean side of the Panama Canal

Coffee that Isn't Bitter and a Bitter Memory

Have you ever had Geisha coffee? It is a variety of coffee made from Arabica beans cultivated in Panama and it is traded as a specialty coffee as it can only be produced in limited areas with a low yield. I drank it for the first time in Panama, but there are also places in Japan where you can drink it. With one sip, you will be surprised that it isn't bitter, and then you can enjoy the floral aroma as it passes through your nose. This coffee is lightly roasted to the point that a Japanese person not long after arriving in Panama who came to visit me at my home here mistook it for tea. My bitter memory was when I was approached by a self-professed American named Philip at a Starbucks. He told me that he had lost his wallet upon arriving in Panama, and that he needed money for his flight to Honduras, his final destination. I got money from the ATM and generously gave him 400 dollars. He told me that he would send me the money he borrowed right away, and that since he owed me, I should contact him if I was ever in Chicago. We exchanged contact info, went our separate ways, and I never heard from him again. Someone please go back and kick me on that day.



Traditional Panamanian dish of rice and shredded beef

Pandemic Life

On March 13, 2020, Laurentino Cortizo, the President of Panama, declared a state of national emergency. A ban on going outdoors was announced and our lives suddenly changed. Gender-specific days when we could leave our homes were chosen, the times that you could leave were divided based on the last digit of your ID card number (2 hours per day), and we had to buy our daily necessities during the allotted time. Entry at grocery stores was limited to a certain number of people and we had to wait in line. The long-suffering people of Panama waited in silence under the burning sun. Sales of alcohol were initially banned, and I experienced two months of forced sobriety. The sparkling wine I drank on the day the ban was lifted surged through my whole body. Up until now, there have been two waves of infections in Panama, and at the peak of the second wave, the positivity rate (the ratio of people testing positive among those who are tested) rose to nearly 30%. All I could think about then was the worst situation. Currently, in May 2021, the positivity rate is lower than 5% and vaccinations are moving along smoothly. We are now able to leave our homes freely except for late at night, and we are slowly returning to pre-pandemic life, but we can't yet see the day when we can live our lives without worrying about infection risks.



Panama Canal Neopanamax locks
(to the right in the photo)

Final Words

I'd like to take a moment to thank all my colleagues who sent me emails and texts about the pandemic and who shared drinks with me remotely. I would especially like to thank President Shimogaki of "K" Line Mexico and former Director Tomoda, the foremost expert on Panama in the company, who regularly encouraged me. By the time this is published, I will have completed my post and will be back in Japan, but I hope to be able to once again meet everyone who helped me out in good health. (for example, the number of new cars sold in a country, etc.)

One Year for This Series! An Indonesian Story Volume 4

Contributed by Mr. Goichi Tsuruta, PT. "K" Line (Indonesia)

In Indonesia, people entered Ramadan. This year Ramadan is from April 13 to May 12 and this lines up with the 9th month of the Islamic calendar. During this period, Muslims are not allowed to eat or drink anything from dawn until dusk, so for example, from 4 am until 6 pm in Jakarta. My Indonesian teacher said that Ramadan was in August during her study abroad in Japan, and it was really hard to fast for 16 hours in the heat. Among Muslims in Indonesia, there are some who do not follow teachings of Islam so strictly, like drinking beer normally. But even such people strictly keep to the fasting during this period. The period of time when food and drinks can be consumed after sunset is called "buka puasa" in Indonesia. and It is indeed a lively time, with family and friends gathering to eat and employees of companies being invited to banquets. But since gathering in large groups has been banned since last year due to pandemic, it seems many people spend enjoyed the time they spent staying at home with their families in this year.

During Ramadan last year, restaurants were also closed, due to large-scale social restrictions. This year, restaurants were allowed to operate until 9 pm before Ramadan, But in consideration of eating after the fasting is lifted during Ramadan, the government allowed restaurants to stay open until 10:30 pm, which was a windfall and made things somewhat better for the Japanese people here. (This reverted back to 9 pm after Ramadan)

By the way, before Ramadan this year, COVID-19 vaccinations had become an issue, before Ramadan starts this year. Among There are some strict Muslims who don't even swallow saliva during the fasting period. they It was questioned if injecting any liquid into the body from outside the body would be haram (meaning going against the teachings of Islam) or not. If it was recognized as haram, most of Muslim will refuse vaccination during the period and This was it is a huge issue for the government which want to promote vaccination rapidly. .as it wanted to quickly advance vaccinations if it was haram. For this issue, the Islamic council announced their view that vaccinations were not haram. As it is an injection directly into muscle, they interpreted this as not being the same as caloric intake of a liquid. But they explained that they didn't recommend vaccinations as physical strength was lowered during fasting. It is leading to a very Indonesian resolution.

Indonesia has also imported the AstraZeneca vaccine, but as it uses components derived from pigs, it was deemed haram by the Islamic council. But in light of the urgent situation, they declared ruled that getting the vaccine by AstraZeneca would still be acceptable. Like this, For the Muslims in Indonesia, it is natural to live faithfully with the teachings of Islam (though there are individual differences). In special circumstances such as the pandemic, they follow the doctrinal interpretations of the Islamic council. From a Japanese point of view, it seems like a difficult life, but there may be something which Japanese people lost or something that we are in the process of losing in this...



During the Ramadan season in Indonesia, camel displays show up everywhere, from apartment buildings to hotels and malls

Indonesia is an AMAZING country where Islam and ancient traditions coexist. Development of a domestic vaccine for COVID19 had advanced even here in Indonesia. But the National Agency for Food and Drug Control did not authorize stage two trials for the vaccine. It was because it was discovered that all of the subjects in the stage one trials had been infected with COVID-19 in the past. What more can you say except for the fact that they managed to gather together a lot of infected people only. AMAZING. After that, the government abandoned development of the domestic vaccine.

I am sorry to be talking about money again, but there is some news on that front.

There was a shaman named Herman in Bekasi, a suburb of Jakarta. A video was distributed of this shaman using jenglot (human-shaped creatures that appear in Indonesia myths) and a magic box to perform a ceremony and double 100,000 rupiah bills, and it was widely talked about. It was pleasant up until this point, because the metropolitan Bekasi police arrested Herman him on March 22 under suspicion of currency counterfeiting, and they searched for any methods of bill copying or intent. Really, Mr. Police Man? AMAZING.

There was an uproar when it came to light that the organization in charge of operating the health care system in Indonesia may have leaked the personal information of 279,000,000 people on the internet. But 279,000,000 people is the entire population of Indonesia... That scale is off the charts. AMAZING.

I take private online lessons of Indonesian language once a week with the Indonesian teacher that I mentioned earlier. Every once in a while, I introduce Japanese fairy tales as part of the lesson. When I told her about the Straw Millionaire (as you may know, it is the story of an honest and deeply faithful poor man who takes straw as told by Kannon, the goddess of mercy, and trades it for a variety of things, and finally marries the daughter of a millionaire. Even after becoming a millionaire, he works honestly and becomes popular), I was told She tola me that there was a similar story in Indonesia and that she would tell me the story the following week. In her story, a child devoted to his parents who lived in a poor village left the village to make a name for himself and suddenly became rich upon marrying a rich girl. He returned to his village together with his wife a decade or so later. As the boy's poorly dressed mother hugged him, he pushed her away, as he had become embarrassed after telling his wife that his family was also rich, and after telling his mother that he didn't know her, they left the village. His mother then placed a curse on her son, and by the judgement of the gods, the ship the boy was on sank and he his body turned into a rock.

I am really confused and asked her "What part of this story was similar to the Straw Millionaire ?"

She replies " Oh, you know, a poor boy married a rich girl."

That's why you thought they were similar stories? AMAZING.

My teacher She also said she knew about Yuki-onna (A woman ghost in the snow mountain) and Zashiki-warashi (A ghost of children lived in old house) as they appeared in "Jigoku Sensei Nube (an anime from Japan)". But among the story I introduced, she found the funniest was "TENSHIKI", a story from Rakugo (Japanese traditional story telling art by single performer). She turned it into a lesson, saying, "It's best not to act like you know it all." It would be embarrassing to print the details of this story in the cultured "K" LINE News, so if you don't know the story, Google it.



Morning on an occasional sunny day

Letter from the South American Andes, Part 2 ~Peruvian Blessings~

Contributed by Ms. Rosa Diaz, "K" Line Peru S.A.C.

Hola! I am Rosa Diaz of "K" LINE PERU. Our office is in the Miraflores district of Lima, the capital city of Peru. This is where I was born. I would like to write about Peru, mainly about Peru's food culture and delicious foods.

The country of Peru is in western South America, facing the South Pacific. The sea, the minerals in the area, and the different climates allow us to produce different agricultural products. Peru is well known as the place where the Inca Empire was established. Machu Picchu, the "City in the Sky," is considered one of the seven wonders of the world. In recent years, delicious Peruvian foods are becoming popular globally, and the Peruvian people are very proud that our food is getting the recognition it deserves.

One of the most famous Peruvian foods is ceviche, a perfect summer dish. Ceviche only includes a few ingredients: fresh seafood, lemon, other ingredients and seasoning. It is a simple, delicious dish suited to the Japanese palate. It is served with corn, sweet potatoes and onion. While I normally prepare ceviche myself at home, my family visits a seaside restaurant in La Punta, near the port of Callao, to eat ceviche when we want to indulge a little. I recommend enjoying ceviche with pisco sour, a cocktail that originated in the city of Pisco, south of Lima. The base liquor is pisco, which is made from grapes.

The other dish I want to recommend, tacacho con cecina, originated in the region of Selva. It is a cured pork and mashed roasted green plantain dish. The perfect accompaniment for this dish is a camu camu sour. It is prepared with camu camu, a fruit native to the Peruvian rainforest that contains a lot of vitamin C.

Pachamanca is another dish that should be specially mentioned. Prepared on special occasions, it is a sacred food containing beef, pork or guinea pig baked using hot stones. It is served with broad beans, potatoes and sweet potatoes. I ate pachamanca when I travelled to the town of Huaraz in the department of Ancash in midwestern Peru. Huaraz is 3,052 meters above sea level. The local people often drink coca tea, also called mate tea, to avoid the symptoms of altitude sickness.

I introduced three traditional foods that are representative of different regions of Peru, and drinks. As you may be aware, many restaurants have been forced to close for several months because of the COVID-19 pandemic. The government has advised the industry to offer delivery services and has allowed businesses to operate at 50% of their usual capacity to encourage economic recovery and support the tourism industry.

I sincerely hope the situation will improve soon because I look forward to welcoming many tourists to Peru again like we used to. I want visitors to immerse themselves in the Peru's beautiful nature and enjoy our delicious food.

