



News

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Appropriation of Extraordinary Loss and Revision of Operating Performance Forecast

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Appropriation of Extraordinary Loss

NS United Kaiun Kaisha, Ltd. (hereinafter referred to as “NSU”) cancelled 3 time charters during the 3rd and 4th Quarter of the Fiscal Year ended March 2013 in order to improve future profitability. NSU hereby announces that it has reached an agreement for early cancellation of another time charter agreed between NSU and a foreign shipowner (Third Party) in view of further strengthening competitiveness. As a consequence, the cancellation fee of approximately 4,100 Million Yen will be appropriated as extraordinary loss in the 4th Quarter of the Fiscal Year ended March 2013.

Adding to the above cancellation, impairment of NSU group owned assets (vessels) has become highly probable in course of settling accounts for the 4th Quarter of the Fiscal Year ended March 2013. Value to be impaired is estimated to be around 9,600 Million Yen as of end of March. The exact amount remains uncertain to this date and shall be announced later.

The operating performance forecast for the full Fiscal Year ending March 2014 is scheduled to be announced on April 30 along with financial highlights for the Fiscal Year ended March 2013. The effect of improvements due to cancellation of 4 time charters, including the one announced above, and impairment of assets will be accounted for in the forecast.

Revision of Operating Performance Forecast

Revision of consolidated operating performance forecast for the fiscal year ended March 2013 (April 1, 2012 through March 31, 2013)

| | Revenue (Loss) (Millions of Yen) | Operating Income (Loss) (Millions of Yen) | Ordinary Income (Loss) (Millions of Yen) | Net Income (Loss) (Millions of Yen) | Net Income (Loss) per share (Yen) |
|---|---|---|--|--|--|
| Previous forecast (A) | 130,000 | (400) | (200) | (3,800) | (16.47) |
| Revised forecast (B) | 130,000 | 900 | 2,100 | (16,500) | (71.51) |
| Change (B-A) | 0 | 1300 | 2,300 | (12,700) | (55.04) |
| Percentage change (%) | 0.00 | — | — | — | |
| Reference: Previous Fiscal Period (for the Year Ended March 2012) | 135,044 | 1,627 | 496 | (914) | (3.96) |

Reason for forecast revision

As to the forecast for the full Fiscal Year, the previous forecast announced on January 31, 2013 took the decline in the dry bulk shipping market after December 2012 into count. Although the market for larger vessels remained dull, the effects of efficient vessel operation and the weakening of the Yen, reaching the rate of over 96 Yen per US Dollar compared to the prerequisite for the 4th Quarter of 90 yen per US Dollar, had shown, improving the forecasts for operating and ordinary income/loss and resulting in positive balance.

As to the net income, effects of above appropriation of extraordinary loss has been accounted for and shall therefore be revised downwards.