



February 28, 2013

Announcement on Early Cancellation of Time Charter

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NS United Kaiun Kaisha, Ltd. (hereinafter referred to as “NSU”), announces that its Board of Directors had resolved on January 31, 2013, for early cancellation of a time charter agreed between NSU and a foreign shipowner (Third Party), and the owner confirmed their acceptance in February 2013, which result in appropriation of extraordinary loss in the 4th Quarter of Fiscal Year ending March 2013, as follows;

1. Reason for early cancellation

Regarding surrounding business environment, improvement in profitability is hoped by the falling exchange rate of yen. However, the dry bulk market continues to keep at low levels, resulting in harsh conditions for the shipping industry. The mass completion of new vessels is observed to have passed its peak, but the market is forecasted to remain unstable due to excessive tonnage and demand imbalance.

Under such circumstances, we reviewed the competitiveness of our fleet and in order to improve future profitability, and cancelled two time charters agreed at high rate, as announced on December 26, 2012. In view of further strengthening competitiveness, we have been negotiating with a shipowner for early cancellation of another time charter and an agreement has been reached at conditions below.

2. Conditions for early cancellation

Redelivery date : April 2013
Cancellation fee : Approximately 2,400 million yen
(Amount may vary depending on actual redelivery date)
The shipowner : Confidential under their intention

3. Effect on results

The impact of above cancellation to the results has already been accounted for in “Financial Highlights for the Fiscal Year ending March 2013” and “Revision of Operating Performance Forecast and Dividend Distribution Forecast”, announced on January 31, 2013.