FORWARD 2030 II

Challenge for innovation and further growth with

Medium-Term Business Plan (FY 2024-2027)

NS United Kaiun Kaisha, Ltd.

March 29, 2024

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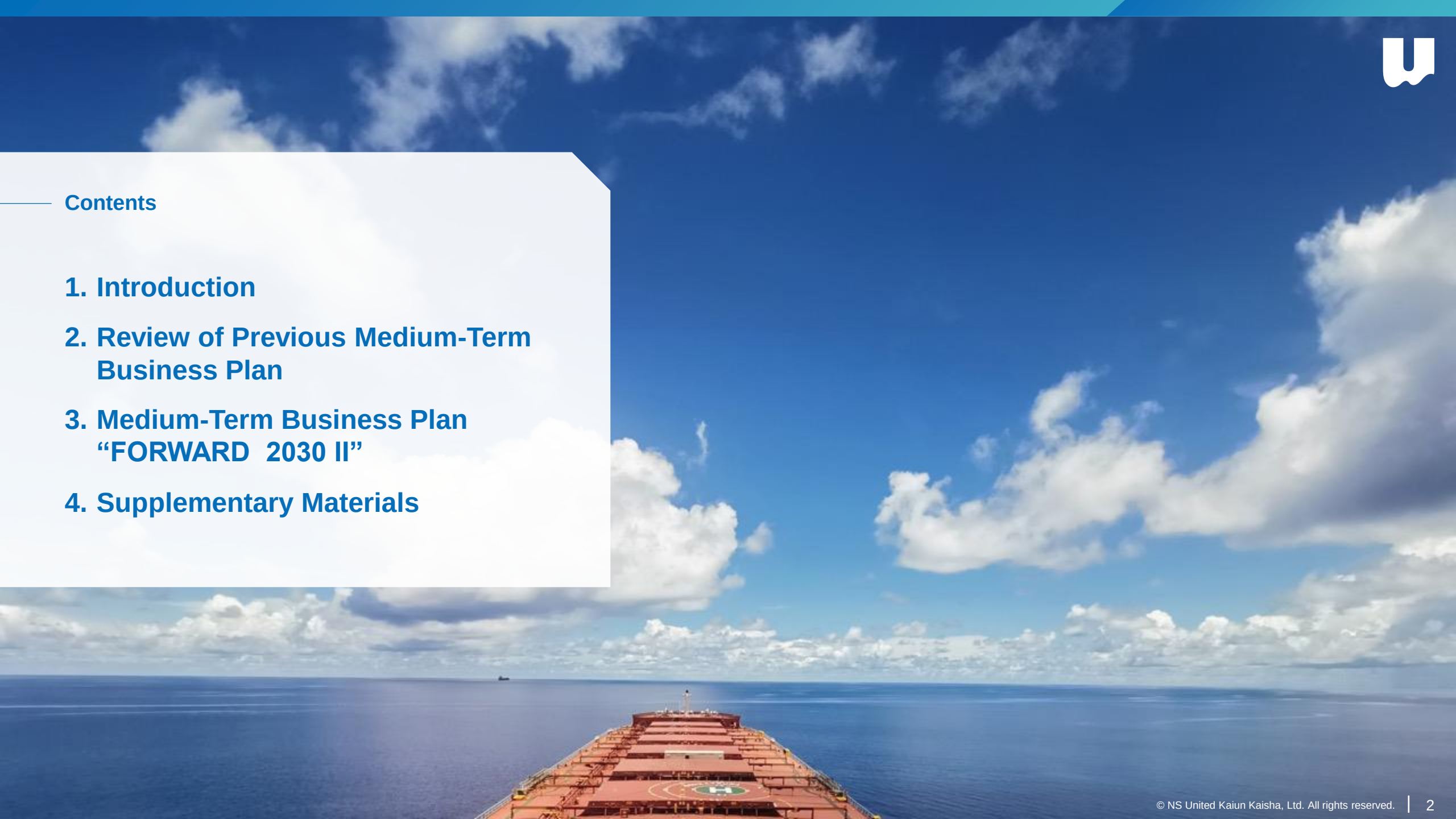
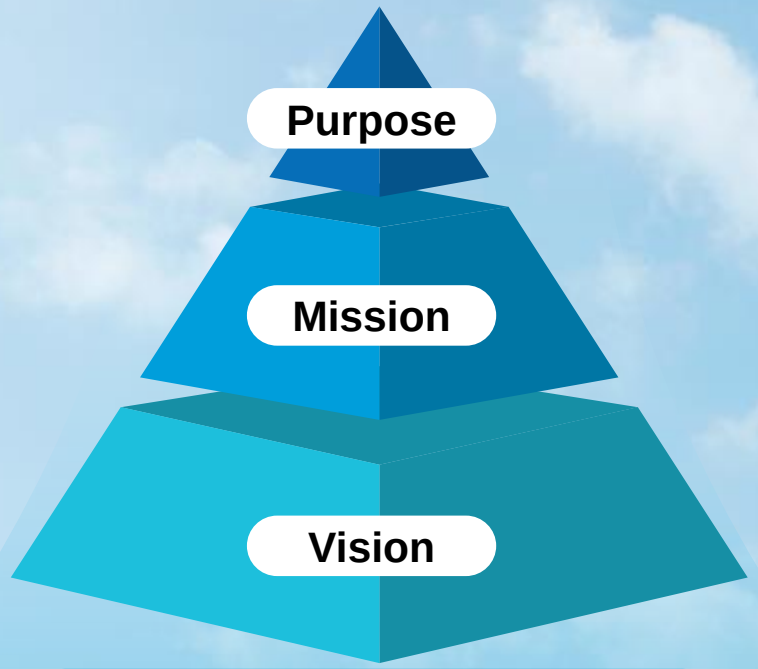


1

Introduction

Positioning of Medium-Term Business Plan



Medium-Term Business Plan 2020-2023

FORWARD 2030
Driving U forward over the next decade

Medium-Term Business Plan 2024-2027

FORWARD 2030 II
Challenge for innovation and further growth with U

Why

Existence value to society

Through marine transportation, we will work together to shape the world today and create a sustainable future.

What

What must be done to accomplish the purpose?

Basic Philosophy: The NS United Kaiun Group will contribute to the development of society by providing trusted and high-quality marine transportation services.

Where

Corporate vision to be realized in 2030 through the process toward accomplishing the purpose

Aiming to become an indispensable presence for clean and sustainable marine transportation services, we will continue to transform ourselves in cooperation with stakeholders and further enhance our corporate value.

How

Values and Code of Conduct to Be Respected

- Management philosophy: “Credibility and Reliability,” “Safe Navigation and Environmental Protection,” “Response to Customers and Reform,” and “Nurture and Mobilize Employee Abilities”
- Corporate code of conduct and Code of conduct
- Basic Sustainability Policy

2

Review of Previous Medium-Term Business Plan

Review of FORWARD 2030 (Previous Medium-Term Business Plan)

Based on the solid financial ground built by implementing key strategies of FORWARD 2030, the environment for undertaking new growth strategies including investment plans has been established.

FORWARD 2030

Key Strategy 1

Strengthening the Brand Power: Security and Trust in U Brand

- Safe navigation is a foundation for management and our greatest mission
  → 51% improvement in the reduction of ship stoppage hour by accidents in 2023 (compared to 2019)
- Implemented initiatives toward the environmental target of "reducing CO_2 emissions per transportation unit (tonne-mile) by 20% by 2030 compared to 2019 level." "We are committed to achieving carbon neutrality by 2050"
- Set up the Environment Conservation Promotion Group and the ESG Management Promotion Team, building a system to promote sustainability
- Accelerated human resource investment by the introduction of a new personnel system intended to "nurture and mobilize employee abilities."

Key Strategy 2

Building a Sustainable Business Structure

- Reinforcement of the business foundation for long-term profit stability through fleet development centering on newly built vessels, including ore carriers of the 400,000-ton class
- Expanded revenue-generating opportunities by increasing the ratio of the business targeting overseas customers such as major resource companies
- Took resolute steps to carry out structural reforms such as by selling high-cost vessels and early termination of contracts for time charter vessels (reduction of cost equivalent to fixed costs for 15 owned or long-term chartered vessels)
- Enhancement of overall coastal shipping strength
  → Constructed Japan's first coastal ship with an LNG-fueled engine + battery hybrid propulsion system, and participated in the business of supplying LNG fuel to vessels of Osaka Gas Co., Ltd.

Key Strategy 3

Establishing a Resilient Management Base

- Financial targets for 2023
  → Consolidated operating income of 10 billion yen or more, return on equity (ROE) of 10% or more, and Net debt equity ratio (Net DER) of 1.0 time or less are expected to be achieved.
- Providing stable dividends
  → A stable dividend payout ratio of approximately 30% or more was achieved with total dividend payments for 2020 to 2023 being 22.4 billion yen. (2023 year-end dividends are estimates.)
- Sound financial position
  → Equity ratio increased from 36.7% as of the end of fiscal year 2019 to 52.9% as of the end of December 2023.
- Reduced currency exchange fluctuation risk by raising dollar borrowing ratio

3

Medium-Term Business Plan “FORWARD 2030 II”

Challenge for innovation and further growth with

External Environment

Initiatives Related to Climate Change

- The International Maritime Organization (IMO) reinforced environmental regulations for the reduction of greenhouse gas emissions.
- EU introduced a new system to put limits on CO_2 emissions from vessels and trade emission credits, and new regulations to promote fuel decarbonization.

Introduction of next-generation fuel-powered vessels is an urgent matter

Market Environment

- As populations grow, continued high rates of economic growth are expected in India and in Southeast Asia.
- Crude steel production and steel products consumption in China are expected to take a downward turn after hitting their peak.
- Due to the declining population in Japan and the trend toward local production for local consumption of steel products of overseas, the volume of steel-related cargoes to and from Japan is expected to decrease.
- A decrease in demand for coal, an increase in demand for natural gas, and an increase in demand for shipping liquid cargo such as ammonia, liquefied CO_2, and hydrogen are expected.

Amid changes in the medium- to long-term economic environment, it is important to shift to business operations that are responsive to marine transportation

Rising Awareness of Human Rights and Manpower Shortage

- Against a backdrop of rising awareness about “business and human rights,” our customer companies as well as companies including NS United on their supply chain are required to make further efforts to prevent human rights risks and reduce accidents.
- The shortage of seafarers a serious blow even to the coastal shipping industry, making improvement of crew retention rates an issue

Implementing human rights due diligence (DD), maximizing the well-being of crews, promoting recruitment and training of coastal vessel crews and improving their working conditions are of great importance.

Strategies for Achieving the 2030 Vision (FORWARD 2030 II Basic Strategies)

Business Strategies and Growth Strategies

- **Extending the domains of new growing businesses**
- **Deepening the domains of existing core businesses**

Initiatives to Support Business Strategies

Initiatives for Sustainability

- **Human capital strategy**
- **Sustainable shipping strategy**
- **Governance enhancement**

Digital transformation (DX) strategy

Toward realizing carbon neutrality

Investment Plan

Capital Policy

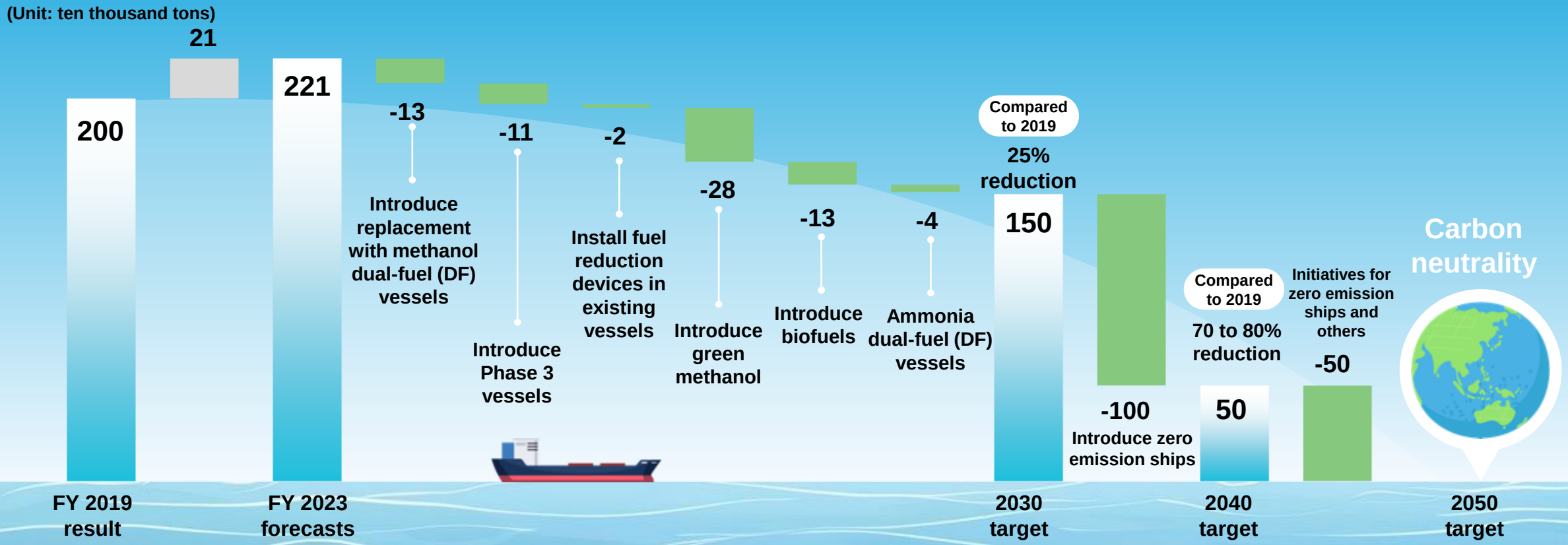
Financial Targets

Steadily increase profit to ensure the ability to invest up to 300 billion yen, and invest in vessels powered by new types of fuels to increase our corporate value.

Investment Efficiency: ROE of 10% or more, which exceeds the shareholder's equity cost of 7%
Capital Policy: Securing financial solidity with Net DER standing at 1.0 or less

Environmental Road Map toward Realizing Net Zero GHG Emissions by 2050

Launch an investment and implementation plan toward achieving a new 2030 target (total emission amount of 1.5 million tons per year) with the aim of reducing annual GHG emissions by 25% by 2030, and 75% by 2040 compared to 2019 level, and achieving carbon neutrality by 2050.



(1) Business Strategies and Growth Strategies

I. Extending the Domains of New Growing Businesses

Changes in Business Environment

- Increase in demand for shipping new cargoes such as ammonia, liquefied CO_2, and hydrogen is expected to realize a decarbonized society.
- With the promotion of introducing environmentally friendly vessels toward decarbonization, it is required to develop a fuel-delivery supply chain, and a supply infrastructure for shipping fuel conversion.

Initiatives for decarbonization toward increasing our corporate value and growing for the next generation

Demand capture associated with decarbonization

Accurately analyze new demand for both coastal and international shipping, for transportation of cargoes such as those associated with the decarbonization of steel manufacturing processes (direct reduced iron, scrap, liquefied CO_2), as well as ammonia and hydrogen, which are expected to become next-generation energy sources, expanding our business domain while strengthening cooperation with our customers

Promotion of environmentally friendly vessel introduction

Undertake the ownership and operation of ammonia-fueled ships through a joint project on “Development of Ammonia-Fueled Ship” with the aim of social implementation of these ships, given expectations for their major future contribution to society toward zero emissions from ships

(1) Business Strategies and Growth Strategies

II. Deepening the Domains of Existing Core Businesses

Changes in Business Environment

- Reinforced environmental regulations, and request for decarbonization throughout the supply chains of our customers have promoted a shift of fleet composition toward that with environmentally friendly vessels including next-generation fuel-powered vessels.
- India and Southeast Asia, whose economic growth is expected with rising populations, have newly become a driving force for marine transportation demands.

Differentiation Strategies

Strategy 1

Existing Customers Both Domestic and Overseas

- **Securing stable revenue through the promotion of long-term contracts**
- **Deploying methanol DF vessels to collaborate with customers in environmental measures**
- **Building a system to stably supply biofuels and green methanol toward decarbonization, and securing those fuels**

Strategy 2

Newly Building Very Large Gas Carriers (VLGCs)

- **Building new LPG DF vessels that can transport ammonia will contribute to both customers’ interest and process of decarbonization**

Strategy 3

Development in Asia

- **We will make further approach in India and Southeast Asia, where economic growth is expected**

Strategy 4

One-stop Solutions

- **We will accurately capture transportation demand for decarbonization by providing one-stop solutions for coastal and international shipping**

(2) Initiatives to Support Business Strategies

I. Human capital strategy

Changes in Business Environment

- It is necessary to secure and nurture human resources who can take key roles in medium- to long-term business strategies including new market entries. Technological innovation toward decarbonization is also needed.
- Increasing interest in “business and human rights” related to the prevention and mitigation of human rights risks throughout the supply chain

Efforts to raise awareness of human rights and solve environmental issues as a global marine transportation service provider enhance our corporate value

Improve employee engagement by creating pleasant working environment where they can concentrate on strategic works

Human Capital-Oriented Management

Nurture and Mobilize Human Resources

- Aim to maximize the value of human capital by developing the system for nurturing and training human resources
- Operate a HR system to evaluate challenging spirit and achievements
- Enhance the training system for employees to materialize their career development
- Human resource planning for achieving business strategies
- Promote active engagement by female and senior employees

Fulfill Social Responsibilities

- Raise awareness for respecting human rights by promoting human rights DD and achieving employee well-being
- Throughly cultivate the awareness of respect for human rights throughout the supply chain in efforts to prevent and mitigate human rights violations, and provide remedies for victims thereof.
- Improvement of working environment and promotion of health and productive management

(2) Initiatives to Support Business Strategies

II. Sustainable shipping strategy

Changes in Business Environment

- Due to the COVID-19 pandemic, it became difficult to schedule crew change, which caused them to stay on board for long periods, leading to the deterioration of working environment.
- With rising awareness about “business and human rights,” the improvement of crews’ well-being, has been required.
- The shortage of seafarers is a serious blow even to the coastal shipping industry, where modal shift from land to sea transport is being promoted.

Expansion of the Scope of Human Rights Due Diligence

Maximization of Crews’ Well-Being

Improvement of Employee Engagement

Create a working environment that allows crews to maximize their own judgment and creativity.

Securing competent crews who will play an important role in competitiveness

Sophistication of Safe Navigation and Promotion of Environmental Response

- **Secure and train competent crews and ship officers both coastal and international shipping in the pursuit of safe navigation with the aim of achieving zero-serious accident and zero-disaster.**
- **Train qualified crews who can support growth strategies to prepare for work on vessels powered by new types of fuels and liquid cargo transportation.**

Continuously securing next-generation crews

Continuation of hiring of new graduates
Diversification of recruitment for new employees

Strengthening systems to educate and train crews

Enhancement and clarification of training plans
Sophistication of system linkage

Strengthening vessel management functions

Enhancement of superintendent nurture
Active introduction of IT/DX

Realization of carbon neutrality by 2050

Implementation of the environmental road map toward achieving 2030 reduction targets for total GHG emissions
Consideration on the introduction of next-generation fuels

Pursuit of navigation efficiency improvement

Introduction of energy-saving devices
Pursuit of ultra-slow steaming

(2) Initiatives to Support Business Strategies

III. Governance enhancement

Changes in Business Environment

- Due to increasing management risks resulting from changes in business environment surrounding the shipping industry, the necessity of enhancing the risk management increases.
- To fulfill social responsibilities for various stakeholders, it is required to reinforce our corporate governance.

- **Make efforts to realize prompt decision-making to respond to environmental changes and strengthen monitoring functions on a company-wide basis.**
- **Aim to enhance our corporate value in the medium to long term through dialogue with stakeholders.**

Governance enhancement

Continuously conduct monitoring on the progress of the medium-term business plan will enhance discussions on long-term challenges such as responses to environmental changes and growth strategy, and improve the effectiveness of the Board of Directors.

Effectiveness of the Board of Directors	Improvement of operations in response to the results of a survey on the effectiveness of the Board of Directors
Enhancement of the compliance	Improving in-house education to strengthen efforts in this area
Risk management	Foster a risk culture that enables each organization to respond autonomously
Information management	Thorough information management and security reinforcement for greater safety
Information disclosure	Strengthening fair and prompt information disclosure

(2) Initiatives to Support Business Strategies

IV. Digital transformation (DX) strategy

Changes in Business Environment

- Construction of a value creation model with consideration for environmentally responsive structural changes in the shipping industry
- Sophistication of vessel management to respond to the needs of customers who are aware of significance of decarbonization and “business and human rights”
- Fair and prompt decision-making in consideration of standpoints of various stakeholders

Human Capital Strategy
Promote DX to develop pleasant working environment where employees can concentrate on implementing strategies at a high level.

Sustainable Shipping Strategy
Promote DX for vessel management for the prevention of accidents and disasters, the sophistication of vessel management, and the improvement of navigation efficiency.

Governance Enhancement
Promote DX for the enhancement of governance including the streamlining of monitoring.

Digital transformation (DX) strategy

Enhancement of cybersecurity

DX for vessel management

- **Preventive maintenance devices**
- **Work support robots**
- **Navigation support system**

IT human resources development

- **Enhancement of IT training**
- **Development of digital-core human resources**

Investment in core systems

- **Consideration of new core systems**
- **Sales support system**
- **Accounting system**

Sophistication of business operations

- **Investment for the sophistication of business operations**
- **Utilization of DX for human resources**
- **Initiatives for efficiency through DX**

Acceleration of digital education

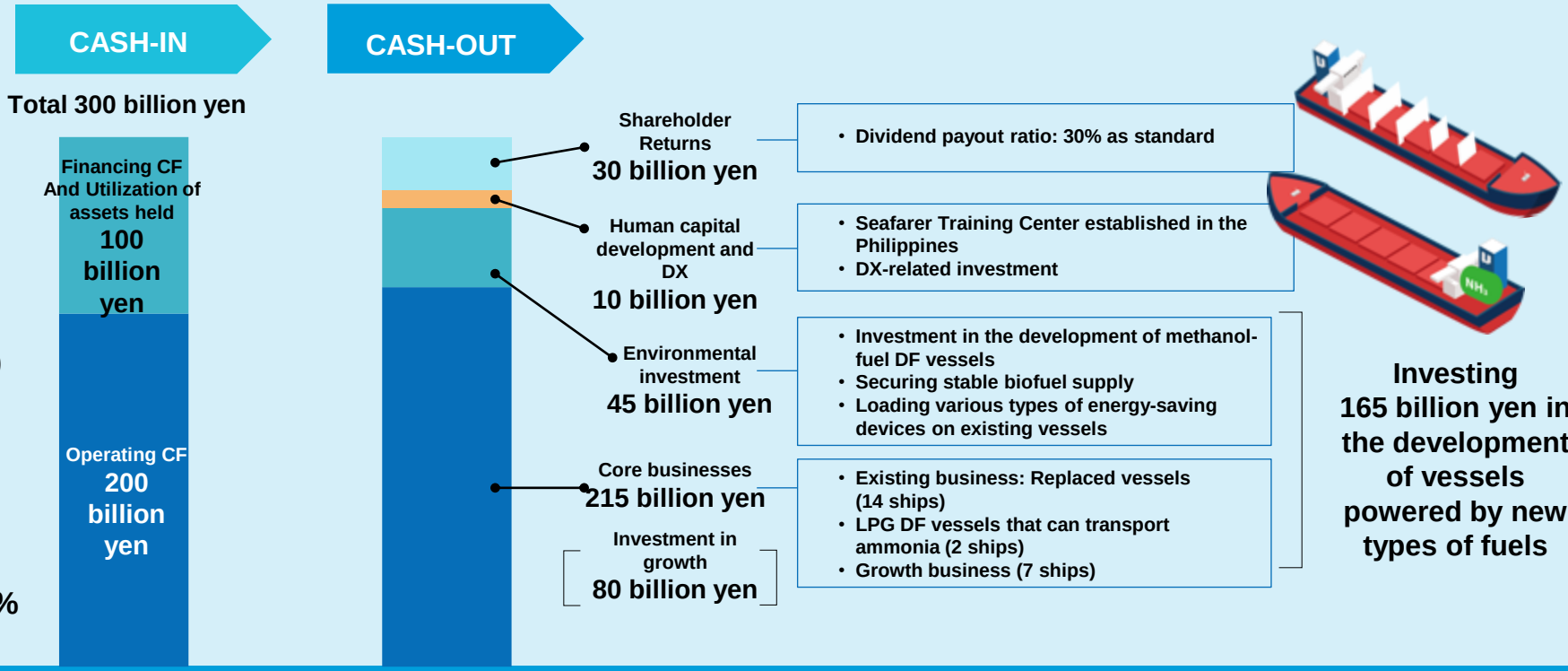
(3) Capital Needs and Investment Plan

Investment Plan (FY 2024 to 2030)

Enhancing our corporate value by efficiently executing investment in consideration of the cost of shareholders’ equity

Executing advance investment toward carbon neutrality with the aim of achieving the environmental targets for fiscal year 2030 and maximizing our corporate value.

- Aim to achieve ROE of 10% or more by steadily increasing profit from growth strategies as well as from stable return businesses
- Enhance corporate value by setting investment management targets in consideration of the cost of shareholders’ equity and efficiently executing investment
- Ensure the ability to invest up to 300 billion yen while maintaining fiscal discipline by keeping Net DER of 1.0 time or less by 2030
- We will consider further strengthening shareholder returns with a benchmark payout ratio of 30%



(4) Financial Targets and Capital Policy

I. Financial Targets

Aim to achieve ROE of 10% or more by accumulating profit from growth strategies as well as from stable return businesses.

Financial Targets	Forecasts for FY 2023*1	FY 2027 Targets
Operating income (billion yen)	**20.4**	**20.0**
Net Income (billion yen)	**16.9**	**18.0**
ROE (%)	**11.8**	**10.0**
Net assets (billion yen)	**148.0**	**192.0**
Interest-bearing debt (billion yen)	**93.3**	**140.0** *2
Net DER	**0.32**	**0.29** *2

*1 Published figures as of January 31, 2024
*2 Due to the scheduled application of the new accounting standards for lease transactions, charter fee liabilities, approximately 80 billion yen in debt expected after fiscal year 2027 is not included in the numerical figures above.

FY 2030 Targets

- Ensure the ability to invest up to 300 billion yen by steadily increasing profit while maintaining fiscal discipline (Net DER of 1.0 time or less)
- Actively execute investment to increase profitability in the medium to long term aiming at targets to be achieved in 2030.

- We will consider further strengthening shareholder returns with a benchmark payout ratio of 30%

(4) Financial Targets and Capital Policy

II. Capital Policy

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

Analysis and assessment of current status

- The COVID-19 pandemic allowed the maritime shipping industry to enjoy a rising market.
  After achieving record profits in fiscal years 2021 and 2022, we achieved the fiscal year 2023 target of ROE being 10% or more set in “FORWARD 2030” ahead of schedule.
  This paved the way for undertaking new growth strategies including investment plans.
- Under the circumstances in which it is difficult to determine how to respond to decarbonization and what types of next-generation fuel-powered vessels will be mainstream, we have not obtained full understanding on our medium- to long-term profit stability and growth potential from the stock market.

Initiatives

Aim to enhance profit stability and achieve medium- to long-term profit growth by extending the domains of growing businesses.

- Expand the domains of new growing businesses by responding to demands for transporting cargoes (direct reduced iron, scraps, ammonia, liquefied CO_2, etc.) accompanying the trend for decarbonization by customers.
- Deepen the domains of existing core businesses by actively investing in the environmentally friendly vessels including methanol DF vessels.
- Achieve ROE target with awareness of shareholder’s equity cost.
- We will consider further strengthening shareholder returns with a benchmark payout ratio of 30%. Improve shareholder returns by achieving medium- to long-term profit growth.
- Disclose information timely and adequately and actively hold dialogue with shareholders and other investors.

FY 2030 Targets

ROE

10% or more

Net DER

1.0 time or less

Cost of shareholder’s equity: About 7% based on Capital Asset Pricing Model (CAPM)

4

Supplementary Materials

(1) Environmental Targets (GHG emission reduction)

Strengthening of environmental regulations in the shipping industry

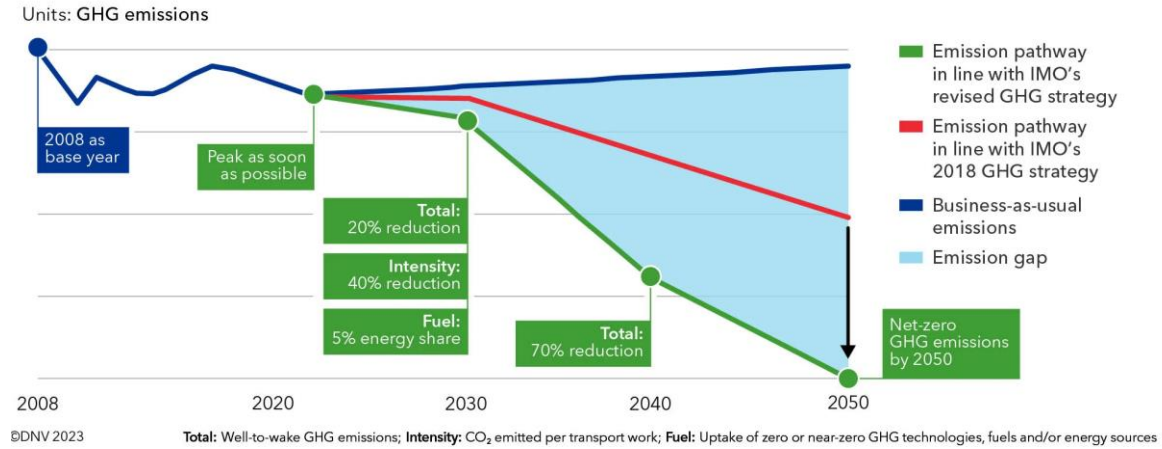
- IMO GHG Reduction Strategy 2023 adopted at MEPC 80 in July 2023, adding a new 2030 target for total annual GHG emissions
- European Union Emissions Trading System (EU-ETS) applied to the shipping sector from January 2024
- Application of FuelEU Maritime begins in January 2025, setting a limit of GHG intensity of energy used on board a ship.

2023 IMO GHG Strategy

	Initial Strategy (2018) (Tank-to-Wake)	Revised Strategy (2023) (Well-to-Wake: Life cycle)
Vision	Phase out GHG emissions as soon as possible in this century.	Phase out GHG emissions as soon as possible.
Levels of ambition	■ Total annual GHG emissions (compared to 2008)	
	At least 50% reduction by 2050	At least 20% (striving for 30%) reduction by 2030 (Indicative checkpoint) At least 70% (striving for 80%) reduction by 2040 (Indicative checkpoint) Reach net-zero GHG emissions by or around, i.e. close to 2050
	■ Uptake of zero or near-zero GHG emissions technologies, fuels, energy sources	
		At least 5% (striving for 10%) by 2030
	■ Carbon intensity improvement (CO_2 emissions per transport work) (compared to 2008)	
	At least 40% reduction by 2030 At least 70% reduction by 2050	At least 40% reduction by 2030

(Source: Prepared by ClassNK)

Outline of ambitions and minimum indicative checkpoints in the revised IMO GHG strategy



Source: DNV Energy Transformation Outlook 2023 MARITIME FORECAST TO 2050

(1) Environmental Targets (GHG emission reduction)

NS United GHG reduction targets

In keeping with IMO Strategy on GHG Reduction 2030, we will change the conventional reduction per transport unit to reduction targets for total annual GHG emissions.

Per transport unit / conventional

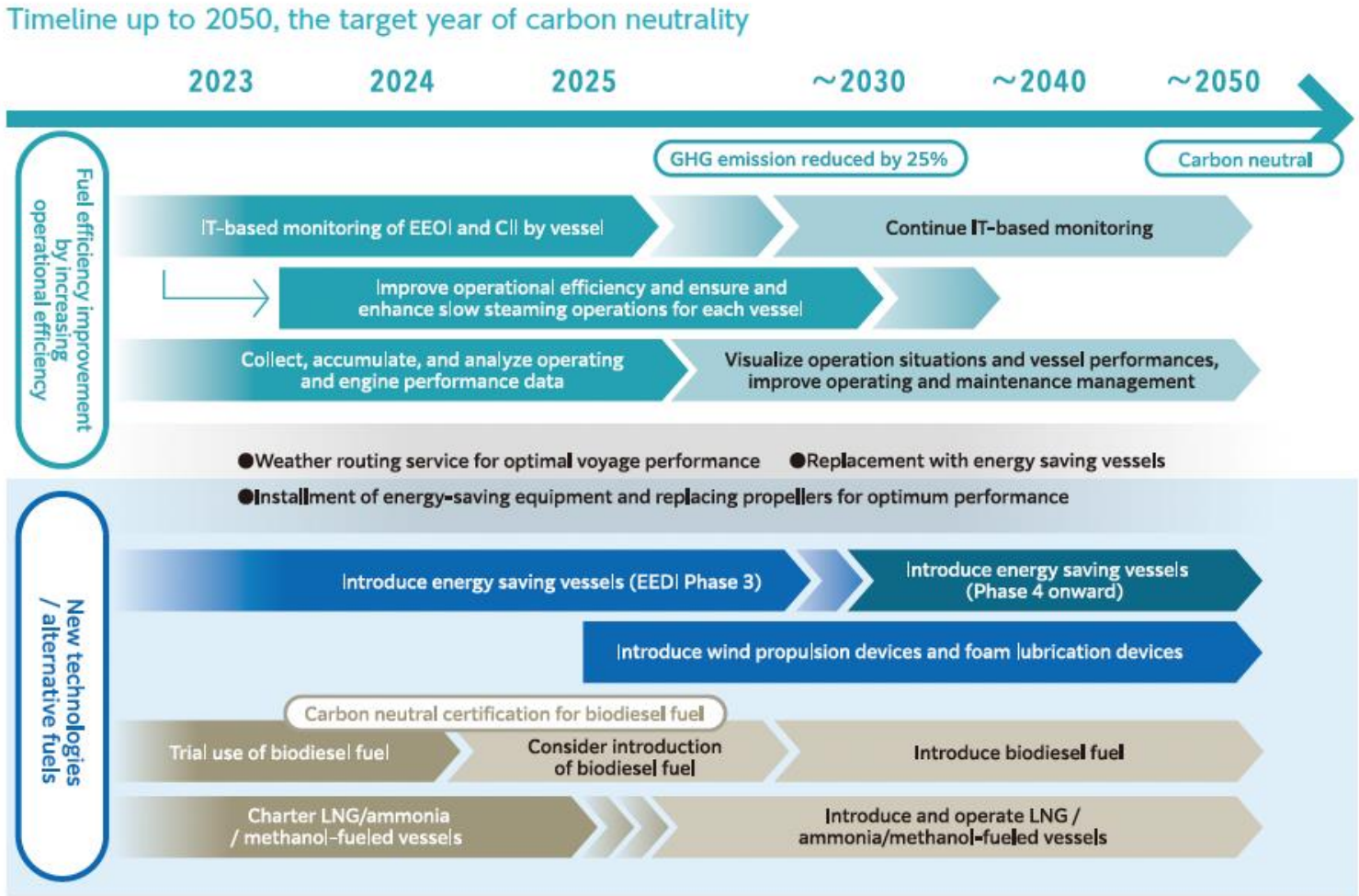
Base year	2030
2019	▲20%

Ref.: ▲40% from 2008

Total annual GHG Emissions / IMO New Strategy Compliance

Base year	2030
2019	▲25%

Ref.: ▲25% from 2008



(2) Assumptions of Business Environment

Steel

Steel consumption

Although mild growth continues in the world as a whole, China has already reached its peak, and is on a trend toward anticipated decline (with working-age population decreasing, and per capita consumption levels having already reached those of developed countries).

Moving forward, it is India and ASEAN that are forecast to exhibit high growth as their expansion exceeds China's decline.

Crude steel production

There is a slight increase in the world as a whole. After peaking out during the 2020s, The production in China is expected to decline by about 20% by 2050.

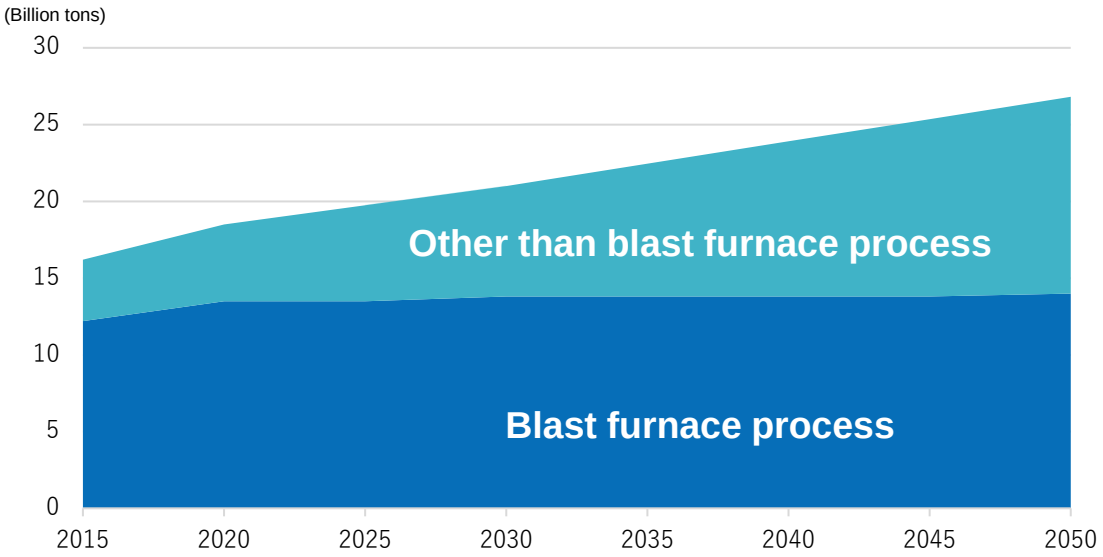
The production in India, meanwhile, is expected to offset China’s decline with a significant increase.

Electric furnace production ratio

The share of crude steel production taken up by electric furnaces in the world as a whole will be slightly under 30%, with a gradual upward trend forecast.

China is expected to increase scrap supply, with an ongoing increase in electric furnace production.

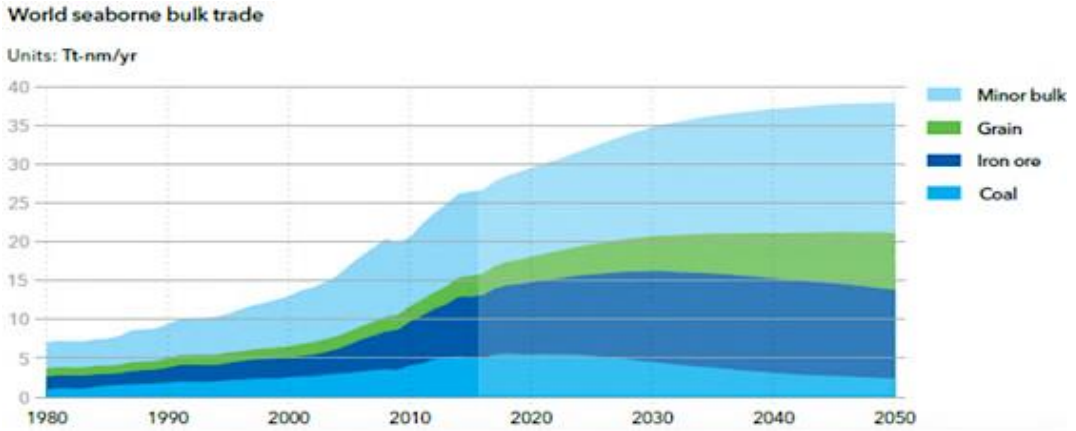
Production method outlook



Source: worldsteel

Maritime cargo movement

- Of the three major cargo categories, movement of coal cargoes in particular will gradually decline from 2020, as they are subject to decarbonization. Growing demand for steel products in emerging countries will result in increases in iron ore cargoes continuing through around 2030, after which it will level off.
- Meanwhile, demand for food and commodities is expected to expand together with global improvement of living standards, and the movements of grain and minor cargoes should continue to increase.



From DNV GL Maritime Forecast to 2050 (2018 edition)

(3) Initiatives for Decarbonization in the Iron and Steel Industry

Japan Iron and Steel Federation Long-term Global Warming Countermeasures

Concept

(From the Japan Iron and Steel Federation website)

Taking on the challenge of carbon neutrality!
Japan Iron and Steel Federation Long-term Global Warming Countermeasures for 2030 and beyond

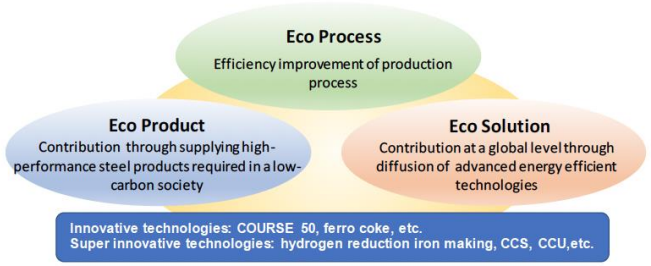
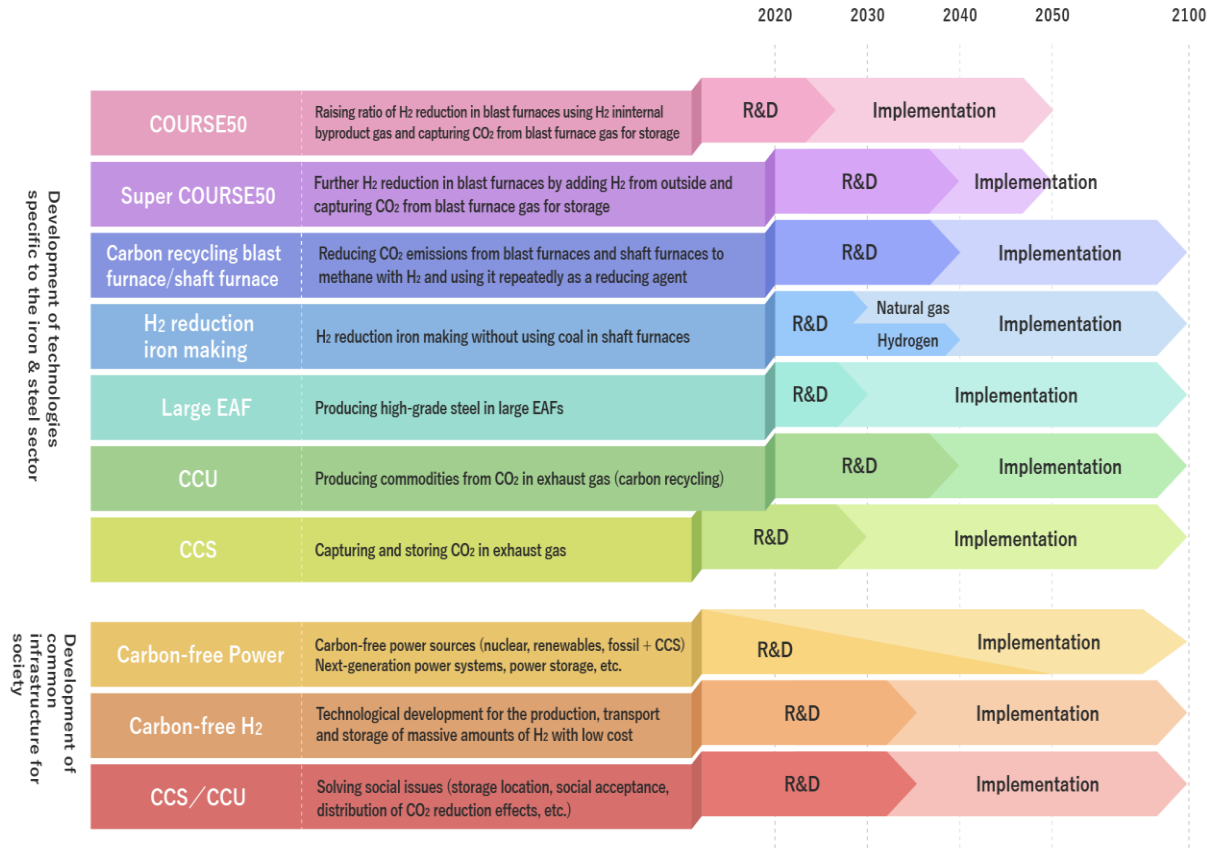


Figure 8. The Basic ideas of JISF's long term climate change mitigation measures (3 ecos and development of innovative technologies)

- **The Three Eco policies and innovative technology development will also be made the basis for long-term global warming countermeasures after 2030**
- **Furthermore, if we keep the long-term target (1.5ºC target) based on the Paris Agreement in mind, it will be necessary to develop ultra-innovative technologies that exceed current steel manufacturing technologies**

Roadmap for Innovative Technology Development



Japan Iron and Steel Federation: "The Challenge of Carbon Neutrality," Japan Iron and Steel Federation website. https://www.carbon-neutral-steel.com/, (ref. 2024-02-26)

Our Role

Our corporate mission is to promptly respond to the challenges of the steel industry

(1) Introducing marine technologies to support zero-emission transportation processes

Coastal LNG-fueled Vessel Shimokita Maru

(2) NSU group as one, responding to demand for transport of cargoes associated with steel manufacturing process decarbonization (direct reduced iron, scrap, CO_2, etc.)

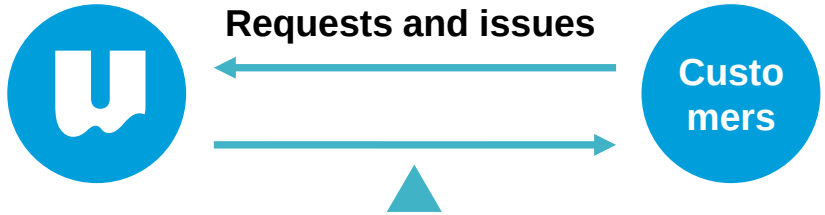
Supplementary Materials — (4) Risks and Opportunities

Materiality	Risks	Opportunities		Major initiatives
Giving top priority to ensuring safe navigation	• Loss of customer confidence due to accidents	• Reduction of accident risk, strengthening of competitiveness, and maintenance of customer confidence	▶	• Reduction of vessel down-time resulting from accidents through more thorough vessel operational safety • Execution of annual maintenance inspections on all vessels
Enhancing activities for environmental conservation and climate change	• Lagging investment in next-generation fuel-powered vessels, reputation as backward-looking on environmental conservation • Lack of progress in establishing supply infrastructure for next-generation fuels	• Acquisition of contracts with customers that value reduction of the environmental impact of their supply chains • Accessing new opportunities such as the development of supply infrastructure for next-generation fuels	▶	• Aggressive investment in new fuel-powered vessels such as methanol DF vessels and LPG DF vessels capable of carrying ammonia • Reduction by 2030 of annual GHG emissions by 25% from 2019 levels • Securing stable biofuel supply
Increasing customer satisfaction by raising transportation service quality	• Decrease in freight transportation market share due to reduced service quality • Risk of loss of stable revenue base	• Promotion of environmentally friendly vessel introduction, including next-generation fuel-powered vessels • Increase in cargo transport opportunities associated with decarbonization of the steel manufacturing process	▶	• Collaboration on customer decarbonization with environmentally friendly vessels • Response to demand for transport of cargoes associated with decarbonization, such as direct reduced iron, scrap, liquefied CO_2, etc.
Human resources development, personnel evaluation, D&I, human rights	• Decline in incentive to work, operational inefficiency • Loss of social credibility and trust, as well as business opportunities, due to human rights violations, etc.	• Improved labor productivity and competitiveness, as well as engagement • Enhanced social reputation and attraction of a diverse workforce due to increased awareness of human rights	▶	• Development of human resources capable of taking charge of strategic operations due to expansion of education and training programs for career development • Expansion of human rights DD scope • Establishment of a work environment that promotes active participation by women and senior employees
Technology, Innovation, DX	• Adherence to existing structures, deferral of needed change, and loss of competitiveness	• More sophisticated ship management, accident and disaster prevention and maintenance • Proactive adaption to changing times, differentiation from competitors, as well as maintenance and expansion of business domains	▶	• Promotion of DX for vessel management, establishment of accident prevention and maintenance equipment, and operational support systems • Development of digital-core human resources
sound corporate governance, BCP	• Damage to corporate value and share price decrease resulting from dysfunction in governance • Loss of head office functions, inability to continue business	• Increased trust due to ensured transparency • Contribution to society through ongoing provision of transportation services	▶	• Ongoing monitoring by the Board of Directors of the Medium-term Management Plan and other long-term issues • Aim of increasing corporate value through active dialogue with stakeholders • From BCP (Business Continuity Plan) to BCM (Business Continuity Management)

Offering a one-stop solution that integrates coastal and international shipping

Aggressively taking on the challenge of adopting new technologies to provide optimal marine transportation services, integrating coastal and international shipping.

- **As a leading marine transport operator in Japan covering both coastal and international shipping, we offer solutions to the issues facing our customers, involving not only raw materials and fuels, but also products and plants.**
- **We will help with the process of decarbonization for our customers by meeting new freight transportation demand toward a decarbonized society.**

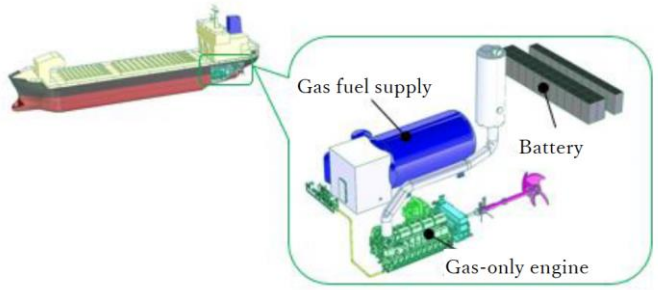


Providing one-stop solutions

NS United Naiko Kaiun Kaisha, Ltd.

The Shimokita Maru, Japan's first ship with a hybrid propulsion system combining an LNG-fueled engine with a battery, is set for completion in March 2024, and is expected to reduce CO_2 emissions by 30% compared to conventional ships.
An LNG-fueled engine provides propulsion and onboard electric power for navigation. When moored or entering or leaving port, batteries supply propulsion and onboard electric power, thus reducing GHG emissions.

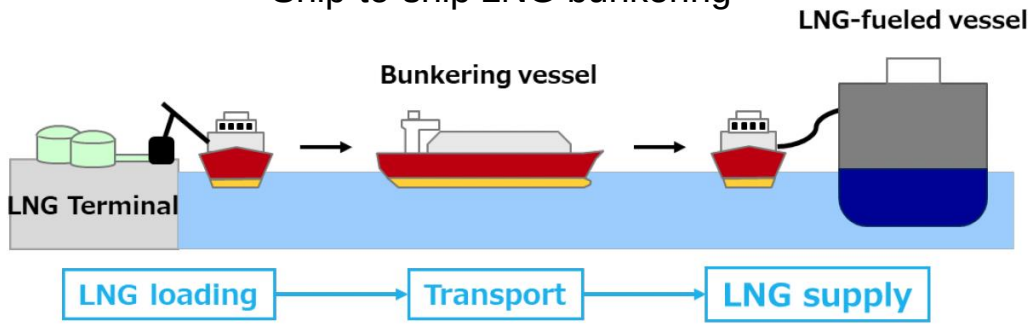
<Conceptual image of this Vessel>



NS United Coastal Tanker Kaisha, Ltd.

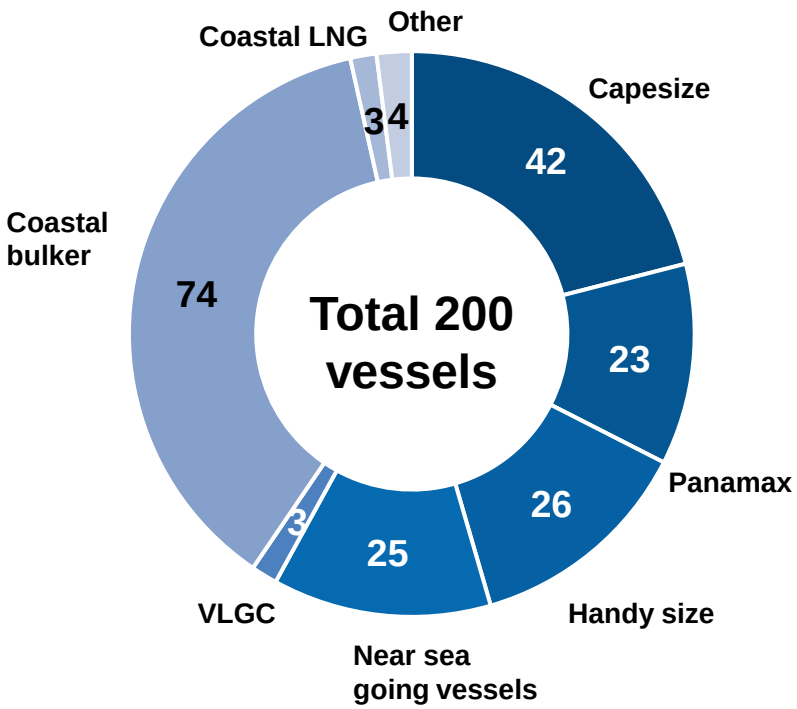
We participate in the LNG fuel supply project for ships in the Osaka Bay and Seto Inland Sea area using ship-to-ship methods, operated by Osaka Gas Co., Ltd.
We undertake the operation and management of bunkering vessels, onto which LNG is loaded for supply to vessels that use LNG as their primary fuel.

Ship-to-ship LNG bunkering

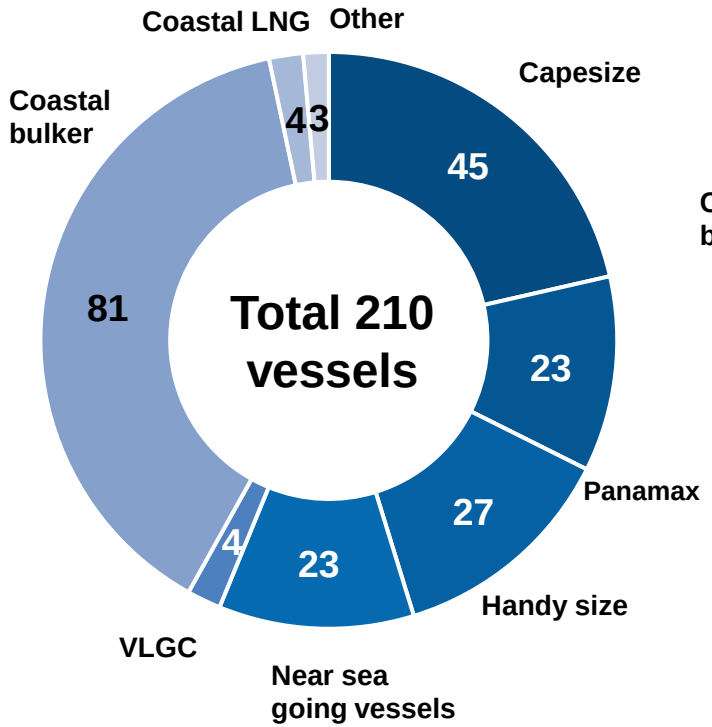


(6) Fleet composition

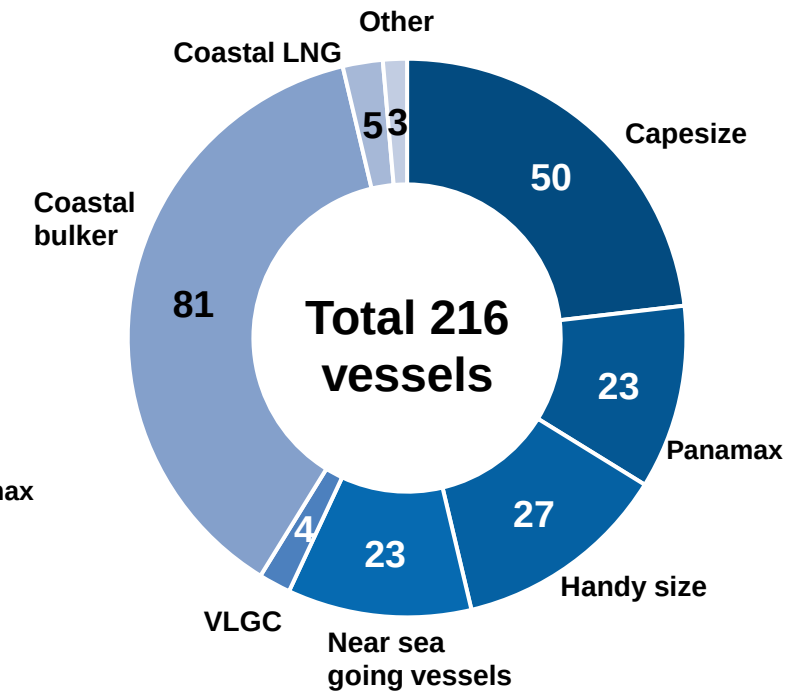
End of FY2023



End of FY2027



End of FY2030



Next-generation fuel-powered vessels	1 vessels completed	7 vessels completed	20 vessels completed

(7) Performance over the past 10 years

Key Medium-term Management Plan strategies and results over the past 10 years

	Unite & Full-Ahead! II (2014 to 2016) A start toward new development			NSU 2021 (2017 to 2019) Next Stage after United for 2021			FORWARD 2030 (2020 to 2023) Driving U forward over the next decade			
	FY2014 result	FY2015 result	FY2016 Results	FY2017 result	FY2018 result	FY2019 result	FY2020 Results	FY2021 Results	FY2022 Results	Forecasts for FY2023
Revenues (billion yen)	157.6	137.1	125.3	139.0	151.1	148.4	138.5	195.9	250.8	225.3
Operating income (billion yen)	9.5	6.5	6.6	7.4	8.9	7.0	6.7	26.7	32.5	20.4
Ordinary income (billion yen)	10.4	4.1	4.6	5.6	7.8	5.5	5.5	26.6	33.4	20.3
Net Income (billion yen)	8.6	4.1	3.3	6.6	9.3	5.9	6.1	23.6	27.6	16.9
Interest-bearing debt (billion yen)	125.9	121.9	133.7	125.7	113.8	137.5	149.2	123.7	100.8	93.3
Equity capital (billion yen)	73.7	75.4	76.8	80.7	89.0	91.1	96.4	118.2	137.4	148.0
Total assets (billion yen)	227.7	217.5	233.1	228.8	223.5	248.5	270.8	274.9	275.8	282.2
ROE	12.7%	5.5%	4.4%	8.4%	11.0%	6.6%	6.5%	22.0%	21.6%	11.8%
Equity ratio	32.4%	34.6%	33.0%	35.3%	39.8%	36.7%	35.6%	43.0%	49.8%	52.4%
Net DER	1.29 times	1.30 times	1.40 times	1.22 times	0.98 times	1.29 times	1.26 times	0.78 times	0.44 times	0.32 times

Supplementary Materials — (8) Corporate Governance System

Point (1) **Improved Effectiveness**

- 3 independent directors (1/3) (to ensure diversity and communicative capacity)
- 3 female directors (to promote gender diversity)

Point (2) **Improved Validity**

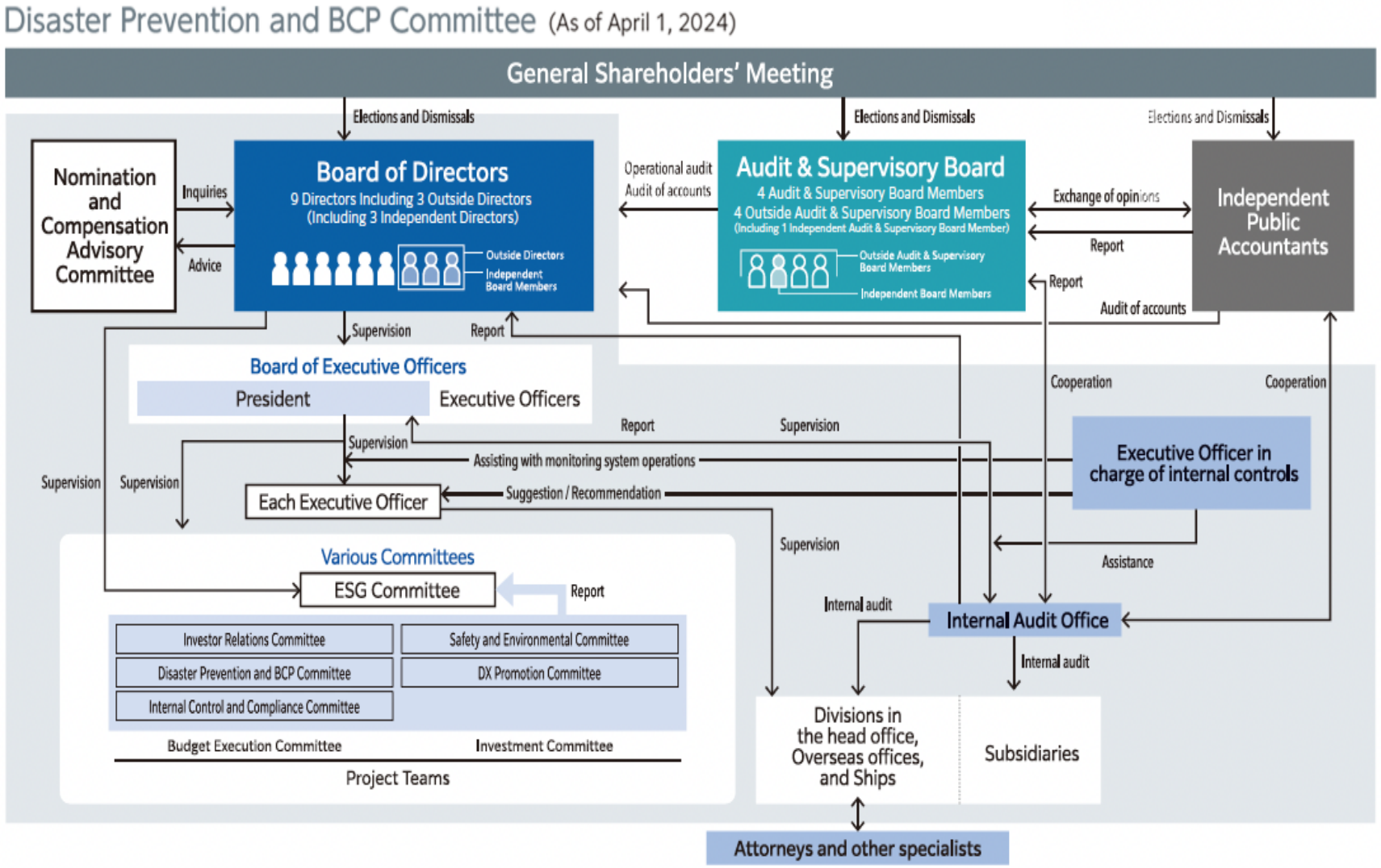
- Autonomous internal control at each workplace
- Risk map activities

Point (3) **Promotion of PDCA Activities**

- Ongoing monitoring by the Board of Directors of the Medium-term Management Plan and other long-term issues

Point (4) **Business and Human Rights**

- Respect for human rights in corporate activities
- Expansion of human rights DD scope



Supplementary Materials — Glossary

Page 4

Positioning of Medium-Term Business Plan

- **Basic Sustainability Policy:** Established in October 2021 to clarify our basic sustainability management guidelines. With the aim of solving social issues and creating sustainable value, we have identified NSU's six material issues to be prioritized: "Giving top priority to ensuring safe navigation," "Enhancing activities for environmental conservation and climate change," "Increasing customer satisfaction by raising transportation service quality," "Human resources development, personnel evaluation, D&I, human rights," "technology, innovation and DX," and "sound corporate governance, BCP."

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External Environment

- **Human rights DD :** Human rights due diligence, an ongoing process a company follows to identify and appropriately address risks regarding violations of human rights.

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Environmental Road Map toward Realizing Net Zero GHG Emissions by 2050

- **Methanol DF vessels:** Vessels fitted with engines that can be fueled by both methanol and heavy oil. Major GHG emissions reductions are expected, relative to heavy oil.
- **Phase 3 vessels:** Ships that comply with the Energy Efficiency Design Index (EEDI) regulations of the International Maritime Organization (IMO), and satisfy design standards for fuel and energy efficiency improvements of 20-30% to help reduce emissions.
- **Green Methanol:** Methanol produced from renewable energy sources, with CO_2 emissions kept to a minimum in the production process.
- **Biofuel:** Renewable energy sources produced from raw materials of biological origin, using organic substances derived from plants and microorganisms.
- **Zero-emission ships:** Next-generation ships that use hydrogen, ammonia or other fuels that do not emit CO_2 during combustion.

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Business Strategies and Growth Strategies I Extending the Domains of New Growth Businesses

- **Joint Project on "Development of Ammonia-Fueled Ship" :** An project by ITOCHU Corporation, Kawasaki Kisen Kaisha, Ltd., Nihon Shipyard Co.,Ltd., Mitsui E&S Co., Ltd. and NS United, aimed at the Japan-led social implementation of ammonia-fueled ships, by developing propulsion systems and hulls, and owning and operating ships in advance of efforts in other countries.

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Business Strategies and Growth Strategies II Deepening the Domains of Existing Core Businesses

- **LPG DF vessels:** Vessels fitted with engines that can be fueled by both liquefied petroleum gas (LPG) and heavy oil. Major GHG emissions reductions are expected, relative to heavy oil.

FORWARD 2030 II

Challenge for innovation and further growth with NS United Kaiun Kaisha, Ltd.

This report contains forward-looking statements regarding estimation and forecast of operating results. These statements are based on currently available information to NS United as of the date of this material, and thus involve inherent risks and uncertainties. Therefore, please note that actual results may differ substantially a result of various factors.