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NS United Kaiun Kaisha, Ltd.

Notice of the 98th Ordinary General Meeting of Shareholders

NS United Kaiun Kaisha, Ltd.

Greetings to Shareholders

We would like to express our sincere gratitude for your continued support of our operations and business.

The NS United Kaiun Group incorporates into our activities, every single day, our fundamental principle of contributing to the development of society by providing trustworthy and high-quality marine transportation services. In fiscal 2023, the global economy was under downward pressure caused by monetary tightening by countries in response to inflation due to high commodity prices, and uncertainty about the Chinese economy. In addition, fiscal 2023 was a year of increased geopolitical risks, typified by the deterioration of the situation in the Middle East, increased. Although the dry bulk market was sluggish in the first half of the fiscal year due to the stagnation of the Chinese real estate industry, it remained robust in the second half of the fiscal year, mainly due to strong shipments of iron ore and grain loaded in South America. Meanwhile, international shipping was also affected by geopolitical risks, such as the passage restrictions on the Panama Canal due to the drought and the risk of passage in the Red Sea and the Suez Canal due to the deterioration of the situation in the Middle East. In these circumstances, the Company was able to achieve the financial targets set in its medium-term business plan “FORWARD 2030,” that is, operating income of 10 billion yen or more, ROE of 10% or more, and Net DER of 1.0 times or less, for the third consecutive fiscal year, supported by stable earnings from long-term contracts and the gradual depreciation of the yen during the year.

Under the new medium-term business plan “FORWARD 2030 II Challenge for innovation and further growth with U,” to be launched in fiscal 2024, we have set ““Extending the domains of new growing businesses” and “Deepening the domains of existing core businesses” as business strategies and intend to invest in vessels powered by new types of fuels and in securing next-generation fuels. As initiatives to support the business strategies, we will further strengthen sustainability initiatives, such as the human capital strategy and the digital transformation (DX) strategy. We will continue our efforts to enhance our corporate value from an ESG perspective to realize our Purpose (corporate mission statement), “Through Marine Transportation, We Will Work Together to Shape the World Today and Create a Sustainable Future.”

We hope that all shareholders will provide even more support, encouragement and cooperation.

June 2024



Kazuma Yamanaka
President and Representative Director

Securities code: 9110

June 5, 2024

(Date of commencement of electronic provision measures: May 29, 2024)

To our shareholders:

Kazuma Yamanaka, President and Representative
Director

NS UNITED KAIUN KAISHA, LTD.

5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo

Notice of the 98th Ordinary General Meeting of Shareholders

We are pleased to announce that the 98th Ordinary General Meeting of Shareholders of NS UNITED KAIUN KAISHA, LTD. (the “Company”), which will be held as indicated below.

In convening this ordinary general meeting of shareholders, the Company has taken electronic provision measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters subject to electronic provision), and have posted such information on the websites indicated below as the “Notice of the 98th Ordinary General Meeting of Shareholders.” Please visit any of the websites to review the information.

The Company’s website General Shareholders’ Meeting	https://www.nsuship.co.jp/en/ir/library/general_meeting/
Tokyo Stock Exchange website TSE Listed Company Search	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show
On the TSE website, enter the Company’s name “NS United Kaiun” in the “Issue name (company name)” field or the Company’s securities code “9110” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and refer to the information.	
Website on which reference documents for the general meeting of shareholders are posted	https://d.sokai.jp/9110/teiji/ (in Japanese)

Please exercise your voting rights either in writing (by postal mail) or via the internet by 5:00 p.m. on Tuesday, June 25, 2024 (JST).

- 1. Date and time** Wednesday, June 26, 2024 at 10:00 a.m. (Reception will open at 9:15 a.m.)
- 2. Location** Diamond Room, Keidanren Kaikan 4F
3-2 Otemachi 1-chome, Chiyoda-ku, Tokyo
(Please refer to the venue map of the Japanese original.)

3. Agenda of the Meeting

Reports

1. The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board for the fiscal year from April 1, 2023 to March 31, 2024
2. The Non-consolidated Financial Statements for the fiscal year from April 1, 2023 to March 31, 2024

Matters to be resolved

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of Eight Directors
- Proposal No. 3** Election of Three Audit & Supervisory Board Members

4. Matters Prescribed for Convocation

Exercising voting rights by proxy

1. When attending by proxy, the proxy will be required to present documentary proof of his or her authority to exercise voting rights in addition to the shareholder's voting form at the reception desk. The proxy shall be limited to one other shareholder who has the voting right.
2. If you exercise your voting rights in writing (by postal mail) and there is no indication of approval or disapproval for the respective proposals in the voting form, it will be treated as an indication of approval.
3. If you have exercised your voting rights in duplicate in writing (by postal mail) and via the internet, the vote made via the internet shall be deemed effective. If you have exercised your voting rights several times via the internet, the final execution shall be deemed effective.

- When attending the meeting in person, please submit the voting form, which is sent to you together with this Notice, to the reception desk. Should the matters subject to electronic provision require revisions, the items before and after revision will be posted on the Company’s website and each of the other websites indicated above.
- Of the matters subject to electronic provision, information concerning the following items is not included in the documents to be delivered to shareholders who requested the delivery of paper-based documents, but is posted on the Company’s website and each of the other websites indicated above pursuant to laws and regulations and the Company’s Articles of Incorporation. The Audit & Supervisory Board Members and the Financial Auditor have audited the documents subject to audit including the following matters.
 - (i) “Status of Financial Auditor” and “System to Ensure the Appropriateness of Operations and the Status of its Operation” sections of the Business Report
 - (ii) “Consolidated Statement of Changes in Net Assets,” “Notes to Consolidated Financial Statements” sections of the Consolidated Financial Statements, and (Reference) “Consolidated Statement of Cash Flows”
 - (iii) “Non-consolidated Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” sections of the Non-consolidated Financial Statements
 - (iv) Independent Auditor’s Report on Consolidated Financial Statements
 - (v) Independent Auditor’s Report on Non-consolidated Financial Statements
 - (vi) Audit & Supervisory Board’s Audit Report

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company has positioned returning of profits to shareholders as one of its important management policies. The Company's basic policy is to maintain sustainable dividend distribution in accordance with the Company's performance while securing internal reserves necessary to achieve stable corporate growth and to respond to changes in the business environment in the future. The Company aims at a payout ratio of 30% on a consolidated basis as the benchmark. In line with this policy, the Company proposes to pay a year-end dividend for the fiscal year as follows:

- (i) Type of dividend property
To be paid in cash.
- (ii) Allotment of dividend property and their aggregate amount
The Company proposes to pay a dividend of ¥150 per share of common stock of the Company.
In this event, the total dividends will be ¥3,534,861,000.
As the Company has already paid an interim dividend of ¥80 per share, annual dividend for the fiscal year will be ¥230 per share.
- (iii) Effective date of dividends of surplus
The effective date of dividends will be June 27, 2024.

Proposal No. 2 Election of Eight Directors

The terms of office of all nine Directors will expire at the conclusion of this ordinary general meeting of shareholders. Therefore, the Company proposes the election of eight Directors.

The candidates for Director are as follows:


Candidate No.	Name	Current positions and responsibilities at the Company	Attributes
1	Kazuma Yamanaka	President, Representative Director and President Executive Officer	Reelection
2	Noriko Miyamoto	Director and Senior Managing Executive Officer In charge of the General Affairs Group and the Project Group and Internal Control	Reelection
3	Toru Fujita	Director and Managing Executive Officer In charge of the Safety Management Group, Ship Management Group and Environment Conservation Promotion Group, and General Manager of the Environment Conservation Promotion Group	Reelection
4	Shinichi Kitazato	Director and Managing Executive Officer In charge of the Finance and Accounting Group, IR, Digital Transformation, and Promotion of Business Structure Reform	Reelection
5	Kiyoshi Kanemitsu	Managing Executive Officer In charge of the Capesize Group	New election
6	Setsu Onishi	Director	Reelection Outside Independent
7	Ryuko Inoue	Director	Reelection Outside Independent
8	Masako Yoshida	Director	Reelection Outside Independent

New election : Candidate for Director to be newly elected



Reelection : Candidate for Director to be reelected


Outside : Candidate for outside Director


Independent : Independent officer as defined by the securities exchanges


Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
1	 <p data-bbox="347 719 529 775">Kazuma Yamanaka (August 10, 1963)</p> <p data-bbox="363 801 513 837">Reelection</p> <p data-bbox="322 882 552 969">Attendance at Board of Directors meetings: 14/14</p> <p data-bbox="290 976 584 1064">Number of years in office as a Director: 4 years</p>	<p data-bbox="612 264 1230 1115"> Apr. 1986 Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) Nov. 2011 Department Manager (General Manager) of Personnel Dept., Human Resources Div. Apr. 2012 General Manager of Human Resources Div. Oct. 2012 General Manager of Human Resources Div. of Nippon Steel & Sumitomo Metal Corporation (currently NIPPON STEEL CORPORATION) Apr. 2014 General Manager, Head of Div. of General Administration Div., Kashima Works Apr. 2017 Executive Counselor and Head of Div. of Machinery & Materials Procurement Div. Apr. 2018 Executive Officer and Head of Div. of Machinery & Materials Procurement Div. Apr. 2019 Executive Officer and Head of Div. of Machinery & Materials Procurement Div. of NIPPON STEEL CORPORATION Apr. 2020 Executive Officer (Procurement: Raw Materials, Machinery & Materials) June 2020 Outside Director of the Company Apr. 2021 Managing Executive Officer of NIPPON STEEL CORPORATION Apr. 2023 Executive Officer June 2023 President, Representative Director and President Executive Officer of the Company (current position) </p> <p data-bbox="612 1155 1134 1211">Significant concurrent positions outside the Company -</p>	1,955 shares
<p data-bbox="276 1223 788 1249">Reasons for nomination as candidate for Director</p> <p data-bbox="276 1254 1409 1438">Kazuma Yamanaka has held key positions at NIPPON STEEL CORPORATION. Since his assumption of office as Outside Director of the Company in June 2020, he has provided useful suggestions for overall management of the Company from a fair and objective standpoint by utilizing his extensive knowledge and experience and high level of insight cultivated through his long career at NIPPON STEEL CORPORATION. The Company expects him to play a more central role by exercising his excellent management skills and leadership and continues to nominate him as a candidate for Director in order to further strengthen the Group's management structure.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
2	 <p>Noriko Miyamoto (September 10, 1960)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings: 10/10 Number of years in office as a Director: 1 year</p>	<p>Apr. 1983 Joined Nippon Yusen Kabushiki Kaisha</p> <p>Apr. 2002 Manager of Container Management Group</p> <p>June 2006 Deputy General Manager of Car Carrier Group</p> <p>Apr. 2008 Seconded to NYK LINE (MALAYSIA) SDN, BHD. KL</p> <p>Apr. 2012 General Manager of IR Group of Nippon Yusen Kabushiki Kaisha</p> <p>Apr. 2014 Corporate Officer and General Manager of IR Group</p> <p>Apr. 2016 Corporate Officer</p> <p>Apr. 2018 Managing Corporate Officer</p> <p>June 2019 Audit & Supervisory Board Member</p> <p>June 2023 Director and Senior Managing Executive Officer of the Company (current position)</p> <p><Responsibilities> In charge of the General Affairs Group and the Project Group and Internal Control</p> <p>Significant concurrent positions outside the Company –</p>	197 shares
<p>Reasons for nomination as candidate for Director</p> <p>After joining Nippon Yusen Kabushiki Kaisha, Noriko Miyamoto held key positions in marketing, IR and public relations and also experienced overseas assignment. She was involved in management and executed business as a Managing Corporate Officer of Nippon Yusen Kabushiki Kaisha from 2018 and served as Audit & Supervisory Board Member of Nippon Yusen Kabushiki Kaisha from 2019. The Company continues to nominate her as a candidate for Director because her wide range of knowledge and insight cultivated through such extensive experience will contribute to the Company's sustainable development and enhancement of corporate value.</p>			
3	 <p>Toru Fujita (February 19, 1962)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings: 14/14 Number of years in office as a Director: 3 years</p>	<p>Oct. 1984 Joined Shinwa Kaiun Kaisha, Ltd.</p> <p>Aug. 2012 General Manager of Safety Management Group of the Company</p> <p>June 2017 Executive Officer and General Manager of Safety Management Group</p> <p>June 2020 Executive Officer</p> <p>June 2021 Director and Executive Officer</p> <p>June 2022 Director and Managing Executive Officer (current position)</p> <p><Responsibilities> In charge of the Safety Management Group, Ship Management Group and Environment Conservation Promotion Group, and General Manager of the Environment Conservation Promotion Group</p> <p>Significant concurrent positions outside the Company –</p>	6,059 shares
<p>Reasons for nomination as candidate for Director</p> <p>Since joining the Company, Toru Fujita has held important positions mainly in marketing, marine affairs, and safety management-related operations. The Company continues to nominate him as a candidate for Director as he has extensive knowledge and experience and high level of insight gained through his career.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
4	 Shinichi Kitazato (October 22, 1961) <div style="background-color: black; color: white; text-align: center; padding: 2px;">Reelection</div> Attendance at Board of Directors meetings: 14/14 Number of years in office as a Director: 2 years	Apr. 1987 Joined Shinwa Kaiun Kaisha, Ltd. Dec. 2013 General Manager of Finance and Accounting Group of the Company June 2018 Executive Officer and General Manager of Finance and Accounting Group June 2019 Executive Officer and General Manager of General Affairs Group June 2020 Executive Officer June 2021 Managing Executive Officer June 2022 Director and Managing Executive Officer (current position) <Responsibilities> In charge of the Finance and Accounting Group, IR, Digital Transformation, and Promotion of Business Structure Reform Significant concurrent positions outside the Company –	6,052 shares
Reasons for nomination as candidate for Director Since joining the Company, Shinichi Kitazato has held important positions mainly in general affairs and accounting-related operations. The Company continues to nominate him as a candidate for Director as he has extensive knowledge and experience and high level of insight gained through his career.			
5	 Kiyoshi Kanemitsu (February 1, 1962) <div style="background-color: gray; color: black; text-align: center; padding: 2px;">New election</div> Attendance at Board of Directors meetings: – Number of years in office as a Director: –	Apr. 1984 Joined Shinwa Kaiun Kaisha, Ltd. June 2009 Group General Manager of Coal/Bulk Carrier Group June 2011 President of NS UNITED BULK PTE. LTD. Mar. 2012 President of NS UNITED TANKER PTE. LTD. (concurrent position) Mar. 2016 Group General Manager of Oil/Gas Group of the Company June 2019 Executive Officer and General Manager of the Capesize Group June 2020 Executive Officer June 2022 Managing Executive Officer (current position) <Responsibilities> In charge of the Capesize Group Significant concurrent positions outside the Company –	2,835 shares
Reasons for nomination as candidate for Director Since joining the Company, Kiyoshi Kanemitsu has held important positions mainly in marketing. The Company has nominated him as a candidate for Director as he has extensive knowledge and experience and high level of insight gained through his career.			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
6	 <p>Setsu Onishi (December 4, 1955)</p> <p>Reelection Outside Independent</p> <p>Attendance at Board of Directors meetings: 14/14</p> <p>Number of years in office as a Director: 7 years</p>	<p>Apr. 1978 Joined The Industrial Bank of Japan, Limited</p> <p>Apr. 2002 General Manager of Corporate Banking Division No. 8 of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2004 General Manager of Corporate Banking Division No. 8 and No. 4</p> <p>June 2004 General Manager of Corporate Banking Division No. 14</p> <p>Apr. 2005 Executive Officer and General Manager of Corporate Banking Division No. 14</p> <p>Apr. 2007 Managing Executive Officer, Head of Global Syndicated Finance Unit, and Head of Global Financial Products Unit</p> <p>Apr. 2010 Deputy President & Executive Officer and Head of Internal Audit Group of Mizuho Financial Group, Inc.</p> <p>June 2010 Deputy President (Representative Director) and Head of Internal Audit Group</p> <p>Apr. 2011 Director</p> <p>June 2011 Adviser of IBJ Leasing Co., Ltd. (currently Mizuho Leasing Company, Limited)</p> <p>June 2011 Director and Vice President</p> <p>Apr. 2013 Director and President</p> <p>June 2016 Councilor of Mizuho Financial Group, Inc.</p> <p>Apr. 2017 Senior Counselor of Nippon Commercial Development Co., Ltd. (currently JINUSHI Co., Ltd.)</p> <p>June 2017 Outside Director of the Company (current position)</p> <p>Mar. 2018 Audit and Supervisory Board Member (outside) of Showa Denko K.K. (currently Resonac Holdings Corporation)</p> <p>Significant concurrent positions outside the Company —</p>	970 shares
<p>Reasons for nomination as candidate for outside Director and expected role</p> <p>Setsu Onishi has extensive knowledge and experience and high level of insight cultivated through his long career, including his participation in management at Mizuho Financial Group, Inc. The Company continues to nominate him as a candidate for outside Director as he is expected to fulfill an appropriate role to ensure fair and proper decision-making such as by continuously providing effective supervision and advice on the Company's management from an expert perspective, particularly well versed in corporate finance and overall management, by utilizing his insight. If Setsu Onishi is elected, the Company plans for him to continue to be involved in the processes of nominating candidates for officer and of determining compensation for officers of the Company from an objective and neutral standpoint as a member of the Nomination and Compensation Advisory Committee.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
7	 <p>Ryuko Inoue (January 8, 1957)</p> <p>Reelection Outside Independent</p> <p>Attendance at Board of Directors meetings: 10/10 Number of years in office as a Director: 1 year</p>	<p>Apr. 1981 Joined the Ministry of Agriculture, Forestry and Fisheries</p> <p>Jan. 2003 Minister of Embassy of Japan in Italy, Permanent Representative of Japan to Food and Agriculture Organization of the United Nations (FAO) and the United Nations World Food Programme (WFP)</p> <p>Apr. 2008 Chief Research Officer of Agriculture & Livestock Industries Corporation</p> <p>May 2011 Deputy Director-General of Tohoku Regional Agricultural Administration Office, Ministry of Agriculture, Forestry and Fisheries</p> <p>Apr. 2012 Auditor of Food and Agricultural Materials Inspection Center</p> <p>Apr. 2014 Auditor, Japan Fisheries Research and Education Agency</p> <p>Apr. 2016 Research Councillor (Deputy Director-General) of Agriculture, Forestry and Fisheries Research Council, Ministry of Agriculture, Forestry and Fisheries</p> <p>July 2017 Retired from the Ministry of Agriculture, Forestry and Fisheries</p> <p>Nov. 2017 Registered as attorney-at-law, Atsumi & Sakai (current position)</p> <p>Feb. 2019 Member of Employers Committee of Central Labor Relations Commission (current position)</p> <p>June 2019 Outside Director of Nippon Steel Trading Corporation</p> <p>June 2021 Outside Director of Cosmo Energy Holdings Co., Ltd. (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Attorney-at-law, Atsumi & Sakai Member of Employers Committee of Central Labor Relations Commission Outside Director of Cosmo Energy Holdings Co., Ltd.</p>	98 shares
<p>Reasons for nomination as candidate for outside Director and expected role</p> <p>Ryuko Inoue has knowledge and experience cultivated through her career at the Ministry of Agriculture, Forestry and Fisheries and as an attorney-at-law. Currently she serves as Outside Director of Cosmo Energy Holdings Co., Ltd. Although she has never been directly involved in corporate management other than serving as an outside officer, the Company continues to nominate her as a candidate for outside Director as she is expected to fulfill an appropriate role to ensure fair and proper decision-making such as by providing highly effective supervision and advice on the Company's management from an expert perspective, particularly well versed in corporate governance by utilizing her insight.</p> <p>If Ryuko Inoue is elected, the Company plans for her to continue to be involved in the processes of nominating candidates for officer and of determining compensation for officers of the Company from an objective and neutral standpoint as a member of the Nomination and Compensation Advisory Committee.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
8	 <p>Masako Yoshida (June 11, 1961)</p> <p>Reelection Outside Independent</p> <p>Attendance at Board of Directors meetings: 10/10 Number of years in office as a Director: 1 year</p>	<p>Apr. 1980 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>July 2009 Deputy General Manager of Funabashi Sub-branch and General Manager of Keiyo Branch</p> <p>Aug. 2011 General Manager of Travel and Tourism Production Dept.</p> <p>July 2012 Executive Counselor and General Manager of Travel and Tourism Production Dept.</p> <p>June 2013 Executive Officer and General Manager of Travel and Tourism Production Dept.</p> <p>May 2017 Outside Director of Matsuya Co., Ltd.</p> <p>Apr. 2018 Managing Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd. (in charge of Shikoku area)</p> <p>Apr. 2022 Managing Director</p> <p>Apr. 2023 Audit & Supervisory Board Member of Tokio Marine Millea SAST Insurance Co., Ltd. (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>May 2024 Outside Director (Audit and Supervisory Committee Member) of Matsuya Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company Outside Director (Audit and Supervisory Committee Member) of Matsuya Co., Ltd. Audit & Supervisory Board Member of Tokio Marine Millea SAST Insurance Co., Ltd.</p>	197 shares
<p>Reasons for nomination as candidate for outside Director and expected role</p> <p>Masako Yoshida has extensive knowledge and experience cultivated through her long career since joining Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.), including involvement in management at the company. The Company continues to nominate her as a candidate for outside Director as she is expected to fulfill an appropriate role to ensure fair and proper decision-making such as by providing highly effective supervision and advice on the Company's management from an expert perspective, particularly well versed in overall corporate management by utilizing her insight.</p> <p>If Masako Yoshida is elected, the Company plans for her to continue to be involved in the processes of nominating candidates for officer and of determining compensation for officers of the Company from an objective and neutral standpoint as a member of the Nomination and Compensation Advisory Committee.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Candidates for Director Setsu Onishi, Ryuko Inoue and Masako Yoshida are candidates for outside Director. Each of them satisfies the requirements for an independent officer as provided by Tokyo Stock Exchange, and if each of them is elected, the Company plans to submit notification to the aforementioned exchange concerning each of them designation as an independent officer to continue.
 3. If candidates for outside Director Setsu Onishi, Ryuko Inoue and Masako Yoshida are elected, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to renew the agreement with each of them to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
 4. Candidates for outside Director Setsu Onishi, Ryuko Inoue and Masako Yoshida are currently outside Directors of the Company. At the conclusion of this meeting, their respective tenure as outside Director will be seven years for Setsu Onishi, one year for Ryuko Inoue and one year for Masako Yoshida.
 5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover losses such as amount of indemnification and litigation expenses that may be incurred by insureds including Directors of the Company, due to claims for damages during

the insurance period arising from the performance of their duties as officers. The full amount of the insurance premiums is borne by the Company. If each candidate for Director is elected, the candidate will be included as an insured in the policy. The policy is scheduled to be renewed during their term of office.

6. The Company has entered into an indemnity agreement as provided for in Article 430-2, paragraph (1) of the Companies Act with each of the Directors under which the Company promises to indemnify them for the expenses and the loss set forth in (i) and (ii), respectively, of the said paragraph to the extent provided for by laws and regulations. If the candidates for reelection are elected, the Company plans to continue the said indemnity agreements with them. Moreover, if the candidate for new election Kiyoshi Kanemitsu is elected, the Company plans to enter into an indemnity agreement with him.
7. Directors Atsuko Miyamoto, Ryuko Inoue and Masako Yoshida were elected at the 97th Ordinary General Meeting of Shareholders held on June 28, 2023 and assumed their offices. Furthermore, ten meetings of the Board of Directors were held after their assumption of office.
8. The number of the Company's shares owned by each candidate includes the candidate's holdings in the NS United Kaiun Directors' shareholding association.

(Reference) Skill Matrix of the Board of Directors after the General Meeting of Shareholders (tentative)

We have adjusted the important knowledge and experience required for the Board of Directors as skills, and have nominated suitable candidates who possess these skills.

Skills required by the Board of Directors		Skills expected of Directors							
		Inside Director					Outside Director		
		Kazuma Yamanaka	Noriko Miyamoto	Toru Fujita	Shinichi Kitazato	Kiyoshi Kanemitsu	Setsu Onishi (Independent)	Ryuko Inoue (Independent)	Masako Yoshida (Independent)
Management	Corporate Management	○	○				○		○
	Market and Business	○	○			○	○		
	On site and Technology (including ICT)		○	○	○	○			○
Individual	Finance				○		○		
	Governance, Risk Management, Compliance	○	○		○		○	○	
	Talent Management	○		○	○			○	○
	Sustainability	○	○	○			○	○	○
	Customer Relations					○			
Experience	Overseas posts (global)		○			○	○	○	
	Work at another company (Inside Director)	○	○						
	Management experience (Outside Director)						○		○

- Notes:
1. If the candidates listed in this Notice of Convocation are elected as proposed, the skill matrix of the Board of Directors will be as above.
 2. The above list represents areas in which each person has more specialized knowledge based on experience and other factors, and does not represent all the knowledge possessed by the candidate.

Proposal No. 3 Election of Three Audit & Supervisory Board Members



Audit & Supervisory Board Members Masanori Ando, Yasuhito Mitani, and Jiro Kobayashi will leave due to their resignation at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of three Audit & Supervisory Board Members.

Of the candidates for Audit & Supervisory Board Member, Toru Kihira will be elected as a substitute for Audit & Supervisory Board Member Masanori Ando, Keisuke Takegahara will be elected as a substitute for Audit & Supervisory Board Member Yasuhito Mitani, and Tomomi Mohri will be elected as a substitute for Audit & Supervisory Board Member Jiro Kobayashi, and therefore their terms of office will expire at the end of the terms of the respective retiring Audit & Supervisory Board Members, as stipulated in the Company's Articles of Incorporation.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No.	Name (Date of birth)	Career summary and position at the Company	Number of the Company's shares owned
1	 <p data-bbox="363 584 513 645">Toru Kihira (June 23, 1964)</p> <p data-bbox="363 674 504 703">New election</p>	<p data-bbox="619 309 1225 524">Apr. 1987 Joined Shinwa Kaiun Kaisha, Ltd. June 2016 General Manager of General Affairs Group of the Company June 2019 Executive Officer and General Manager of Project Group June 2020 Executive Officer June 2022 Managing Executive Officer (current position)</p> <p data-bbox="619 533 979 591"><Responsibilities> In charge of Tramp Chartering Group</p> <p data-bbox="619 622 1136 680">Significant concurrent positions outside the Company -</p>	2,821 shares
<p data-bbox="277 730 1082 759">Reasons for nomination as candidate for Audit & Supervisory Board Member</p> <p data-bbox="277 763 1417 887">Toru Kihira has served in key positions at the Company. Based on his extensive knowledge and insight cultivated through his extensive experience, the Company has judged that he is an appropriate person to supervise management decisions and business execution by the Directors of the Company, and thus has nominated him as a candidate for Audit & Supervisory Board Member.</p>			
2	 <p data-bbox="341 1234 536 1292">Keisuke Takegahara (August 18, 1966)</p> <p data-bbox="363 1323 504 1352">New election</p> <p data-bbox="363 1361 504 1391">Outside</p> <p data-bbox="363 1400 504 1429">Independent</p>	<p data-bbox="619 898 1232 1308">Apr. 1989 Joined the Japan Development Bank (currently the Development Bank of Japan Inc.) May 2011 General Manager, Head of Environmental Initiative & Corporate Social Responsibility–Support Department June 2016 General Manager, Head of Economic & Industrial Research Department June 2017 Executive Officer, General Manager, Head of Economic & Industrial Research Department June 2021 Executive Fellow, Research Institute of Capital Formation June 2023 Executive Director, Research Institute of Capital Formation (current position)</p> <p data-bbox="619 1339 1225 1462">Significant concurrent positions outside the Company Executive Director, Research Institute of Capital Formation of the Development Bank of Japan Inc. (scheduled to retire on June 26, 2024)</p>	-
<p data-bbox="277 1469 1161 1498">Reasons for nomination as candidate for outside Audit & Supervisory Board Member</p> <p data-bbox="277 1503 1417 1626">Keisuke Takegahara has extensive accounting knowledge gained through his service at the Development Bank of Japan Inc. The Company has judged that he is an appropriate person to supervise management decisions and business execution by the Directors of the Company from a neutral standpoint as an Outside Audit & Supervisory Board Member, and thus has nominated him as a candidate for outside Audit & Supervisory Board Member.</p>			

3	 Tomomi Mohri (March 18, 1972) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New election</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div>	Apr. 1989 Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) Apr. 2017 General Manager, Head of Dept. of Iron Ore Dept.-I, Raw Materials Div.-II of Nippon Steel & Sumitomo Metal Corporation(currently NIPPON STEEL CORPORATION) Apr. 2020 General Manager, Human Resources Div. of NIPPON STEEL CORPORATION; Seconded to NIPPON STEEL AUSTRALIA PTY.LIMITED. Feb. 2022 General Manager, Head of Dept. of Carbon Neutral Procurement Planning Dept., Zero Carbon Steel Project Apr. 2024 General Manager, Head of Div of Raw Materials Div.-II (current position) Significant concurrent positions outside the Company General Manager, Head of Raw Materials Div.-II of NIPPON STEEL CORPORATION	-
<p>Reasons for nomination as candidate for outside Audit & Supervisory Board Member</p> <p>Since joining Nippon Steel Corporation (currently NIPPON STEEL CORPORATION), Tomomi Mohri has served in key positions. Based on his extensive knowledge and insight cultivated through his long career, the Company has judged that he is an appropriate person to supervise management decisions and business execution by the Directors of the Company, and thus has nominated him as a candidate for outside Audit & Supervisory Board Member.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Candidates for Audit & Supervisory Board Member Keisuke Takegahara and Tomomi Mohri are candidates for outside Audit & Supervisory Board Member. Keisuke Takegahara satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and if he is elected, the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer
 3. Candidate for outside Audit & Supervisory Board Member Keisuke Takegahara, as shown in the above career summary, was a business executor of the Development Bank of Japan Inc., which falls under the category of specified related party of the Company as its major business partner, and has also been a business executor for the past 10 years.
 4. Candidate for outside Audit & Supervisory Board Member Keisuke Takegahara, as shown in the above career summary, received remuneration from the Development Bank of Japan Inc., which falls under the category of specified related party of the Company as a major business partner, for the past two years and will receive remuneration in the future.
 5. Candidate for outside Audit & Supervisory Board Member Tomomi Mohri, as shown in the above career summary, was a business executor of NIPPON STEEL CORPORATION, which falls under the category of specified related party of the Company as its major business partner, and has also been a business executor for the past 10 years.
 6. Candidate for outside Audit & Supervisory Board Member Tomomi Mohri, as shown in the above career summary, received remuneration from NIPPON STEEL CORPORATION, which falls under the category of specified related party of the Company as a major business partner for the past two years and will receive remuneration in the future..
 7. If candidates for Audit & Supervisory Board Member Toru Kihira, Keisuke Takegahara, and Tomomi Mohri are elected, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with each of them to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
 8. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover losses such as amount of indemnification and litigation expenses that may be incurred by insureds including Corporate Auditors of the Company, due to claims for damages during the insurance period arising from the performance of their duties as officers. The full amount of the insurance premiums is borne by the Company. If each candidate for Audit & Supervisory Board Member is elected, the candidate will be included as an insured in the policy. The policy will be renewed during their term of office.
 9. The Company has entered into an indemnity agreement as provided for in Article 430-2, paragraph (1) of the Companies Act with each of the Audit & Supervisory Board Members under which the Company promises to indemnify them for the expenses and the loss set forth in (i) and (ii), respectively, of the said paragraph to the extent provided for by laws and regulations. If Toru Kihira, Keisuke Takegahara, and Tomomi Mohri are elected, the Company plans to enter into the said indemnity agreements with them.
 10. The number of the Company's shares owned by each candidate includes the candidate's holdings in the NS United Kaiun Directors' shareholding association.

(Appendix)

Business Report

(April 1, 2023 - March 31, 2024)

1. Overview of the Corporate Group

(1) Business Progress and Results

1) Overall Business

During the fiscal year under review, the tempo of the global economy slowed owing to increasing uncertainty due to prolonged monetary tightening by various countries in response to global inflation and stagnation of the Chinese economy in the wake of the real estate slump. Going forward, while recovery of the Chinese economy is awaited, there are concerns about inflation against the backdrop of escalating tensions in the Middle East and other factors, as well as the continued tightening of monetary policies in various countries, which could put downward pressure on economic activity. In Japan, prices showed a moderate upward trend against the backdrop of the rise in import prices in line with the weakening of the yen and labor shortages. Although the accommodative financial environment is supporting the domestic economy even after the Bank of Japan lifted its negative interest rate policy, there are also concerns about the impact of inflation caused by high crude oil prices and a weak yen on domestic demand from now on.

As for international shipping, the market trended downward for all vessel types in the first half of the fiscal year under review against the backdrop of the stagnant Chinese economy and the elimination of demurrage caused by controls concerning COVID-19 at ports. In the second half of the fiscal year under review, the market was boosted because of disruptions to the passage of the Panama Canal and Suez Canal, in addition to strong shipments of iron ore and grains loaded in South America. Regarding coastal shipping, a decline in demand for steel products in the construction and manufacturing industries and a decline in the operating rate of thermal power plants put downward pressure on cargo shipping volumes.

As for bunker prices, the average price per ton for the fiscal year under review (all oil types) was approximately 541 dollars for the first half, approximately 569 dollars for the second half, and approximately 555 dollars for the fiscal year, down approximately 99 dollars from the previous fiscal year. The yen's depreciation against the U.S. dollar accelerated against the backdrop of the difference in interest rates between Japan and the U.S., resulting in an average exchange rate of 139.00 yen for the first half, 148.33 yen for the second half, and 143.67 yen for the fiscal year, a depreciation of 9.00 yen from the previous fiscal year.

In this business environment, consolidated financial results for the fiscal year under review were as follows: revenues of 233,100 million yen (down 7.1% year on year), operating income of 21,601 million yen (down 33.5% year on year), ordinary income of 22,185 million yen (down 33.7% year on year), and profit attributable to owners of parent of 17,986 million yen (down 34.8% year on year). The Company recorded 989 million yen of income taxes for the fiscal years ended March 31, 2019 through 2022 based on a tax audit conducted by the Tokyo Regional Taxation Bureau.

Marine transportation services comprise almost the entire business of the Group, with the international shipping business accounting for approximately 90% of consolidated revenues and the coastal shipping business accounting for approximately 10%.

	For the previous fiscal year (From April 1, 2022 to March 31, 2023)	For the current fiscal year (From April 1, 2023 to March 31, 2024)	Year-on-year change
	Amount (Million yen)	Amount (Million yen)	% change
Revenues	250,825	233,100	7.1% decrease
Operating income	32,487	21,601	33.5% decrease
Ordinary income	33,444	22,185	33.7% decrease
Profit attributable to owners of parent	27,603	17,986	34.8% decrease

2) Overview by Business

International Shipping

<Principal business>
International marine cargo shipping business and related or incidental businesses

Revenues: 204,336 million yen (8.8% decrease year on year)

The cape-size bulk carrier (roughly 180,000 dwt) market remained lackluster in the first half of the fiscal year under review, reflecting the elimination of demurrage resulting from the relaxation of China's zero-COVID policy and uncertainty over the global economy triggered by the real estate slump in China. The average daily charter rate for the five major routes softened to below 9,000 dollars temporarily. From October onward, supply and demand for iron ore recovered and strong shipments from Brazil and other major loading ports continued. As a result, charter rates turned to an increase mainly in Atlantic waters, and the average daily charter rate for the five major routes soared, temporarily exceeding 50,000 dollars in December. Moreover, strong shipments continued after the beginning of 2024, when shipments usually decline due to unsettled weather, and the market remained firm. In these circumstances, the Company concluded medium- to long-term contracts with domestic and overseas customers, including NIPPON STEEL CORPORATION, a major shipper, as a measure to secure stable earnings, and also secured profitability in the spot transportation market. As a result, earnings greatly exceeded the initial targets.

In the Panamax bulk carrier (between 70,000 and 80,000 dwt) market, the average daily charter rate for the five major routes fell to the 8,000-dollar level in July, reflecting the uncertain outlook for China's economic recovery and delayed grain shipments due to bad weather in South America. Subsequently, the average daily charter rate increased to the 21,000-dollar level in December, reflecting the increased transportation ton-miles due to passage restrictions caused by the drought affecting the Panama Canal and robust cargo movements of coal and grains. After the beginning of the year, the market remained firm on the back of an increase in voyages via the Cape of Good Hope due to the tense situation in the Red Sea. In these circumstances, despite the efforts to operate vessels efficiently in response to the market decline in the first half of the fiscal year, earnings did not reach the target of the initial plan due to an increase in costs for spot charter vessels in the second half of the fiscal year.

The market for handy-size bulk carriers (between 20,000 and 60,000 dwt) remained sluggish in the first half of the fiscal year under review, reflecting the elimination of demurrage owing to the relaxation of controls at ports concerning COVID-19, slowdown of the Chinese economy, and a decline in demand for transportation using small bulk carriers resulting from the improved supply-demand situation for container transportation. Despite the sluggish market, the Company achieved robust earnings owing to vessel allocation based on existing cargo and cultivation of new routes. On the other hand, in the second half of the fiscal year under review, transportation of steel product and grains via the Panama Canal, the principal route for the Company's handy-size bulk carriers, faced a substantial cost increase because of long-term demurrage caused by the drought affecting the canal and bids to secure the vessel passage quota. As a result, earnings for the full year did not reach the initial targets.

In the market for near sea going vessels (16,000 dwt or below), the shipping volume of steel products exported to China, which are the principal cargo in this market, decreased greatly from the previous fiscal year owing to a delay in recovery of steel demand in China, centering on that for real estate. The continued inflow of surplus steel products in China into the Asian region caused sluggishness of the market. However, earnings were virtually in accordance with the initial targets, owing to the initiatives to expand transportation of bulk cargoes, including transportation of biomass fuels, which are increasing in volume and efforts to efficiently allocate vessels for round-trip services, mainly for steel products for Southeast Asia.

All of the Company's VLGCs (very large gas carriers) are engaged in time charter-out contracts and contribute to securing stable earnings. Certain vessels with market-linked contracts also benefitted from the generally upbeat market conditions. Consequently, earnings greatly exceeded the initial targets.

As a result, the international shipping business as a whole recorded lower revenues and profits compared with the previous fiscal year. Revenues were 204,336 million yen (down 8.8% year on year) and segment income (operating income) was 18,656 million yen (down 38.0% year on year).

Coastal Shipping

<Principal business>
Coastal cargo shipping business and related or incidental businesses

Revenues: 28,764 million yen (7.5% increase year on year)

As for the dry bulk service, regarding steel-related cargo, whereas the shipping volume of steel raw materials was affected by bad weather, transportation of secondary raw-material remained steady as the Company expanded its fleet and responded to spot transportation demand. On the other hand, the shipping volume of steel products was below the initial targets, reflecting a decrease in demand for steel products in the construction industry and for production machinery. Cement-related cargo shipping volume was below the initial targets, affected by sluggish domestic demand and large production cutbacks. Electricity-related cargo shipping volume also fell short of the initial targets against the backdrop of the decline in the operating rate of coal-fired thermal power plants.

For tankers, both LNG shipping volume and LPG shipping volume decreased because of a decline in domestic demand. In these circumstances, earnings fell short of the initial targets despite the Company's efforts to allocate vessels efficiently.

As a result, the coastal shipping business as a whole recorded higher revenues and profits compared with the previous fiscal year. Revenues were 28,764 million yen (up 7.5% year on year) and segment income (operating income) was 2,936 million yen (up 21.0% year on year).

Other

<Principal business>
Development and maintenance of information systems

There are no matters requiring special mention.

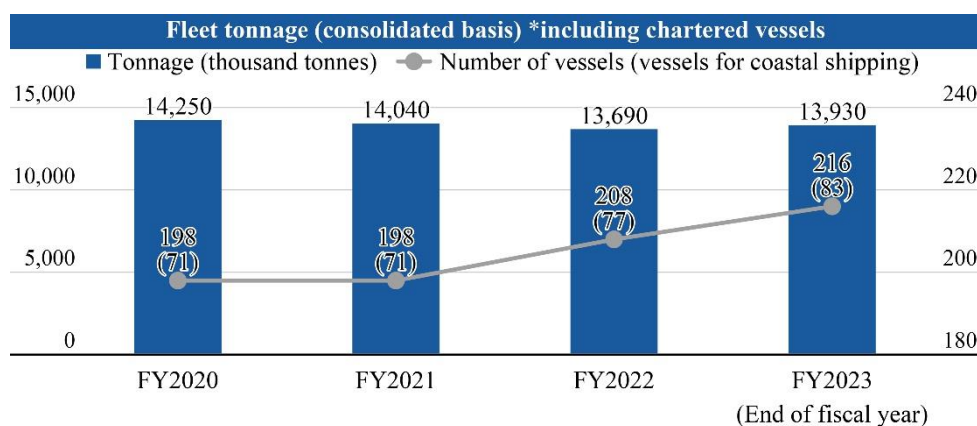
Reference

Group's fleet development in Fiscal 2023 (results) (including vessels chartered for 5 years or longer)

	Number of vessels	Tonnage (K/T)
International shipping	3	330,806 DWT
Coastal shipping	9	23,006 DWT

Group's fleet development in Fiscal 2024 (plan) (including vessels chartered for 5 years or longer)

	Number of vessels	Tonnage (K/T)
International shipping	2	55,470 DWT
Coastal shipping	7	15,060 DWT



(2) Capital Investments

In the fiscal year under review, the Group made capital investments totaling 13,311 million yen. The main items were vessels.

Business classification	Capital investment
International Shipping	10,492 million yen
Coastal Shipping	2,815 million yen
Other	4 million yen

Moreover, the Group sold fixed assets with a carrying value of 71 million yen from vessels, which are the Group's main facilities.

(3) Financing

In the fiscal year under review, the Company raised 14,526 million yen for capital investment through borrowings from financial institutions.

The Company has commitment line contracts totaling 9,000 million yen with major financial institutions, but there was no balance of executed loans at the end of the fiscal year under review.

(4) Transfer of Business, Absorption-type Company Split, or Incorporation-type Company Split
Not applicable.

(5) Transfer of Business from Other Companies
Not applicable.

(6) Succession of Rights and Obligations Regarding the Business of Other Corporations Due to an Absorption-Type Merger or an Absorption-Type Split
Not applicable.

(7) Acquisition or Disposal of Equity Interests (Including Shares) or Share Acquisition Rights of Other Companies
Not applicable.

(8) Issues to Be Addressed

The Company announced on March 29, 2024 that it had formulated a medium-term business plan "FORWARD 2030 II Challenge for innovation and further growth with U," which covers the period from fiscal 2024 to fiscal 2027. In FORWARD 2030 II, we have defined our vision for 2030 as "Aiming to become an indispensable presence for clean and sustainable marine transportation services, we will continue to transform ourselves in cooperation with stakeholders and further enhance our corporate value." Based on the solid financial ground established by implementing the previous medium-term business plan, we will implement management strategies for sustainable growth and maximizing corporate value through initiatives for achieving carbon neutrality.

1) Business Strategies and Growth Strategies

In FORWARD 2030 II, we have set a new GHG emissions reduction target in line with our environmental roadmap to achieve carbon neutrality by 2050. We will reduce annual GHG emissions by 25% by 2030 compared to 2019 levels through the introduction of methanol dual-fuel (DF) vessels (vessels fitted with engines that can be fueled by both methanol and heavy oil. Major GHG emissions reductions are expected, relative to heavy oil.), biofuels, and ammonia-fueled ships. We will promote the introduction of zero-emission vessels that use green fuels from 2030 onward with the aim of achieving carbon neutrality by 2050.

"Extending the domains of new growing businesses" and "Deepening the domains of existing core businesses" are our business strategies and growth strategies to enhance corporate value while promoting investments and initiatives to achieve the above-mentioned 2030 GHG emissions reduction target.

i) Extending the Domains of New Growing Businesses

In order to realize carbon neutrality, we will expand our business domain through the development of new cargo shipping fleets by accurately analyzing changes in demand for both

coastal and international maritime transportation, including future increases in transportation demand for direct reduced iron, scrap, and liquefied CO₂ due to the decarbonization of the steel manufacturing process, and the expansion of new demand for liquid bulk transportation, such as of ammonia and hydrogen, which are expected to be next-generation energy sources. As one of the initiatives to introduce zero-emission vessels, we plan to undertake the ownership and operation of ammonia-fueled ships through a joint project on development of ammonia-fueled ships adopted by the Green Innovation Fund Project of the New Energy and Industrial Technology Development Organization (NEDO). For this purpose, in April 2024 the Company and six partners executed a Memorandum of Understanding for joint development of ammonia-fueled ships.

ii) Deepening the Domains of Existing Core Businesses

We will promptly deploy methanol DF vessels and collaborate with our customers on environmental measures, thereby securing stable revenue through long-term contracts. We also aim to secure long-term contracts with our overseas customers with our methanol-DF fleet. In addition, we will make further moves in India and Southeast Asia, where economic growth is expected. We established a representative office in Bangkok, Thailand. In addition to the subsidiary in Singapore, which aims to expand into India, the Bangkok Office plans to improve the quality of transportation by taking care of steel products exported from Japan, and to develop the office as a new base for shipments to and from Southeast Asia.

2) Initiatives to Support Business Strategies

i) Human capital strategy

We renewed the personnel system to secure and nurture human resources who can take key roles in medium- to long-term business strategies, including new market entries and technological innovation toward decarbonization. As well as entrenching the HR system that evaluates challenging spirit and achievements, we will enhance the education and training system. Moreover, by creating a working environment where employees can concentrate on strategic work and improving the working environment, we aim to enhance employee engagement so as to maximize the value of our human capital. Furthermore, we will work to raise awareness for respecting human rights by promoting human rights due diligence (an ongoing process a company follows to identify and appropriately address risks regarding violations of human rights) and achieving employee well-being.

ii) Sustainable shipping strategy

In the pursuit of safe navigation, we will secure and train competent crews and ship officers for both coastal and international shipping by maximizing crews' well-being and enhancing their engagement with the aim of achieving zero-serious accident and zero-disaster.

Moreover, we will train qualified crews who can support growth strategies to prepare for work on vessels powered by new types of fuels and liquid cargo transportation.

iii) Governance enhancement

We will make efforts to realize prompt decision-making to respond to environmental changes and strengthen monitoring functions on a company-wide basis. We will also aim to enhance our corporate value in the medium- to long- term through dialogue with stakeholders. Furthermore, we will continuously conduct monitoring on the progress of the medium-term business plan and will enhance discussions on long-term challenges such as responses to environmental changes and growth strategy to improve the effectiveness of the Board of Directors.

iv) Digital transformation (DX) strategy

In order to strengthen the above-mentioned three initiatives to support business strategies, we will implement DX to develop pleasant working environment where employees can concentrate on implementing strategies at a high level. We will also promote DX for vessel management for the prevention of accidents and disasters, the increasing sophistication of vessel management, and the improvement of navigation efficiency.

3) Financial Targets

The following financial targets are set.

	Fiscal 2027	Fiscal 2030
Consolidated Operating Income	20 billion yen	We aim to achieve an ROE of 10% or more, which is well above the cost of equity of 7%, through continuous profit growth, while maintaining financial discipline at 1.0 times Net DER or less.
ROE	10%	
Net DER	1.0 times or less	

The Company has positioned returning of profits to shareholders as one of its most important management policies. With an annual dividend payout ratio of 30% based on consolidated financial results as the benchmark, the Company will consider further strengthening shareholder returns. While securing internal reserves necessary for future growth, such as for construction of vessels powered by new types of fuels, we intend to continue stable dividend payments with the aim of enhancing the Company's attractiveness for our shareholders and other stakeholders.

4) Investment Plan

In addition to the stable return business, we will steadily increase profits from our growth strategies and build up our operating cash flow by 2030, while keeping Net DER under 1.0 times, we will leverage our finances to invest at a scale approaching 300 billion yen, with the aim of strengthening return stability and achieving medium- to long-term returns growth. We will invest 215 billion yen in core businesses such as the replacement of existing vessels, 45 billion yen in environmental initiatives such as the conversion to methanol-fueled DF and the securing of stable biofuel supply, and 10 billion yen in human resource development and DX-related investments such as the establishment of a seafarer training center. Of this, we plan to invest 165 billion yen in the vessels powered by new types of fuels such as methanol-fueled DF vessels.

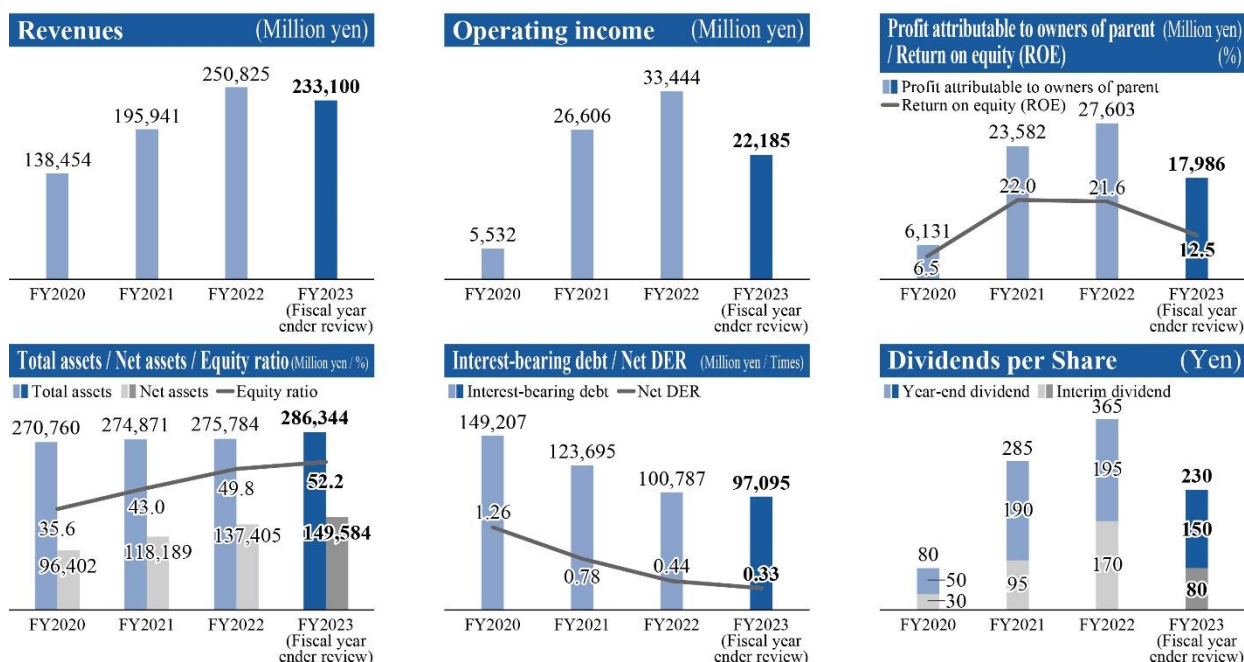
5) Action to Implement Management that is Conscious of Cost of Capital and Stock Price

In the course of recovering from the COVID-19 pandemic, the maritime shipping industry enjoyed a rising market. The Company achieved record high profits for two consecutive years in fiscal 2021 and fiscal 2022, and the Company's profit in fiscal 2023 reached the fourth highest level on a net income basis. Moreover, ROE exceeded 10% for the third consecutive year owing to rising profits. On the other hand, in a business environment where it is difficult to determine how to respond to decarbonization and what types of next-generation fuel-powered vessels will be mainstream, we have not obtained full understanding on our medium- to long-term profit stability and growth potential from the stock market.

Through the steady implementation of the medium-term business plan, we aim to enhance profit stability and achieve medium- to long-term profit growth. Our target is to achieve ROE of 10% or more, well above the cost of shareholders' equity of 7%, in fiscal 2030, while maintaining financial discipline. Moreover, we will disclose the progress of the medium-term business plan on a regular basis, engage in constructive dialogue with shareholders and investors, and consider further strengthening shareholder returns with a dividend payout ratio of 30% as the benchmark.

There are concerns that the business environment may change depending on future geopolitical risks and financial conditions, and that this may have an impact on marine cargo movements. We will pay close attention to such business risks and continue making unceasing group-wide efforts to achieve the targets of the medium-term business plan mentioned above. In these endeavors, we would like to ask our shareholders for their continued support.

(9) Trends in Assets and Income



		FY2020	FY2021	FY2022	FY2023 (Fiscal year under review)
Revenues	(Million yen)	138,454	195,941	250,825	233,100
Operating income	(Million yen)	6,736	26,711	32,487	21,601
Ordinary income	(Million yen)	5,532	26,606	33,444	22,185
Profit attributable to owners of parent	(Million yen)	6,131	23,582	27,603	17,986
Net income per share	(Yen)	260.17	1,000.67	1,171.29	763.20
Dividends per share	(Yen)	80	285	365	230
Total assets	(Million yen)	270,760	274,871	275,784	286,344
Net assets	(Million yen)	96,402	118,189	137,405	149,584
Equity ratio	(%)	35.6	43.0	49.8	52.2
Interest-bearing debt	(Million yen)	149,207	123,695	100,787	97,095
Net DER	(Times)	1.26	0.78	0.44	0.33
Return on equity (ROE)	(%)	6.5	22.0	21.6	12.5

Notes: 1. Amounts are rounded.

2. The amount of dividends per share for fiscal 2023 is the sum of the interim dividend paid in December 2023 and the dividend to be resolved at this Ordinary General Meeting of Shareholders.

(10) Material Subsidiaries (as of March 31, 2024)

Company name	Capital	Percentage of voting rights held by the Company	Principal business
NS United Naiko Kaiun Kaisha, Ltd.	718 million yen	100.00%	Coastal shipping business
NS United Coastal Tanker Kaisha, Ltd.	180 million yen	100.00%	Coastal shipping business
NS United Marine Service Corporation	20 million yen	100.00%	Seamen dispatching business, safety supervising, and supervising construction of new vessels
NS United Business Co., Ltd.	45 million yen	100.00%	General affairs and accounting agents
NS United Systems Co., Ltd.	50 million yen	100.00%	Development/maintenance of information systems

(11) Principal Business Locations (as of March 31, 2024)

The Company	Head office:	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo
	Representative offices:	China (Shanghai), Vietnam (Hai Phong)
	Overseas subsidiaries:	United Kingdom (London), United States (Connecticut), China (Hong Kong), Singapore, Philippines (Manila)
NS United Naiko Kaiun Kaisha, Ltd.	Head office:	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo
NS United Coastal Tanker Kaisha, Ltd.	Head office:	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo
NS United Marine Service Corporation	Head office:	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo
NS United Business Co., Ltd.	Head office:	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo
NS United Systems Co., Ltd.	Head office:	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo

Note: The Bangkok Office was opened on April 1, 2024.

(12) Employees (as of March 31, 2024)

1) The Group

Business classification	Number of employees	Change from the end of the previous fiscal year
International Shipping	244	Increase of 3
Coastal Shipping	371	Decrease of 11
Other	34	No change
Total	649	Decrease of 8

2) The Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average number of years of service
234	Increase of 2	40.17 years old	13.79 years

(13) Principal Lenders (as of March 31, 2024)

Lender	Outstanding borrowings
Development Bank of Japan Inc.	22,177 million yen
Mizuho Bank, Ltd.	20,558 million yen
The Norinchukin Bank	12,423 million yen
The Yamaguchi Bank, Ltd.	11,384 million yen
MUFG Bank, Ltd.	10,846 million yen

(14) Policy on Determination of the Dividends of Surplus

The Company has positioned returning of profits to shareholders as one of its important management policies. The Company's basic policy is to maintain sustainable dividend distribution in accordance with the Company's performance while securing internal reserves necessary to achieve stable corporate growth and to respond to changes in the business environment in the future. The Company will consider further strengthening shareholder returns with a benchmark payout ratio of 30% on a consolidated basis.

The Company's Articles of Incorporation stipulate that the Company may pay year-end dividends by resolution of the General Meeting of Shareholders and interim dividends by resolution of the Board of Directors.

(15) Other Important Matters regarding the Current Status of the Group

Not applicable.

2. Status of Shares (as of March 31, 2024)

- (1) Total number of shares authorized to be issued 60,000,000 shares
- (2) Total number of issued shares 23,970,679 shares
- (3) Number of shareholders 10,045 persons
- (4) Major shareholders (10 largest shareholders)

Shareholder name	Investment in the Company	
	Number of shares held (thousand shares)	Shareholding ratio (%)
NIPPON STEEL CORPORATION	7,861	33.36
Nippon Yusen Kabushiki Kaisha	4,324	18.35
The Master Trust Bank of Japan, Ltd. (trust account)	1,900	8.07
BNYM AS AGT/CLTS 10 PERCENT	860	3.65
Mizuho Bank, Ltd.	598	2.54
Hsin Chien Marine Co., Ltd.	504	2.14
Custody Bank of Japan, Ltd. (trust account)	363	1.54
Tokio Marine & Nichido Fire Insurance Co., Ltd.	273	1.16
STATE STREET BANK AND TRUST COMPANY 505001	261	1.11
STATE STREET BANK AND TRUST COMPANY 505223	221	0.94

- Notes:
- 1. The number of shares held is rounded down to the nearest thousand.
 - 2. The Company owns 404,939 treasury shares but is excluded from the major shareholders indicated above.
 - 3. Shareholding ratios are calculated excluding treasury shares.

3. Matters concerning Subscription Rights to Shares, etc. of the Company

As of March 31, 2024, the Company has not issued any subscription rights to shares.

4. Company Officers

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2024)

Position at the Company	Name	Responsibilities and significant concurrent positions
President, Representative Director and President Executive Officer	Kazuma Yamanaka	
Director and Senior Managing Executive Officer	Noriko Miyamoto	In charge of the General Affairs Group and the Project Group and Internal Control
Director and Managing Executive Officer	Naruhiko Miyai	In charge of the Tramp Chartering Group and the Near Sea Group
Director and Managing Executive Officer	Toru Fujita	In charge of the Safety Management Group, Ship Management Group and Environment Conservation Promotion Group, and Group leader of the Environment Conservation Promotion Group
Director and Managing Executive Officer	Shinichi Kitazato	In charge of the Finance and Accounting Group, IR, Digital Transformation, and Promotion of Business Structure Reform
Director, Senior Advisor	Kazuo Tanimizu	
Director	Setsu Onishi	
Director	Ryuko Inoue	Attorney-at-law, Atsumi & Sakai Member of Employers Committee of Central Labor Relations Commission Outside Director of Cosmo Energy Holdings Co., Ltd.
Director	Masako Yoshida	Outside Director of Matsuya Co., Ltd. Audit & Supervisory Board Member of Tokio Marine Millea SAST Insurance Co., Ltd.
Audit & Supervisory Board Member (full-time)	Masanori Ando	
Audit & Supervisory Board Member (part-time)	Yasuhito Mitani	Counselor of Fukoku Mutual Life Insurance Company
Audit & Supervisory Board Member (part-time)	Shohei Yamamoto	Advisor of Nippon Yusen Kabushiki Kaisha
Audit & Supervisory Board Member (part-time)	Jiro Kobayashi	Director and Senior Managing Executive Officer of Nippon Denko Co., Ltd.

- Notes:
1. Directors Setsu Onishi, Ryuko Inoue and Masako Yoshida are outside Directors. Setsu Onishi, Ryuko Inoue and Masako Yoshida are independent officers as provided for by the Tokyo Stock Exchange.
 2. Audit & Supervisory Board Members Masanori Ando, Yasuhito Mitani, Shohei Yamamoto and Jiro Kobayashi are outside Audit & Supervisory Board Members. Yasuhito Mitani is an independent officer as provided for by the Tokyo Stock Exchange.
 3. Audit & Supervisory Board Member Yasuhito Mitani has many years of experience in finance and accounting operations at Development Bank of Japan Inc. and has considerable knowledge of finance and accounting.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Directors Setsu Onishi, Ryuko Inoue and Masako Yoshida and Audit & Supervisory Board Members Masanori Ando, Yasuhito Mitani, Shohei Yamamoto and Jiro Kobayashi to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the sum of the amounts specified in each item of Article 425, paragraph (1) of the same Act, provided that they perform their duties in good faith and without gross negligence.
 5. Directors Masahiro Samitsu, Masayuki Kinoshita and Isamu Nakamura retired from their positions due to expiration of their terms of office and Audit & Supervisory Board Member Yoshifumi Nakata resigned from his position at the conclusion of the 97th Ordinary General Meeting of Shareholders held on June 28, 2023.
 6. Audit & Supervisory Board Member Jiro Kobayashi was an Executive Officer of NIPPON STEEL CORPORATION until his retirement from office on March 27, 2024. He assumed office of Director and Senior Managing Executive Officer of Nippon Denko Co., Ltd. on March 28, 2024.

(2) Summary of the Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover losses such as amount of legal indemnification and litigation expenses that may be incurred by insureds, due to claims for damages (including shareholder derivative suits) during the insurance period arising from the performance of their duties as officers.

The insureds under the policy are Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and Directors and Audit & Supervisory Board Members of NS United Naiko Kaiun Kaisha, Ltd. and of NS United Coastal Tanker Kaisha, Ltd., which are the Company's subsidiaries. The full amount of the insurance premiums is borne by the Company and the above-mentioned subsidiaries. In order to ensure that the officers who are the insureds perform their duties properly, the policy provides for a deductible amount and also provides that it does not cover damages arising from criminal acts of the insured or damages arising from acts committed by the insured with the knowledge that the act is in violation of laws and regulations.

(3) Summary of the Indemnity Agreements

The Company has entered into indemnity agreements as provided for in Article 430-2, paragraph (1) of the Companies Act with Directors Kazuma Yamanaka, Noriko Miyamoto, Naruhiko Miyai, Toru Fujita, Shinichi Kitazato, Kazuo Tanimizu, Setsu Onishi, Ryuko Inoue and Masako Yoshida, and Audit & Supervisory Board Members Masanori Ando, Yasuhito Mitani, Shohei Yamamoto and Jiro Kobayashi under which the Company promises to indemnify them for the expenses and the loss set forth in (i) and (ii), respectively, of the said paragraph to the extent provided for by laws and regulations. However, in order to ensure the appropriateness of the performance of duties by the officers who are the indemnitees, the agreements provide that the Company shall not be obligated to indemnify the indemnitees for expenses incurred in the event that the Company files a claim against the indemnitees concerning the liability (excluding shareholder derivative suits) or for losses incurred in the event that the indemnitees have acted in bad faith or are grossly negligent in the performance of their duties, etc.

(4) Compensation of Directors and Audit & Supervisory Board Members

1) Policy for Determining the Details of Executive Compensation, etc.

At a meeting of the Board of Directors held on February 26, 2021, the Company resolved a policy for determining the details of compensation, etc. of individual Directors. Prior to the resolution by the Board of Directors, the Board of Directors consulted the Nomination and Compensation Advisory Committee on the details of the matters to be resolved and received its advice.

Regarding compensation, etc. of individual Directors for the fiscal year under review, the Board of Directors confirmed that the method of determining the details of compensation, etc. and the determined details of compensation, etc. are consistent with the determination policy resolved by the Board of Directors and that the opinion submitted by the Nomination and Compensation Advisory Committee is respected, and believes that the details of compensation, etc. of individual Directors are in line with such determination policy.

The policy for determining the details of compensation, etc. of individual Directors is as described below.

a. Basic approach for compensation of Directors

I. Objectives and basic approach

- (1) To contribute to medium-to long-term enhancement of corporate value
- (2) To meet the fiduciary responsibility for shareholders
- (3) To help secure human resources.

II. Basic principles of the compensation determination policy

- (1) Compensation for Directors is designed to ensure consistency with management strategies so that it functions sufficiently as a sound incentive to enhance corporate value. Specifically, the compensation consists of fixed compensation and performance-based compensation that appropriately reflects the short-term financial results as well as the progress of management over the medium- to long- term.
- (2) In order to emphasize the shareholder perspective, compensation to be paid in cash and share purchase compensation (compensation paid in cash for Directors to contribute to the Directors' shareholding association and purchase shares through this shareholding

association) shall be combined.

- (3) Fixed compensation shall be the same amount for the same position, and the consistency with the general standard shall be taken into consideration in determining the amount.
- (4) The Nomination and Compensation Advisory Committee shall be utilized to ensure fairness and transparency in determining the compensation structure and specific levels for each year.
- (5) Consideration shall be given to the balance with employees' compensation and industry trends.

b. Policy on fixed compensation

Fixed compensation shall be paid in cash each month, with a standard amount established based on the Director's position, taking into consideration the capabilities and responsibilities required of Directors in the shipping industry as well as the consistency with the general standard and the difference from employees' compensation.

Outside Directors responsible for supervisory functions shall only receive fixed compensation in light of their duties.

c. Policy on performance-based compensation

I. Performance-based executive bonuses:

In order to provide incentives for maintaining and improving the earnings power, bonuses linked to dividends per share for each term shall be paid in cash at certain times each year as compensation linked to short-term performance. This is based on dividend policies and the assumption of paying a certain percentage or more of special allowances (bonuses) to employees. However, an amount exceeding a certain amount of performance-based executive bonuses shall be paid as share purchase compensation.

II. Share purchase compensation:

Share purchase compensation linked to the degree of achievement of the medium-term business plan and the amount of increase in corporate value (stock value) shall be paid in cash in equal monthly installments over the term of office as compensation linked to medium- and long-term performance. Specifically, it will be calculated based on the degree of achievement of performance indicators targeted by the medium-term business plan, such as operating income and return on equity (ROE), as well as overall evaluation that reflects the Company's market capitalization and performance concerning safe operation. Directors provide amounts equivalent to the share purchase compensation they receive to the Directors' shareholding association and purchase stocks through this shareholding association. When a new medium-term business plan is formulated, the calculation method, such as that for target performance indicators, etc. shall be reviewed.

d. Policy on the composition of compensation, etc.

The ratios of fixed compensation, performance-based bonuses and share purchase compensation shall be set to appropriately reflect short-term performance and progress toward medium- and long-term management targets as incentives for enhancing corporate value, based on the general standard and structure of compensation of the shipping industry and companies in related industries and business categories. Performance-based compensation, which consists of performance-based executive bonuses and share purchase compensation, is designed to account for a maximum of roughly one-third of total compensation.

e. Policy on timing and conditions for granting compensation, etc.

This policy concerning fixed compensation is described in b. above and that concerning performance-based executive bonuses and share purchase compensation is described in c. above.

f. Matters concerning delegation of authority to determine compensation, etc.

Since the Company determines the amount of compensation of individual Directors and the policy on the payment method in b, c, and d above and the specific calculation method is stipulated in the internal regulations for executive compensation, no matters are delegated to Directors or other third parties.

g. Method of determining the details of compensation of individual Directors

Compensation, etc. of Directors shall be finally determined by resolution of the Board of Directors, based on the opinion and advice of the Nomination and Compensation Advisory Committee. The scope of discretion shall be within the scope of the resolution of the General Meeting of Shareholders.

2) Compensation, etc. of Directors for the Fiscal Year under Review

Classification	Total amount of compensation, etc. (Million yen)	Total amount of compensation, etc. by type					
		Fixed compensation (Million yen)	No. of eligible persons	Performance-based compensation			
				Bonuses (Million yen)	No. of eligible persons	Share purchase compensation (Million yen)	No. of eligible persons
Directors (for outside Directors)	280 (31)	205 (31)	12 (5)	30 -	6 -	45 -	6 -
Audit & Supervisory Board Members (for outside Audit & Supervisory Board Members)	45 (40)	45 (40)	4 (3)	- -	- -	- -	- -
Total	326	250	16	30	6	45	6

Notes: 1. The amount of fixed compensation indicated in the table above is the actual amount paid for the fiscal year under review. The numbers of eligible persons include three out of four Directors and one Audit & Supervisory Board Member who retired at the conclusion of the 97th Ordinary General Meeting of Shareholders held on June 28, 2023 and amounts stated include the amounts paid to them. One Director who retired is not included because he received no remuneration. One Audit & Supervisory Board Member who is in office but receives no remuneration is also not included.

2. Payment of the above performance-based compensation (bonuses and share purchase compensation) is scheduled to be resolved at the meeting of the Board of Directors to be held on June 26, 2024.

3. Results of the performance indicators used as the basis for calculation of the above performance-based compensation are as follows.

Fiscal year ended March 31, 2024

• Consolidated operating income	Target: 10 billion yen	Result: 21.6 billion yen
• Return on equity (ROE)	Target: 10%	Result: 12.5%

4. The number of eligible persons for the above performance-based compensation includes two Directors who are Internal Director of the Company in office as of March 31, 2024 and is scheduled to retire at the conclusion of the 98th Ordinary General Meeting of Shareholders to be held on June 26, 2024.

5. All compensation of Directors and Audit & Supervisory Board Members is monetary compensation and there is no non-monetary compensation.

6. The details of the performance indicators used as the basis for calculating performance-based compensation, the reasons for their selection, and the calculation method of performance-based compensation are determined as described in 1) and c. "Policy on performance-based compensation."

7. The total amount of compensation was resolved at the 81st Ordinary General Meeting of Shareholders held on June 28, 2007 to be "up to 400 million yen per year" for Directors and "up to 100 million yen per year" for Audit & Supervisory Board Members. As of the conclusion of the said General Meeting of Shareholders, the number of Directors was 8 and the number of Audit & Supervisory Board Members was 4.

(5) Matters concerning Outside Officers

1) Significant Concurrent Positions Held at Other Companies and Relationship between Such Companies and the Company

Outside Audit & Supervisory Board Member Shohei Yamamoto is an Advisor of Nippon Yusen Kabushiki Kaisha, which is a major shareholder of the Company, with a shareholding ratio of 18.35%. Outside Audit & Supervisory Board Member Jiro Kobayashi was an Executive Officer of NIPPON STEEL CORPORATION until his retirement from office on March 27, 2024. NIPPON STEEL CORPORATION is a major shareholder of the Company, with a shareholding ratio of 33.36% and a major business partner. There are no special relationships between the Company and other companies where other outside Directors and outside Audit & Supervisory Board Members hold concurrent positions.

2) Major Activities during the Fiscal Year under Review

		Status of attendance, stating of opinions, and summary of duties performed with respect to the role expected of outside Directors
Outside Director (Independent Officer)	Setsu Onishi	<p>Setsu Onishi attended all the 14 Board of Directors meetings held during the fiscal year under review and vigorously stated opinions and provided suggestions on many agenda items. As an independent outside Director, he is expected to fulfill a role in the supervision of the Company's business execution, etc., based on his extensive experience and a wide range of knowledge cultivated through his participation in management of financial institutions. He fulfilled an appropriate role to ensure fair and proper decision-making such as by providing supervision and advice on the Company's management from an expert perspective, well versed in corporate finance and overall management.</p> <p>As a member of the Nomination and Compensation Advisory Committee, he attended all the 4 committee meetings held during the fiscal year under review. He is leading the supervisory function in the process of selecting candidates for the Company's officers and determining executive compensation, etc., from an objective and neutral standpoint.</p>
Outside Director (Independent Officer)	Ryuko Inoue	<p>Ryuko Inoue attended all the 10 Board of Directors meetings held during the fiscal year under review after she assumed office on June 28, 2023 and vigorously stated opinions and provided suggestions on many agenda items. As an independent outside Director, she is expected to fulfill a role in the supervision of the Company's business execution, etc., based on her extensive experience and a wide range of knowledge cultivated through her career at the Ministry of Agriculture, Forestry and Fisheries and as an attorney-at-law. She fulfilled an appropriate role to ensure fair and proper decision-making such as by providing supervision and advice on the Company's management from an expert perspective, particularly well versed in corporate governance.</p> <p>As a member of the Nomination and Compensation Advisory Committee, she attended all the 3 committee meetings held during the fiscal year under review after she assumed office on June 28, 2023. She is leading the supervisory function in the process of selecting candidates for the Company's officers and determining executive compensation, etc., from an objective and neutral standpoint.</p>

		Status of attendance, stating of opinions, and summary of duties performed with respect to the role expected of outside Directors
Outside Director (Independent Officer)	Masako Yoshida	<p>Masako Yoshida attended all the 10 Board of Directors meetings held during the fiscal year under review after she assumed office on June 28, 2023 and vigorously stated opinions and provided suggestions on many agenda items. As an independent outside Director, she is expected to fulfill a role in the supervision of the Company's business execution, etc., based on her extensive experience and a wide range of knowledge cultivated through her involvement in management of a financial institution. She fulfilled an appropriate role to ensure fair and proper decision-making such as by providing supervision and advice on the Company's management from an expert perspective, particularly well versed in overall corporate management.</p> <p>As a member of the Nomination and Compensation Advisory Committee, she attended all the 3 committee meetings held during the fiscal year under review after she assumed office on June 28, 2023. She is leading the supervisory function in the process of selecting candidates for the Company's officers and determining executive compensation, etc., from an objective and neutral standpoint.</p>
Outside Audit & Supervisory Board Member	Masanori Ando	<p>Masanori Ando attended all the 14 Board of Directors meetings and all the 15 Audit & Supervisory Board meetings held during the fiscal year under review and stated opinions as necessary on deliberations. As an outside Audit & Supervisory Board Member and as a full-time Audit & Supervisory Board Member, he receives reports from the internal audit department and audits execution of duties by Directors, including the internal control system.</p>
Outside Audit & Supervisory Board Member (Independent Officer)	Yasuhito Mitani	<p>Yasuhito Mitani attended all the 14 Board of Directors meetings and all the 15 Audit & Supervisory Board meetings held during the fiscal year under review and stated opinions as necessary on deliberations. As an independent outside Audit & Supervisory Board Member, he receives reports from full-time Audit & Supervisory Board Members or from the internal audit department and audits execution of duties by Directors, including the internal control system.</p>
Outside Audit & Supervisory Board Member	Shohei Yamamoto	<p>Shohei Yamamoto attended all the 14 Board of Directors meetings and all the 15 Audit & Supervisory Board meetings held during the fiscal year under review and stated opinions as necessary on deliberations. As an outside Audit & Supervisory Board Member, he receives reports from full-time Audit & Supervisory Board Members or from the internal audit department and audits execution of duties by Directors, including the internal control system.</p>

		Status of attendance, stating of opinions, and summary of duties performed with respect to the role expected of outside Directors
Outside Audit & Supervisory Board Member	Jiro Kobayahi	Jiro Kobayahi attended all the 10 Board of Directors meetings and 9 of 10 Audit & Supervisory Board meetings held during the fiscal year under review after he assumed office on June 28, 2023 and stated opinions as necessary on deliberations. As an outside Audit & Supervisory Board Member, he receives reports from full-time Audit & Supervisory Board Members or from the internal audit department and audits execution of duties by Directors, including the internal control system.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2024)

(Million yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	106,930	Current liabilities	52,430
Cash and deposits	37,069	Trade notes and accounts payable	14,538
Trade notes, accounts receivable, and contract assets	35,648	Short-term borrowings	21,278
Securities	10,000	Accounts payable – other	881
Inventories	13,929	Accrued expenses	309
Prepaid expenses	5,840	Income taxes payable	1,850
Other current assets	4,450	Contract liabilities	6,075
Allowance for doubtful accounts	(6)	Provision for bonuses	699
Fixed assets	179,414	Provision for bonuses for directors (and other officers)	80
Tangible fixed assets	166,929	Other current liabilities	6,719
Vessels	164,057	Non-current liabilities	84,330
Buildings	259	Long-term borrowings	75,817
Land	397	Deferred tax liabilities	971
Construction in progress	1,912	Provision for special repairs	7,379
Other tangible fixed assets	304	Retirement benefit liability	163
Intangible fixed assets	1,351	Other non-current liabilities	-
Investments and other assets	11,134	Total liabilities	136,759
Investment securities	5,642	Net assets	
Long-term loans receivable	9	Shareholders' equity	147,633
Deferred tax assets	3,255	Common stock	10,300
Retirement benefit asset	1,673	Capital surplus	17,181
Other long-term assets	555	Retained earnings	121,150
		Treasury stock, at cost	(998)
		Accumulated other comprehensive income	1,951
		Unrealized gains (losses) on securities	2,445
		Deferred gains (losses) on hedges	(194)
		Foreign currency translation adjustment	(226)
		Accumulated remeasurements of defined benefit plans	(75)
		Total net assets	149,584
Total assets	286,344	Total liabilities and net assets	286,344

Consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Million yen)

Description	Amount
Revenues	
Shipping business revenue and other operating revenue	233,100
Operating expenses	
Shipping business expenses and other operating expenses	204,079
Gross profit	29,022
General and administrative expenses	7,420
Operating income	21,601
Non-operating income	2,518
Interest income	12
Dividend income	237
Share of profit of entities accounted for using equity method	28
Foreign exchange gains	1,907
Gain on derivatives	123
Other	212
Non-operating expenses	1,934
Interest expenses	1,585
Loss on derivatives	339
Other	10
Ordinary income	22,185
Extraordinary income	310
Gain on sales of fixed assets	251
Gain on sales of investment securities	59
Profit before income taxes	22,496
Income taxes – current	3,684
Income taxes for prior periods	989
Income taxes – deferred	(163)
Profit	17,986
Profit attributable to owners of parent	17,986

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Million yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	104,077	Current liabilities	30,213
Cash and deposits	27,600	Accounts payable – shipping	11,216
Accounts receivable – shipping and contract assets	28,029	Short-term borrowings	2,265
Short-term loans receivable from subsidiaries and associates	17,404	Accounts payable – other	159
Advances paid	1,875	Accrued expenses	155
Securities	10,000	Income taxes payable	1,359
Inventories	12,510	Contract liabilities	5,936
Prepaid expenses	4,603	Deposits received	6,522
Accounts receivable form agents	1,580	Debt for agency	1,980
Consumption taxes refund receivable	264	Provision for bonuses	376
Other current assets	219	Provision for bonuses for directors (and other officers)	36
Allowance for doubtful accounts	(6)	Other current liabilities	209
Fixed assets	78,178	Non-current liabilities	14,750
Tangible fixed assets	8,132	Long-term borrowings	11,133
Vessels	7,344	Deferred tax liabilities	338
Buildings	214	Provision for loss on charter contracts of subsidiaries and associates	3,222
Land	396	Other non-current liabilities	57
Other tangible fixed assets	178	Total liabilities	44,963
Intangible fixed assets	1,327	Net assets	
Intangible assets related to contracts	1,065	Shareholders' equity	135,033
Other intangible fixed assets	263	Common stock	10,300
Investments and other assets	68,718	Capital surplus	15,933
Investment securities	1,391	Legal capital surplus	2,524
Shares of subsidiaries and associates	6,175	Other capital surplus	13,409
Investments in capital	0	Retained earnings	109,798
Long-term loans receivable	9	Legal retained earnings	2,105
Long-term loans receivable from subsidiaries and associates	59,219	Other retained earnings	107,693
Prepaid pension costs	1,488	General reserve	18,000
Other long-term assets	435	Retained earnings brought forward	89,693
		Treasury stock, at cost	(998)
		Valuation and translation adjustments	2,259
		Unrealized gains (losses) on securities	2,254
		Deferred gains (losses) on hedges	6
Total assets	182,255	Total net assets	137,292
		Total liabilities and net assets	182,255

Non-consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Million yen)

Description	Amount
Shipping business revenue	204,617
Freight and other	190,515
Ship lease	12,887
Other shipping business revenue	1,215
Shipping business expenses	181,529
Navigation expenses	83,417
Ship expenses	1,793
Ship rental fees	94,856
Other shipping business expenses	1,462
Shipping business profit	23,088
General and administrative expenses	5,408
Operating income	17,680
Non-operating income	3,468
Interest income	459
Dividend income	497
Foreign exchange gains	2,350
Other	163
Non-operating expenses	569
Interest expenses	225
Loss on derivatives	339
Other	4
Ordinary income	20,580
Extraordinary income	59
Gain on sales of investment securities	59
Profit before income taxes	20,639
Income taxes – current	2,826
Income taxes for prior periods	989
Income taxes – deferred	134
Profit	16,691

Independent Auditor's Report

May 21, 2024

The Board of Directors
NS UNITED KAIUN KAISHA, Ltd.

Ernst & Young ShinNihon LLC Tokyo, Japan

Koki Yamamoto
Designated Engagement Partner Certified Public Accountant

Akiko Yamanaka
Designated Engagement Partner Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of NS UNITED KAIUN KAISHA, Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedule. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Board Members and the Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern. The Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Board Members and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

TRANSLATION

We also provide the Audit and Supervisory Board Members and the Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

May 21, 2024

The Board of Directors
NS UNITED KAIUN KAISHA, Ltd.

Ernst & Young ShinNihon LLC Tokyo, Japan

Koki Yamamoto
Designated Engagement Partner Certified Public Accountant

Akiko Yamanaka
Designated Engagement Partner Certified Public Accountant

Opinion

Pursuant to Article 436, Section 2, paragraph 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements, and supplementary schedules thereto (hereinafter collectively the “non-consolidated financial statements, etc.”) of NS UNITED KAIUN KAISHA, Ltd. (the Company) applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying non-consolidated financial statements, etc. present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's business report and its supplementary schedule. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the non-consolidated financial statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

non-consolidated financial statements, etc. or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Board Members and the Audit and Supervisory Board for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern. The Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc.

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements, etc. or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the disclosures, and whether the non-consolidated financial statements, etc. represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
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We communicate with the Audit and Supervisory Board Members and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board Members and the Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

TRANSLATION

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provision

AUDIT REPORT

May 22, 2024

Mr. Kazuma Yamanaka
 President and Representative Director
 NS United Kaiun Kaisha, Ltd.

The Audit & Supervisory Board of NS United Kaiun Kaisha, Ltd.	
Outside Full-time Audit & Supervisory Board Member	Masanori Ando
Outside Audit & Supervisory Board Member	Yasuhito Mitani
Outside Audit & Supervisory Board Member	Shohei Yamamoto
Outside Audit & Supervisory Board Member	Jiro Kobayashi

With respect to the Directors' execution of their duties during the fiscal year from April 1, 2023 to March 31, 2024, the Audit & Supervisory Board has prepared this Audit Report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member. We hereby report as follows:

1. Method and Contents of Audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board has established the audit policies, division of duties, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audit and results thereof. In addition, we have received reports from the Directors, etc. and the Financial Auditor regarding the status of execution of their duties, and requested their explanations as necessary.

(2) In conformity with the Audit & Supervisory Board Member auditing standards established by the Audit & Supervisory Board, in accordance with the audit policies, division of duties, etc., and while utilizing the telephone or the Internet and other means, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, Executive Officers, the internal audit division and other employees, etc. of the Company, endeavored to collect information and maintain and improve the audit environment, and conducted an audit by following the methods described below:

- 1) Each Audit & Supervisory Board Member has attended the Board of Directors meetings and other important meetings, received reports on the status of execution of duties from the Directors, Executive Officers and other employees and requested explanations as necessary, examined important approval/decision documents, and investigated the status of operations and assets of the headquarters and other major business sites. Moreover, with respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary, and received reports on their respective businesses from the subsidiaries as necessary.
- 2) Each Audit & Supervisory Board Member received regular reports from Directors, Executive Officers and employees, requested explanations as necessary, and conveyed their views, regarding the contents of deliberations at Board of Directors meetings and the framework and operational status of systems (internal control systems) established on the basis of resolutions thereof to establish systems to ensure that Directors perform their duties specified in the business report in compliance with relevant laws and regulations and the Articles of Incorporation, and other systems set forth in Article 100, paragraphs (1) and (3), of the Regulation for Enforcement of the Companies Act as being necessary for ensuring that business of the corporate group comprised of the stock company and its subsidiaries is carried out in a manner appropriate to a joint stock company (kabushiki kaisha).

In addition, with regard to the internal controls for financial reporting, we received reports from the Directors, etc., and the Financial Auditor regarding the evaluation of the said internal controls and the auditing activities, and requested explanations as necessary.

- 3) Each Audit & Supervisory Board Member monitored and verified whether the Financial Auditor maintained its independence and properly conducted its audit, received a report from the Financial Auditor on the status of its execution of duties, and requested explanations as necessary. Each Audit

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& Supervisory Board Member was notified by the Financial Auditor that it had established “systems for ensuring appropriate execution of its duties” (in each item listed in Article 131 of the Regulation on Corporate Accounting) in accordance with the “Quality Control Standards for Audits” (October 28, 2005, Business Accounting Council), and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- 1) We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation.
- 2) We acknowledge that no misconduct or violations of laws and regulations, or the Articles of Incorporation was found with respect to the Directors’ execution of their duties.
- 3) We acknowledge that the Board of Directors’ resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the descriptions of the business report and the Director’s execution of their duties regarding the internal control system including the internal controls for financial reporting.

(2) Results of Audit of Non-consolidated Financial Statements and the Supplementary Schedules Thereto

We acknowledge that the methods and results of audit performed by the Financial Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Financial Auditor, Ernst & Young ShinNihon LLC, are appropriate.