

Note: This document is translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The original Japanese text of the Notice of 97th Ordinary General Meeting of Shareholders should be available to foreign shareholders at their respective sub-custodians in Japan. Please contact your custodian with your voting instructions.



**NS United Kaiun Kaisha, Ltd.**

# **Notice of the 97th Ordinary General Meeting of Shareholders**

**NS United Kaiun Kaisha, Ltd.**

**The social gathering event after the meeting will not be held and no souvenirs will be provided after the meeting.**

## Greetings to Shareholders

We would like to express our sincere gratitude to you 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 trusted and high-quality marine transportation services. In fiscal 2022, the outlook for the global economy became increasingly uncertain owing to soaring resource and energy prices and a shift in monetary policy in various countries in response to ongoing global inflation. The dry bulk market experienced a significant decline temporarily in the latter half of the fiscal year, as the shipping tonnage supply-demand balance eased owing to the slowdown of the global economy and the elimination of demurrage, reflecting the relaxation of quarantine control concerning COVID-19 at ports. In these circumstances, the Company was able to achieve record profit for the second consecutive year, supported by stable earnings from long-term contracts and the progressive depreciation of the yen during the year.

In accordance with the “Basic Sustainability Policy” and our Purpose (corporate mission statement), “Through Marine Transportation, We Will Work Together to Shape the World Today and Create a Sustainable Future,” formulated in 2021, we are promoting environmental, social and governance (ESG) initiatives. As well as promoting research for implementation of vessels that use next-generation fuels, we are pursuing initiatives to strengthen internal resources, including the revision of our personnel system with the aim of enhancing employee engagement. Basing our management on the value model of sustainability, we will continue our efforts to enhance our corporate value from the ESG perspective.

It is our hope that all shareholders will provide even more support, encouragement and cooperation.

June 2023



Kazuo Tanimizu  
President and Representative Director

Securities code: 9110

June 7, 2023

(Date of commencement of electronic provision measures: May 31, 2023)

To our shareholders:

Kazuo Tanimizu, President and Representative Director  
**NS UNITED KAIUN KAISHA, LTD.**  
5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo

## Notice of the 97th Ordinary General Meeting of Shareholders

We are pleased to announce that the 97th 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 97th Ordinary General Meeting of Shareholders.” Please visit any of the websites to review the information.

The Company’s website General Shareholders’ Meeting	<a href="https://www.nsuship.co.jp/en/ir/library/general_meeting/">https://www.nsuship.co.jp/en/ir/library/general_meeting/</a>
Tokyo Stock Exchange website TSE Listed Company Search	<a href="https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show">https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show</a>
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	<a href="https://d.sokai.jp/9110/teiji/">https://d.sokai.jp/9110/teiji/</a> (in Japanese)

Please exercise your voting rights either in writing or via the internet by 5:00 p.m. on Tuesday, June 27, 2023 (JST).

In attending this general meeting of shareholders, from the perspective of preventing the spread of the novel coronavirus disease (COVID-19), you are kindly requested to take into account the situation concerning the epidemic as of the date of the meeting and your own state of health, and to take precautions to prevent infection.

- 1. Date and time** Wednesday, June 28, 2023 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, 2022 to March 31, 2023
2. The Non-consolidated Financial Statements for the fiscal year from April 1, 2022 to March 31, 2023

**Matters to be resolved**

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of Nine Directors
- Proposal No. 3** Election of Two 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 both 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 each of the 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 each of the websites indicated above pursuant to laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation.
  - (i) "Status of Financial Auditor" and "System to Ensure the Appropriateness of Operations and the Status of its Implementation" sections of the Business Report
  - (ii) "Consolidated Statement of Changes in Net Assets," and "Notes to Consolidated Financial Statements" sections of the Consolidated Financial Statements; (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

Therefore, these documents are part of the documents that have been audited by the Financial Auditor and the Audit & Supervisory Board Members to prepare their respective audit reports.

■ Notice of Discontinuation of Sending Notice of Resolutions of the Ordinary General Meeting of Shareholders

The Company used to send a "Notice of Resolutions of the Ordinary General Meeting of Shareholders" to shareholders after the ordinary general meeting of shareholders to inform them of what was resolved at the meeting. However, from the viewpoint of reducing environmental impact by promoting the shift to paperless operations, the Company will no longer send the Notice of Resolutions by postal mail and will instead post it on the Company's website.

(The Company's website: [https://www.nsuship.co.jp/en/ir/library/general\\_meeting/](https://www.nsuship.co.jp/en/ir/library/general_meeting/))

## 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 approximately 30% on a consolidated basis. 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 ¥195 per share of common stock of the Company.  
In this event, the total dividends will be ¥4,595,368,245.  
As the Company has already paid an interim dividend of ¥170 per share, annual dividend for the fiscal year will be ¥365 per share.
- (iii) Effective date of dividends of surplus  
The effective date of dividends will be June 29, 2023.

**Proposal No. 2** Election of Nine 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 nine Directors.

The candidates for Director are as follows:


Candidate No.	Name	Current positions and responsibilities at the Company	Attributes
1	Kazuma Yamanaka	Director	<b>Reelection</b>
2	Noriko Miyamoto	-	New election
3	Naruhiko Miyai	Director and Managing Executive Officer In charge of the Tramp Chartering Group and the Near Sea Group	<b>Reelection</b>
4	Toru Fujita	Director and Managing Executive Officer In charge of the Safety Management Group, Ship Management Group and Environmental Conservation Promotion Group, and appointed leader of the Environmental Conservation Promotion Group	<b>Reelection</b>
5	Shinichi Kitazato	Director and Managing Executive Officer In charge of General Affairs Group, IR, Internal Control and Corporate Ethics Promotion of Business Structure Reform, Digital Transformation, Assistant to Safety Management Group	<b>Reelection</b>
6	Kazuo Tanimizu	President, Representative Director and President Executive Officer	<b>Reelection</b>
7	Setsu Onishi	Director	<b>Reelection</b> Outside Independent
8	Ryuko Inoue	-	New election Outside Independent
9	Masako Yoshida	-	New election 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="347 714 528 775">Kazuma Yamanaka (August 10, 1963)</p> <p data-bbox="363 801 507 837"><b>Reelection</b></p> <p data-bbox="288 880 584 1066">Attendance at Board of Directors meetings: 15/15 Number of years in office as a Director: 3 years</p>	<p data-bbox="612 264 1230 1048"> 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 &amp; Sumitomo Metal Corporation (currently NIPPON STEEL CORPORATION)  Apr. 2014    General Manager and Head of Div. of General Administration Div., Kashima Works  Apr. 2017    Executive Counselor and Head of Div. of Machinery &amp; Materials Procurement Div.  Apr. 2018    Executive Officer and Head of Div. of Machinery &amp; Materials Procurement Div.  Apr. 2019    Executive Officer and Head of Div. of Machinery &amp; Materials Procurement Div. of NIPPON STEEL CORPORATION  Apr. 2020    Executive Officer (Procurement: Raw Materials, Machinery &amp; Materials)  June 2020    Outside Director of the Company (current position)  Apr. 2021    Managing Executive Officer of NIPPON STEEL CORPORATION  Apr. 2023    Executive Officer (current position) </p> <p data-bbox="612 1088 1230 1211"> Significant concurrent positions outside the Company  Executive Officer of NIPPON STEEL CORPORATION (scheduled to retire from NIPPON STEEL CORPORATION on June 23, 2023) </p>	-
<p data-bbox="276 1218 788 1245"><b>Reasons for nomination as candidate for Director</b></p> <p data-bbox="276 1249 1430 1435">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. Going forward, the Company expects him to play a more central role by exercising his excellent management skills and leadership and has nominated 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><b>New election</b></p> <p>Attendance at Board of Directors meetings: —</p> <p>Number of years in office as a Director: —</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 &amp; Supervisory Board Member (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Audit &amp; Supervisory Board Member of Nippon Yusen Kabushiki Kaisha (scheduled to retire from Nippon Yusen Kabushiki Kaisha on June 21, 2023)</p>	—
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Since joining Nippon Yusen Kabushiki Kaisha, Noriko Miyamoto has 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 has served as Audit &amp; Supervisory Board Member of Nippon Yusen Kabushiki Kaisha since 2019. The Company has nominated 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>Naruhiko Miyai (May 23, 1960)</p> <p><b>Reelection</b></p> <p>Attendance at Board of Directors meetings: 15/15</p> <p>Number of years in office as a Director: 2 years</p>	<p>Apr. 1984      Joined Shinwa Kaiun Kaisha, Ltd.</p> <p>June 2011      General Manager of Near Sea Group of the Company</p> <p>June 2015      Executive Officer and General Manager of Near Sea Group of the Company</p> <p>June 2019      Executive Officer</p> <p>June 2020      Managing Executive Officer</p> <p>June 2021      Director and Managing Executive Officer (current position)</p> <p>&lt;Responsibilities&gt;</p> <p>In charge of the Tramp Chartering Group and the Near Sea Group</p> <p>Significant concurrent positions outside the Company</p> <p>—</p>	5,685 shares
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Since joining the Company, Naruhiko Miyai has held important positions mainly in marketing, projects, and finance 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.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
4	 <p>Toru Fujita (February 19, 1962)</p> <p><b>Reelection</b></p> <p>Attendance at Board of Directors meetings: 15/15 Number of years in office as a Director: 2 years</p>	<p>Oct. 1984      Joined Shinwa Kaiun Kaisha, Ltd. Aug. 2012      General Manager of Safety Management Group of the Company June 2017      Executive Officer and General Manager of Safety Management Group June 2020      Executive Officer June 2021      Director and Executive Officer June 2022      Director and Managing Executive Officer (current position)</p> <p>&lt;Responsibilities&gt; In charge of the Safety Management Group, Ship Management Group and Environmental Conservation Promotion Group, and appointed leader of the Environmental Conservation Promotion Group</p> <p>Significant concurrent positions outside the Company –</p>	4,932 shares
<p><b>Reasons for nomination as candidate for Director</b> 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>			
5	 <p>Shinichi Kitazato (October 22, 1961)</p> <p><b>Reelection</b></p> <p>Attendance at Board of Directors meetings: 11/11 Number of years in office as a Director: 1 year</p>	<p>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)</p> <p>&lt;Responsibilities&gt; In charge of General Affairs Group In charge of IR, Internal Control and Corporate Ethics Promotion of Business Structure Reform, Digital Transformation Assistant to Safety Management Group</p> <p>Significant concurrent positions outside the Company –</p>	4,967 shares
<p><b>Reasons for nomination as candidate for Director</b> 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.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
6	 <p data-bbox="331 611 542 672">Kazuo Tanimizu (December 19, 1958)</p> <p data-bbox="363 696 507 734"><b>Reelection</b></p> <p data-bbox="323 775 553 864">Attendance at Board of Directors meetings: 15/15</p> <p data-bbox="288 871 585 958">Number of years in office as a Director: 8 years</p>	<p data-bbox="612 262 1238 322">April 1981    Joined Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION)</p> <p data-bbox="612 329 1238 389">June 2005    General Manager of Raw Materials Dept., Steel Sheet, Plate &amp; Structural Steel Company</p> <p data-bbox="612 396 1238 517">Oct. 2012    Executive Counselor and Head of Div. of Raw Materials Div.-I of Nippon Steel &amp; Sumitomo Metal Corporation (currently NIPPON STEEL CORPORATION)</p> <p data-bbox="612 524 1238 584">Apr. 2014    Executive Officer and Head of Div. of Raw Materials Div.-II</p> <p data-bbox="612 591 1238 620">Apr. 2015    Executive Officer</p> <p data-bbox="612 627 1238 656">June 2015    Outside Director of the Company</p> <p data-bbox="612 663 1238 723">Apr. 2016    Managing Executive Officer of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p data-bbox="612 730 1238 759">Apr. 2018    Executive Officer</p> <p data-bbox="612 766 1238 848">June 2018    President, Representative Director and President Executive Officer of the Company (current position)</p> <p data-bbox="612 891 1238 952">Significant concurrent positions outside the Company —</p>	15,046 shares
<p data-bbox="277 972 788 1001"><b>Reasons for nomination as candidate for Director</b></p> <p data-bbox="277 1003 1410 1153">Since assuming the position of President and Representative Director of the Company in 2018, Kazuo Tanimizu has displayed strong leadership in leading the Company's management. The Company continues to nominate him as a candidate for Director in order to ensure his continued involvement in management because his extensive experience and knowledge and high level of insight cultivated to date will contribute to the Company's sustainable development and enhancement of corporate value.</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>Setsu Onishi (December 4, 1955)</p> <p><b>Reelection</b> Outside Independent</p> <p>Attendance at Board of Directors meetings: 15/15</p> <p>Number of years in office as a Director: 6 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 &amp; 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>	882 shares
<p><b>Reasons for nomination as candidate for independent outside Director and expected role</b></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.</p> <p>If Mr. 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> <p>He 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 to continue.</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>Ryuko Inoue (January 8, 1957)</p> <p><input type="checkbox"/> New election <input type="checkbox"/> Outside <input type="checkbox"/> Independent</p> <p>Attendance at Board of Directors meetings: –</p> <p>Number of years in office as a Director: –</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 &amp; 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 &amp; 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 (current position)</p> <p>June 2021    Outside Director of Cosmo Energy Holdings Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company Attorney-at-law, Atsumi &amp; Sakai Member of Employers Committee of Central Labor Relations Commission Outside Director of Nippon Steel Trading Corporation (scheduled to retire on June 29, 2023) Outside Director of Cosmo Energy Holdings Co., Ltd.</p>	–
<p><b>Reasons for nomination as candidate for independent outside Director and expected role</b></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 Nippon Steel Trading Corporation and Cosmo Energy Holdings Co., Ltd. Although she has never been directly involved in corporate management other than serving as an outside officer, the Company has nominated 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 Ms. Inoue is elected, the Company plans for her 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> <p>She satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and if she is elected, the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent officer.</p>			

Candidate No.	Name (Date of birth)	Brief personal history, positions and responsibilities at the Company	Number of the Company's shares owned
9	 <p>Masako Yoshida (June 11, 1961)</p> <p><input type="checkbox"/> New election <input type="checkbox"/> Outside <input type="checkbox"/> Independent</p> <p>Attendance at Board of Directors meetings: —</p> <p>Number of years in office as a Director: —</p>	<p>Apr. 1980      Joined Tokio Marine &amp; Fire Insurance Co., Ltd. (currently Tokio Marine &amp; 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. (current position)</p> <p>Apr. 2018      Managing Executive Officer of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. (in charge of Shikoku area)</p> <p>Apr. 2022      Managing Director</p> <p>Apr. 2023      Audit &amp; Supervisory Board Member of Tokio Marine Millea SAST Insurance Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Outside Director of Matsuya Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Tokio Marine Millea SAST Insurance Co., Ltd.</p>	—
<p><b>Reasons for nomination as candidate for independent outside Director and expected role</b></p> <p>Masako Yoshida has extensive knowledge and experience cultivated through her long career since joining Tokio Marine &amp; Fire Insurance Co., Ltd. (currently Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.), including involvement in management at the company. The Company has nominated 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 Ms. Yoshida is elected, the Company plans for her 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> <p>She satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and if she is elected, the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent officer.</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.
  3. If the candidate for outside Director Setsu Onishi is elected, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to renew the agreement with him to limit his 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. If the candidate for outside Director Ryuko Inoue is elected, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with her to limit her 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.
  5. If the candidate for outside Director Masako Yoshida is elected, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with her to limit her 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.
  6. Candidate for outside Director Setsu Onishi is currently an outside Director of the Company. At the conclusion of this meeting, his tenure as outside Director will be six years.
  7. 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.

8. Director Shinichi Kitazato was elected at the 96th Ordinary General Meeting of Shareholders held on June 28, 2022 and assumed his office. Furthermore, eleven meetings of the Board of Directors were held after his assumption.
9. 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)

As part of our current medium-term management plan, we have set the goal of becoming a profitable and socially responsible company by improving our corporate value through initiatives to address sustainability issues, while considering changes in the business environment.

Based on this management perspective, 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	Naruhiko Miyai	Toru Fujita	Shinichi Kitazato	Kazuo Tanimizu	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: 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.

\* 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. 4** Election of Two Audit & Supervisory Board Members



The term of office of Audit & Supervisory Board Member Masanori Ando will expire at the conclusion of this General Meeting of Shareholders. Audit & Supervisory Board Member Yoshifumi Nakata will leave due to resignation at the conclusion of this General Meeting of Shareholders.

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

Mr. Jiro Kobayashi, a candidate for Audit & Supervisory Board Member, will be elected as a substitute for Audit & Supervisory Board Member Yoshifumi Nakata, and therefore his term of office will expire at the end of the term of the retiring Audit & Supervisory Board Member, 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>Masanori Ando (November 9, 1963)</p> <p><b>Reelection</b> Outside</p>	<p>Apr. 1988    Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)</p> <p>Apr. 2016    General Manager, Group Companies Planning Div. of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>June 2016    Audit &amp; Supervisory Board Member of OSAKA Titanium Technologies Co., Ltd.</p> <p>June 2018    Audit &amp; Supervisory Board Member of OSAKA STEEL CO., LTD.</p> <p>Apr. 2019    Executive Counselor and Head of Group Companies Planning Div. of NIPPON STEEL CORPORATION</p> <p>June 2021    Outside Audit &amp; Supervisory Board Member of KYOEI STEEL LTD.</p> <p>Apr. 2022    Counselor to the Company</p> <p>June 2022    Outside Audit &amp; Supervisory Board Member (current position)</p> <p>Significant concurrent positions outside the Company -</p>	108 shares
<p><b>Reasons for nomination as candidate for outside Audit &amp; Supervisory Board Member</b></p> <p>Since joining Nippon Steel Corporation (currently NIPPON STEEL CORPORATION), Masanori Ando has served in key positions in human resources and labor affairs, and since April 2016 has also served as an auditor at companies, including Nippon Steel &amp; Sumikin Logistics Co., Ltd (currently Nippon Steel Logistics Co., Ltd.). Based on the wide range of knowledge and insight he has 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 continues to nominate him as a candidate for outside Audit &amp; Supervisory Board Member.</p>			
2	 <p>Jiro Kobayashi (June 3, 1965)</p> <p><b>New election</b> Outside</p>	<p>Apr. 1988    Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)</p> <p>Apr. 2013    Head of European Office</p> <p>May 2017    General Manager of Corporate Planning Div.</p> <p>June 2017    Audit &amp; Supervisory Board Member of NS Solutions Corporation</p> <p>Apr. 2019    Executive Counselor and Head of Raw Materials Div.-II of NIPPON STEEL CORPORATION</p> <p>Apr. 2023    Executive Officer in charge of Procurement: Raw Materials, Machinery &amp; Materials, and Head of Raw Materials Div.-II (current position)</p> <p>Significant concurrent positions outside the Company Executive Officer in charge of Procurement: Raw Materials, Machinery &amp; Materials, and Head of Raw Materials Div.-II of NIPPON STEEL CORPORATION</p>	-
<p><b>Reasons for nomination as candidate for outside Audit &amp; Supervisory Board Member</b></p> <p>Since joining Nippon Steel Corporation (currently NIPPON STEEL CORPORATION), Jiro Kobayashi 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 &amp; Supervisory Board Member.</p>			

- Notes:
1. There is no special interest between either of the candidate and the Company.
  2. Both of the above candidates for Audit & Supervisory Board Member are candidates for outside Audit & Supervisory Board Member.
  3. Candidate for outside Audit & Supervisory Board Member Masanori Ando, 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 until March 31, 2022, and has also been a business executor for the past 10 years.

4. Candidate for outside Audit & Supervisory Board Member Masanori Ando, 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 of the Company until March 2022.
5. Candidate for outside Audit & Supervisory Board Member Masanori Ando was a Counselor to the Company from April 1, 2022 (contract period: April 1, 2022 to June 27, 2022), and provided opinions on the Company's major business operations from his standpoint as an outside party. During the same period, the Company also intended to have him familiarize himself with the status of the Company's business and the progress of the medium-term management plan, prior to his appointment as Audit & Supervisory Board Member of the Company. In addition, he was not engaged in Company business as an employee, so his eligibility as an outside Audit & Supervisory Board Member as stipulated in Article 2, Item 16 (a) of the Companies Act is not affected. Note that the remuneration paid to him as the Company's Counselor under his advisory agreement was minimal.
6. If the candidate for outside Audit & Supervisory Board Member Masanori Ando is elected, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to renew the agreement with him to limit his 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.
7. Candidate for outside Audit & Supervisory Board Member Jiro Kobayashi, as shown in the above career summary, has been 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.
8. Candidate for outside Audit & Supervisory Board Member Jiro Kobayashi, as shown in the above career summary, has received remuneration from NIPPON STEEL CORPORATION, which falls under the category of specified related party of the Company as its major business partner for the past two years and may receive remuneration in the future.
9. If the candidate for outside Audit & Supervisory Board Member Jiro Kobayashi is elected, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with him to limit his 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.
10. 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 is scheduled to be renewed during their term of office.
11. Mr. Masanori Ando is currently an outside Audit & Supervisory Board Member of the Company. At the conclusion of this meeting, his tenure as Audit & Supervisory Board Member will be one year.

(Appendix)

# Business Report

(April 1, 2022 - March 31, 2023)

## 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 China's zero-COVID policy as well as increasing uncertainty due to inflation caused by high resource prices worldwide and a shift toward tighter monetary policy by various countries in response to the inflation. Going forward, whereas the Chinese economy is expected to recover, there are concerns that prolonged inflation and rapid monetary tightening may put downward pressure on economic activity. In Japan, as the inflation rate is lower than in Europe and the U.S. despite the rise in import prices due to the weak yen, the monetary easing policy is being maintained and is supporting the domestic economy, which is on the road to recovery from the downturn caused by the COVID-19 pandemic, and further recovery of economic activity is expected.

As for international shipping, although the market was robust in the first half of the fiscal year under review, it trended downward for all vessel types in the second half of the fiscal year under review, as the shipping tonnage supply-demand balance eased against the backdrop of the stagnant Chinese economy because of the zero-COVID policy and the elimination of demurrage, reflecting the relaxation of quarantine control concerning COVID-19 at ports. Regarding coastal shipping, stagnant automobile production due to a prolonged shortage of semiconductors 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 705 dollars for the first half, approximately 605 dollars for the second half, and approximately 655 dollars for the fiscal year, up approximately 155 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 130.83 yen for the first half, 138.50 yen for the second half, and 134.67 yen for the fiscal year, a depreciation of 23.17 yen from the previous fiscal year.

In this business environment, consolidated financial results for the fiscal year under review were as follows: revenues of 250,825 million yen (up 28.0% year on year), operating income of 32,487 million yen (up 21.6% year on year), ordinary income of 33,444 million yen (up 25.7% year on year), and profit attributable to owners of parent of 27,603 million yen (up 17.0% year on year).

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, 2021 to March 31, 2022)	For the current fiscal year (From April 1, 2022 to March 31, 2023)	Year-on-year change
	Amount (Million yen)	Amount (Million yen)	% change
Revenues	195,941	250,825	28.0% increase
Operating income	26,711	32,487	21.6% increase
Ordinary income	26,606	33,444	25.7% increase
Profit attributable to owners of parent	23,582	27,603	17.0% increase

## 2) Overview by Business

### International Shipping

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

Revenues: 224,069 million yen (30.1% increase year on year)

The cape-size bulk carrier (roughly 180,000 dwt) market was robust at the beginning of the fiscal year under review, reflecting expectations of a recovery of the global economy, with the average daily charter rate for the five major routes reaching the upper 30,000-dollar range by late May. However, the market softened from the summer onward because cargo movements became stagnant due to the slowdown of the Chinese economy caused by the zero-COVID policy and the sluggish real estate market, in addition to the increased shipping tonnage supply resulting from elimination of demurrage at ports owing to the relaxation of quarantine controls concerning COVID-19. Furthermore, even at the beginning of 2023 and thereafter when China's zero-COVID policy was lifted, the market remained sluggish because of a delay in shipments, coinciding with the rainy season in Brazil, where much iron ore is loaded. 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 made efforts to book cargo for shipments for third countries. As a result, earnings greatly exceeded the initial targets.

In the Panamax bulk carrier (between 70,000 and 80,000 dwt) market, the average charter rate for the five major routes exceeded 30,000 dollars in May, reflecting increased ton-miles due to diversified patterns of coal transportation to Europe against the backdrop of the Russo-Ukrainian conflict and India's increased coal imports. Subsequently, the average charter rate fell to the 7,000-dollar level in February, reflecting the easing of the shipping tonnage supply-demand balance caused by delays in grain shipments due to bad weather in South America, in addition to a decline in demand for coal and grains due to the slowdown of the Chinese economy, but turned upward in March as grain shipments recovered. In these circumstances, despite the impact of the market decline in the second half of the fiscal year under review, earnings greatly exceeded the initial targets owing to the efforts to operate vessels efficiently.

The market for handy-size bulk carriers (between 20,000 and 60,000 dwt) was robust in the first half of the fiscal year under review but softened as special factors, such as the strict quarantine controls at ports, which had tightened the shipping tonnage supply-demand balance, dissipated and cargo movements slowed due to increasing inflation worldwide and China's zero-COVID policy. Despite these circumstances, the Company accumulated stable earnings because cargo movements of steel products, one of the Company's principal cargoes, remained strong on outbound voyages and the Company had proactively secured cargoes in advance with medium- to long-term contracts on inbound voyages. As a result, earnings greatly exceeded the initial targets despite the impact of the decline in the market conditions.

In the market for near sea going vessels (around 19,000 dwt or below), the shipping volume of steel products exported to China, which are the principal cargo in this market, decreased from the previous fiscal year owing to stagnant economic activity in China. In addition, in the second half of the fiscal year, the shipping tonnage supply-demand balance eased as demurrage at ports in China was eliminated, which led to the decline in the market conditions. In these circumstances, earnings greatly exceeded the initial targets, supported by bulk cargo transportation, for which contracts were concluded while the market conditions were upbeat, and thanks to efforts to efficiently allocate vessels for round-trip services, mainly for steel products for Southeast Asia and bulk cargoes.

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 achieved higher revenues and profits compared with the previous fiscal year. Revenues were 224,069 million yen (up 30.1% year on year) and segment income (operating income) was 30,082 million yen (up 20.6% year on year).

## Coastal Shipping

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

Revenues: 26,756 million yen (12.8% increase year on year)

As for the dry bulk service, regarding steel-related cargo, whereas the shipping volume of steel products fell short of the initial targets because of a slowdown in automobile production due to prolonged semiconductor shortages, the shipping volume of raw materials was robust and exceeded the initial targets. Meanwhile, cement-related cargo shipping volume exceeded the initial targets, supported by robust operation of dedicated vessels, but electricity-related cargo shipping volume fell short of the initial targets against the backdrop of the decline in the operating rate of thermal power plants.

For tankers, while the full-fledged start of marine transportation on new routes contributed to an increase in LNG shipping volume, LPG shipping volume was sluggish because of a decline in domestic demand. In these circumstances, earnings exceeded initial targets due to 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 26,756 million yen (up 12.8% year on year) and segment income (operating income) was 2,427 million yen (up 37.0% 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 2022 (results) (including vessels chartered for 5 years or longer)

	Number of vessels	Tonnage (K/T)
International shipping	3	123,785 DWT
Coastal shipping	6	14,587 DWT

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

	Number of vessels	Tonnage (K/T)
International shipping	2	147,849 DWT
Coastal shipping	10	22,880 DWT

(2) Capital Investments

In the fiscal year under review, the Group made capital investments totaling 6,153 million yen. The main items were vessels.

Business classification	Capital investment
International Shipping	5,923 million yen
Coastal Shipping	229 million yen
Other	2 million yen

Moreover, the Group sold fixed assets with a carrying value of 3,673 million yen from vessels, which are the Group's main facilities.

(3) Financing

In the fiscal year under review, the Company raised 2,346 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

Three years have passed since the formulation of the medium-term business plan, "FORWARD 2030—Driving U forward over the next decade—." Under the plan, we are promoting the initiatives described below based on the three key strategies: "strengthening the brand power," "building a sustainable business structure," and "establishing a resilient business base." In the current fiscal year, the final year of the medium-term business plan, we will further strengthen our initiatives to pave the way for the next medium-term business plan.

i) Strengthening the brand power

Under the Basic Sustainability Policy formulated in 2021, we are strengthening promotion of ESG management. As one of our initiatives, we have reviewed our personnel system with the aim of creating an organization that enhances employee engagement and maximizes their capabilities, in view of responses to climate change and changes in the business environment, including market trends and financial conditions. At the same time, we are strengthening internal resources through ongoing efforts for human resources development and workplace improvement. In January 2023, we formulated the NS United Kaiun Group Human Rights Policy and the Basic Anti-Corruption Policy. These policies clarify the principles underpinning our business operations, reflecting the recognition that it is our social responsibility as an enterprise operating globally to respect human rights and act in compliance with social ethics. We will continue promoting ESG initiatives to enhance the U-brand we have established to date by strengthening initiatives for safe operations and environmental protection, as well as introducing advanced technologies, promoting investment in people, and strengthening governance.

ii) Building a sustainable business structure

Having positioned action on climate change as a top management priority, we are promoting various initiatives with the aim of achieving carbon neutrality by 2050.

In the international shipping business, we obtained an Approval in Principle (“AiP”) from a Classification Society, Nippon Kaiji Kyokai (Class NK), in November 2022 for the design of an ammonia-fueled bulk carrier designed in a joint project on ammonia-fueled ships adopted by the Green Innovation Fund Project of the New Energy and Industrial Technology Development Organization (NEDO). The fact that the basic design of this vessel was evaluated as “capable of ensuring the same level of safety as ships operating with existing fuel” is an important step toward the socially beneficial implementation of ammonia-fueled ships. In September 2022, we conducted a trial of the use of biodiesel fuel for an ocean-going vessel. In the first case of this type for Japan, the vessel was supplied with biodiesel fuel and the trial was conducted in the Pacific Ocean. We operate three vessels using biodiesel fuel. Biodiesel is a highly versatile low-carbon fuel as it enables existing marine engines to be used. In the coastal shipping business, Japan’s first coastal carrier with a hybrid propulsion system combining an engine fired only by natural gas with lithium-ion batteries is scheduled for completion in 2024. In addition to these initiatives for vessels using next-generation fuels, we are also working to commercialize transportation of ammonia and other services to meet the transportation needs of a low-carbon society. We will continue consideration and preparation for the future implementation of zero-emission fuels and will do our utmost to enhance our performance as an enterprise that is both profitable and socially responsible.

iii) Establishing a resilient business base

Mindful of the increasingly uncertain external environment, our policy for investments is to pursue social responsibility as well as investment returns. In addition to evaluating profitability based on investment criteria that take into account the cost of capital (WACC), we perform assessments from a social perspective to determine the suitability of investments. For example, we have introduced internal carbon pricing (ICP). As for the financial strategy, we have been working to reduce interest-bearing debt in order to further strengthen the solid financial base established through the stable accumulation of profits since the merger. Moreover, the Company has positioned returning of profits to shareholders as one of its most important management policies and has adopted a policy of maintaining an annual dividend payout ratio of approximately 30% based on consolidated financial results. While securing internal reserves necessary for future growth, such as for construction of next-generation fuel-powered vessels, we intend to continue stable dividend payments with the aim of enhancing the Company’s attractiveness for our shareholders and other stakeholders.

Under the medium-term business plan “FORWARD 2030” we set the following targets to be achieved in fiscal 2023, the final year of the plan. We achieved these targets in fiscal 2021 and again in fiscal 2022, ahead of the schedule.

Medium-term financial targets

Operating income:	10 billion yen or more
ROE:	10% or more
Net DER:	1.0 times or less

However, 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

		FY2019	FY2020	FY2021	FY2022 (Fiscal year under review)
Revenues	(Million yen)	148,415	138,454	195,941	250,825
Operating income	(Million yen)	7,040	6,736	26,711	32,487
Ordinary income	(Million yen)	5,479	5,532	26,606	33,444
Profit attributable to owners of parent	(Million yen)	5,947	6,131	23,582	27,603
Net income per share	(Yen)	252.33	260.17	1,000.67	1,171.29
Dividends per share	(Yen)	80	80	285	365
Total assets	(Million yen)	248,522	270,760	274,871	275,784
Net assets	(Million yen)	91,110	96,402	118,189	137,405
Equity ratio	(%)	36.7	35.6	43.0	49.8
Interest-bearing debt	(Million yen)	137,494	149,207	123,695	100,787
Net DER	(Times)	1.29	1.26	0.78	0.44
Return on equity (ROE)	(%)	6.6	6.5	22.0	21.6

Notes: 1. Amounts are rounded.

2. The amount of dividends per share for fiscal 2022 is the sum of the interim dividend paid in December 2022 and the dividend to be resolved at this Ordinary General Meeting of Shareholders.

## (10) Material Subsidiaries (as of March 31, 2023)

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, 2023)

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

## (12) Employees (as of March 31, 2023)

### 1) The Group

Business classification	Number of employees	Change from the end of the previous fiscal year
International Shipping	241	Increase of 18
Coastal Shipping	382	Decrease of 5
Other	34	Decrease of 1
Total	657	Increase of 12

## 2) The Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average number of years of service
232	Increase of 17	39.90 years old	13.81 years

### (13) Principal Lenders (as of March 31, 2023)

Lender	Outstanding borrowings
Mizuho Bank, Ltd.	24,505 million yen
Development Bank of Japan Inc.	19,067 million yen
MUFG Bank, Ltd.	14,344 million yen
The Norinchukin Bank	11,154 million yen
Sumitomo Mitsui Banking Corporation	9,815 million yen
Sumitomo Mitsui Trust Bank, Limited	7,712 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 aims at a payout ratio of approximately 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, 2023)

- (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 12,902 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)	1,697	7.20
Mizuho Bank, Ltd.	798	3.39
BNYM AS AGT/CLTS NON TREATY JASDEC	797	3.38
Hsin Chien Marine Co., Ltd.	504	2.14
Tokio Marine & Nichido Fire Insurance Co., Ltd.	303	1.29
Custody Bank of Japan, Ltd. (trust account)	277	1.18
MUFG Bank, Ltd.	259	1.10
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	256	1.09

- Notes:
1. The number of shares held is rounded down to the nearest thousand.
  2. The Company owns 404,688 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, 2023, the Company has not issued any subscription rights to shares.

## 4. Company Officers

### (1) Directors and Audit & Supervisory Board Members (as of March 31, 2023)

Position at the Company	Name	Responsibilities and significant concurrent positions
President, Representative Director and President Executive Officer	Kazuo Tanimizu	
Director and Senior Managing Executive Officer	Masahiro Samitsu	In charge of the Finance and Accounting Group and the Project Group
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 Environmental Conservation Promotion Group, and appointed leader of the Environmental Conservation Promotion Group
Director and Managing Executive Officer	Shinichi Kitazato	In charge of General Affairs Group In charge of IR, Internal Control and Corporate Ethics Promotion of Business Structure Reform, Digital Transformation
Director	Kazuma Yamanaka	Managing Executive Officer of NIPPON STEEL CORPORATION
Director	Masayuki Kinoshita	Outside Director of Kakaku.com, Inc.
Director	Setsu Onishi	
Director	Isamu Nakamura	Outside Audit & Supervisory Board Member of The Shizuoka Bank, Ltd.
Audit & Supervisory Board Member (full-time)	Yoshifumi Nakata	
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

- Notes:
1. Directors Kazuma Yamanaka, Masayuki Kinoshita, Setsu Onishi and Isamu Nakamura are outside Directors. Masayuki Kinoshita, Setsu Onishi and Isamu Nakamura are independent officers as provided for by the Tokyo Stock Exchange.
  2. Audit & Supervisory Board Members Masanori Ando, Yasuhito Mitani and Shohei Yamamoto 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 Masanori Ando served in key positions in human resources and labor affairs at NIPPON STEEL CORPORATION for many years and has considerable knowledge of human resources and labor affairs.
  4. 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.
  5. Audit & Supervisory Board Member Shohei Yamamoto served in key positions in finance and planning operations at Nippon Yusen Kabushiki Kaisha and has a wealth of knowledge. He also has considerable knowledge of management decision-making and execution of business required for engaging in auditing.
  6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Directors Kazuma Yamanaka, Masayuki Kinoshita, Setsu Onishi and Isamu Nakamura and Audit & Supervisory Board Members Yoshifumi Nakata, Masanori Ando, Yasuhito Mitani and Shohei Yamamoto 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.
  7. Director Mitsuhiro Oyamada retired from his position due to expiration of his term of office and Audit & Supervisory Board Member Naoki Yoda resigned from his position at the conclusion of the 96th Ordinary General Meeting of Shareholders held on June 28, 2022.

- (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.
- 1) Scope of the insureds  
 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.
- 2) Summary of the terms and conditions of the insurance contract
- Substantial bearing of the insurance premium by the insureds  
 The full amount of the insurance premiums is borne by the Company and the above-mentioned subsidiaries.
  - Summary of the insured events  
 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.
  - Measures to ensure that 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) 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

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.

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)	248 (31)	184 (31)	9 (3)	26 -	5 -	38 -	5 -
Audit & Supervisory Board Members (for outside Audit & Supervisory Board Members)	59 (36)	59 (36)	5 (4)	- -	- -	- -	- -
Total	306	242	14	26	5	38	5

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 and amounts paid to them include one Director and one Audit & Supervisory Board Member who retired at the conclusion of the 96th Ordinary General Meeting of Shareholders held on June 28, 2022, but one Director who receives no remuneration is 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 28, 2023.

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, 2023

• Consolidated operating income	Target: 10 billion yen	Result: 32.5 billion yen
• Return on equity (ROE)	Target: 10%	Result: 21.6%

4. The number of eligible persons for the above performance-based compensation includes one Director who is an Internal Director of the Company in office as of March 31, 2023 and is scheduled to retire at the conclusion of the 97th Ordinary General Meeting of Shareholders to be held on June 28, 2023.

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 “c. Policy on performance-based compensation” on page 39.

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.

### (4) Matters concerning Outside Officers

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

Outside Director Kazuma Yamanaka is an executive officer of NIPPON STEEL CORPORATION, which is a major shareholder of the Company, with a shareholding ratio of 33.36%, and is also a principal customer of the Company. 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	Kazuma Yamanaka	Kazuma Yamanaka attended all the 15 Board of Directors meetings held during the fiscal year under review and vigorously stated opinions and provided suggestions on many agenda items. 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 service at NIPPON STEEL CORPORATION, where he has held important positions. He fulfilled an appropriate role to ensure fair and proper decision-making such as by providing effective supervision and advice from an expert perspective in terms of the trend of steel and resources related to the Company's business and overall management of the Company.
Outside Director (Independent Officer)	Masayuki Kinoshita	Masayuki Kinoshita attended all the 15 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 experience in international business, extensive management knowledge and a wide range of insight. 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 overall management. As a member of the Nomination and Compensation Advisory Committee, he attended all the 3 committee meetings held during the fiscal year under review. He has been serving as the chair of the committee since July 2020, and 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.



		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 15 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 the financial situation in Japan and overseas and overall management.</p> <p>As a member of the Nomination and Compensation Advisory Committee, he attended all the 3 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)	Isamu Nakamura	<p>Isamu Nakamura attended all the 15 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 career at financial institutions, where he has held important positions. 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 the trend of the shipping industry and overall management.</p> <p>As a member of the Nomination and Compensation Advisory Committee, he attended all the 3 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 Audit & Supervisory Board Member	Masanori Ando	<p>Masanori Ando attended all the 11 Board of Directors meetings and all the 12 Audit &amp; Supervisory Board meetings held during the fiscal year under review after he assumed office on June 28, 2022 and stated opinions as necessary on deliberations. As an outside Audit &amp; Supervisory Board Member and as a full-time Audit &amp; Supervisory Board Member, he receives reports 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 (Independent Officer)	Yasuhito Mitani	Yasuhito Mitani attended all the 15 Board of Directors meetings and all the 17 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.
Outside Audit & Supervisory Board Member	Shohei Yamamoto	Shohei Yamamoto attended all the 15 Board of Directors meetings and all the 17 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.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of March 31, 2023)

(Million yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	94,718	Current liabilities	50,031
Cash and deposits	30,314	Trade notes and accounts payable	13,755
Trade notes, accounts receivable, and contract assets	32,297	Short-term borrowings	19,685
Securities	10,000	Accounts payable – other	245
Inventories	13,382	Accrued expenses	248
Prepaid expenses	5,220	Income taxes payable	4,110
Derivatives	144	Contract liabilities	4,797
Other current assets	3,375	Provision for bonuses	758
Allowance for doubtful accounts	(14)	Provision for bonuses for directors (and other officers)	59
Fixed assets	181,066	Derivatives liabilities	785
Tangible fixed assets	169,718	Other current liabilities	5,587
Vessels	165,140	Non-current liabilities	88,349
Buildings	278	Long-term borrowings	81,102
Land	397	Deferred tax liabilities	631
Construction in progress	3,689	Provision for special repairs	6,469
Other tangible fixed assets	215	Retirement benefit liability	147
Intangible fixed assets	1,609	Other non-current liabilities	0
Investments and other assets	9,739	<b>Total liabilities</b>	<b>138,379</b>
Investment securities	4,420	Net assets	
Long-term loans receivable	10	Shareholders' equity	136,129
Deferred tax assets	3,124	Common stock	10,300
Retirement benefit asset	1,640	Capital surplus	17,181
Other long-term assets	545	Retained earnings	109,646
		Treasury stock, at cost	(997)
		Accumulated other comprehensive income	1,276
		Unrealized gains (losses) on securities	1,770
		Deferred gains (losses) on hedges	(401)
		Foreign currency translation adjustment	(32)
		Accumulated remeasurements of defined benefit plans	(62)
<b>Total assets</b>	<b>275,784</b>	<b>Total net assets</b>	<b>137,405</b>
		<b>Total liabilities and net assets</b>	<b>275,784</b>

## Consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Million yen)

Description	Amount
Revenues	
Shipping business revenue and other operating revenue	250,825
Operating expenses	
Shipping business expenses and other operating expenses	211,461
Gross profit	39,365
General and administrative expenses	6,878
Operating income	32,487
Non-operating income	2,202
Interest income	9
Dividend income	220
Share of profit of entities accounted for using equity method	12
Foreign exchange gains	1,268
Gain on derivatives	573
Other	119
Non-operating expenses	1,245
Interest expenses	1,191
Loss on derivatives	31
Other	23
Ordinary income	33,444
Extraordinary income	410
Gain on sales of fixed assets	332
Gain on sales of investment securities	77
Extraordinary losses	994
Impairment losses	994
Profit before income taxes	32,860
Income taxes – current	6,794
Income taxes – deferred	(1,537)
Profit	27,603
Profit attributable to owners of parent	27,603

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheet

(As of March 31, 2023)

(Million yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	88,339	Current liabilities	34,766
Cash and deposits	21,867	Accounts payable – shipping	10,029
Accounts receivable – shipping and contract assets	25,820	Short-term borrowings	7,202
Short-term loans receivable from subsidiaries and associates	10,694	Accounts payable – other	40
Advances paid	1,708	Accrued expenses	123
Securities	10,000	Income taxes payable	3,564
Inventories	12,120	Contract liabilities	4,797
Prepaid expenses	4,355	Deposits received	6,221
Accounts receivable form agents	1,359	Debt for agency	2,001
Consumption taxes refund receivable	263	Provision for bonuses	473
Other current assets	167	Provision for bonuses for directors (and other officers)	26
Allowance for doubtful accounts	(14)	Other current liabilities	289
Fixed assets	87,561	Non-current liabilities	14,748
Tangible fixed assets	9,009	Long-term borrowings	10,983
Vessels	8,220	Provision for retirement benefits	147
Buildings	229	Provision for loss on charter contracts of subsidiaries and associates	3,561
Land	396	Other non-current liabilities	57
Other tangible fixed assets	164	Total liabilities	49,513
Intangible fixed assets	1,584	Net assets	
Intangible assets related to contracts	1,228	Shareholders' equity	124,824
Other intangible fixed assets	356	Common stock	10,300
Investments and other assets	76,968	Capital surplus	15,933
Investment securities	1,039	Legal capital surplus	2,524
Shares of subsidiaries and associates	5,793	Other capital surplus	13,409
Investments in capital	0	Retained earnings	99,588
Long-term loans receivable	10	Legal retained earnings	2,105
Long-term loans receivable from subsidiaries and associates	68,017	Other retained earnings	97,483
Prepaid pension costs	1,584	Reserve for tax purpose reduction entry	1
Deferred tax assets	92	General reserve	18,000
Other long-term assets	433	Retained earnings brought forward	79,482
		Treasury stock, at cost	(997)
		Valuation and translation adjustments	1,563
		Unrealized gains (losses) on securities	1,685
		Deferred gains (losses) on hedges	(122)
Total assets	175,900	Total net assets	126,387
		Total liabilities and net assets	175,900

## Non-consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Million yen)

Description	Amount
Shipping business revenue	224,381
Freight and other	209,201
Ship lease	13,672
Other shipping business revenue	1,508
Shipping business expenses	188,107
Navigation expenses	88,192
Ship expenses	1,805
Ship rental fees	96,515
Other shipping business expenses	1,596
Shipping business profit	36,274
General and administrative expenses	4,939
Operating income	31,335
Non-operating income	9,073
Interest income	348
Dividend income	6,888
Foreign exchange gains	1,196
Other	641
Non-operating expenses	263
Interest expenses	217
Loss on derivatives	31
Other	14
Ordinary income	40,145
Extraordinary income	77
Gain on sales of investment securities	77
Profit before income taxes	40,223
Income taxes – current	5,961
Income taxes – deferred	1,871
Profit	32,390

Independent Auditor's Report

May 22, 2023

The Board of Directors  
NS UNITED KAIUN KAISHA, Ltd.

Ernst & Young ShinNihon LLC Tokyo, Japan

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Katsuya Ishida  
Designated Engagement Partner Certified Public Accountant

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Koki Yamamoto  
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, 2022 to March 31, 2023.

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, 2023, 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 that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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 22, 2023

The Board of Directors  
NS UNITED KAIUN KAISHA, Ltd.

Ernst & Young ShinNihon LLC Tokyo, Japan

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Katsuya Ishida  
Designated Engagement Partner Certified Public Accountant

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Koki Yamamoto  
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, 2022 to March 31, 2023.

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, 2023, 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.

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 that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and to communicate with them all relationships

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and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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 provisions of the Certified Public Accountants Act of Japan.

## AUDIT REPORT

May 22, 2023

Mr. Kazuo Tanimizu  
 President and Representative Director  
 NS United Kaiun Kaisha, Ltd.

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

With respect to the Directors' execution of their duties during the fiscal year from April 1, 2022 to March 31, 2023, 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.