



March 29, 2012

### **Announcement on Early Cancellation of Time Charter**

Listed company name: NS UNITED KAIUN KAISHA, LTD.  
Code Number: 9110  
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We hereby announce that, on March 23 2012, the Board of Directors has decided for an early cancellation of a time charter agreed between NS United Kaiun Kaisha and a foreign shipowner (Third-Party). The cancellation has been approved by the shipowner, thus extraordinary loss will be appropriated in 4<sup>th</sup> Quarter of Fiscal Year ending March 2012, as below;

#### 1. Reason of Early Cancellation

Regarding surrounding business environment, improvement in profitability is expected by the current fall in exchange rate of yen. However, the dry bulk market continues to shift at low levels and further rise in fuel price has been observed, resulting in harsh conditions for the whole shipping industry. Such unstable condition in the dry bulk market is forecasted to last several years, given the excessive tonnage supply from mass completion of new vessels.

Under such conditions, we have reviewed the competitiveness of our fleet and in order to improve future profitability, we have been negotiating with the shipowner for an early cancellation of time charter agreed at high rates. An agreement has been reached at conditions below.

#### 2. Conditions for Early Cancellation

Redelivery Date : Around 29 April, 2012

Cancellation Fee : Approximately 2,700 Million Yen\*

The Shipowner : Confidential under their intention

\*Settled in U.S. Dollar and the exact amount subject to fluctuation in accordance with date of redelivery

#### 3. Effect on Results

Above amount will be appropriated as extraordinary loss in 4<sup>th</sup> Quarter of Fiscal Year ending March 2012. Meanwhile, its impact on the results is being examined and it shall be announced promptly if a revision is necessary.