



NS United REPORT 2017

For the fiscal year ended March 31, 2017

NS United Kaiun Kaisha, Ltd.





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● Editorial Policy

The editorial policy of this report is to provide all of our stakeholders with an understanding of how the NS United Kaiun Group has been achieving its goals—both in terms of profit and otherwise—while furnishing the marine transportation services that are the Group's primary business objectives.

● Period Covered

April 1, 2016 through March 31, 2017

Please note that some matters that fall outside this period are also reported.

Fiscal years referred to in this report cover the period from April 1 to March 31. Fiscal 2016 refers to the fiscal year ended March 31, 2017.

● Organizations Covered

The NS United Kaiun Group and its related affiliates.

● Other NS United Kaiun Publications

- (1) Corporate Brochure (in Japanese, English, and Chinese)
- (2) Business Report
- (3) Securities Report, Quarterly Report

Copies of these publications can be requested from the address below.

In addition to the publications listed, various kinds of information can be found on the NS United Kaiun website.

<http://www.nsuship.co.jp/english/index.html>

● Status of Compliance with Environmental Regulations

We have had no violations of environmental laws, regulations, or other such rules that involve guidance, warnings, orders, or punishment by regulatory authorities.

● Forward-Looking Statements

This report includes statements on forward-looking plans and business strategies concerning the future performance of the NS United Kaiun Group.

The statements are based on assumptions and projections by the Company's management in light of information currently available to it. Please note that these assumptions and projections may be affected by future changes in social and economic circumstances that could cause the actual business results of the Company to differ.

A questionnaire has been included with this report. Please take a moment to give us your honest opinion so that we can use it to improve the content of future editions.

CSR Committee Secretariat

General Affairs Group, NS United Kaiun Kaisha, Ltd.

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Group Corporate Philosophy

NS United Kaiun Group offers safe, high-quality marine transportation services tailored to customer needs across the oceans of the globe.

Ever-mindful of its position as a corporate citizen, NS United Kaiun Group is steadfastly committed to the development of society by providing transportation services that conform to evolving trends.

We hereby establish our corporate philosophy of the NS United Kaiun Group;

I Basic Philosophy

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

II Management Philosophy

1

Credibility and Reliability

Increase the corporate value of the Group as a whole by practicing sound management that is credible and reliable.

2

Safe Navigation and Environmental Protection

Strive to ensure the safe navigation of vessels at all times and continue training to improve the operational skills of crews on vessels in order to take a role in protecting the global environment including the seas.

3

Response to Customers and Reform

Vigorously pursue further progress through reform while effectively responding to customer needs.

4

Nurture and Mobilize Employee Abilities

Nurture employees and mobilize their abilities to develop a dynamic Group in which they appreciate the pleasure of working.

III Corporate Code of Conduct

1. Comply with laws and regulations and act with high ethical standards.
2. Engage in fair and free competition and appropriately conduct transactions to maintain sound, responsible relationships with policy makers and the government.
3. Broadly communicate with the public, proactively and fairly disclose corporate information, and strictly protect and manage information.
4. Create a safe, healthy, and pleasant working environment with due respect for the individuality and diversity of employees.
5. Actively contribute to the local community and society as a corporate citizen.
6. Have no relations whatsoever with anti-social forces or organizations, and take a firm stand against any unreasonable demands.
7. Conduct business in compliance with national and regional laws and with respect for international norms as well as culture and custom.
8. Comply with this code and establish a system for ensuring its implementation. In the event of infringement, we will endeavor to promptly investigate the cause, prevent a recurrence, and effectively fulfill our accountability.

Established October 1, 2013

Operating in the global arena, we promote safe navigation and environmental conservation.

Connecting countries and areas around the globe, the NS United Kaiun Group aims to contribute to the development of industry, economy, and culture through its daily operations in maritime transportation services. At the same time, safe navigation and environmental conservation are both cornerstones of our business activities and our mission as a corporation that operates within the international arena.

With regard to safe navigation, the NS United Kaiun Group works to achieve zero marine accidents by establishing a safe navigation control system, conserving the environment, implementing risk control, and promoting training for crew member.

With regard to environmental conservation, we have established an environmental policy focusing on issues such as air pollution, marine pollution, and CO₂ emissions to promote global environmental conservation and we disclose our activities on a regular basis.

Main Transportation Services

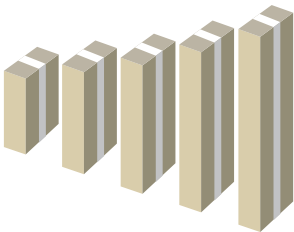
To date, we have provided marine transportation services for iron ore and coking coal for the steel industry, various energy resources, raw materials for other industries, industrial products, and feed grains. We will continue to respond flexibly to our customers' needs for safe and reliable operations by assigning staff with the requisite specialized knowledge and hands-on experience to each business section.



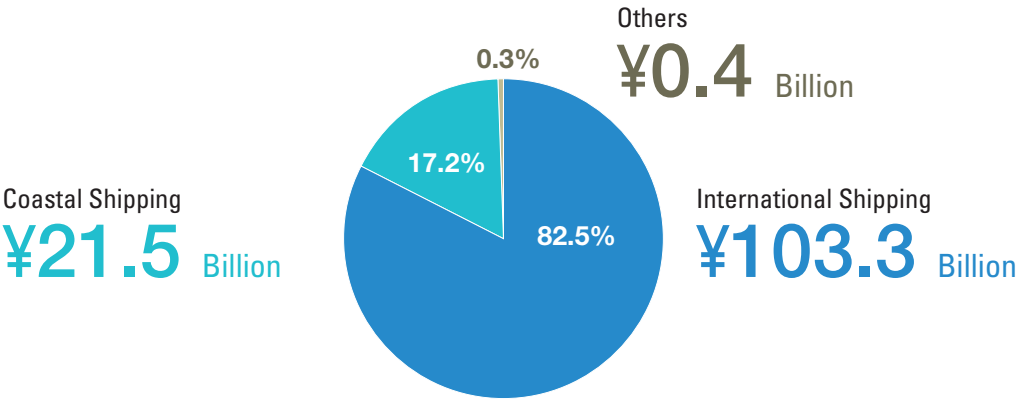
Statistical Profile of the NS United Kaiun Group

1 Revenues

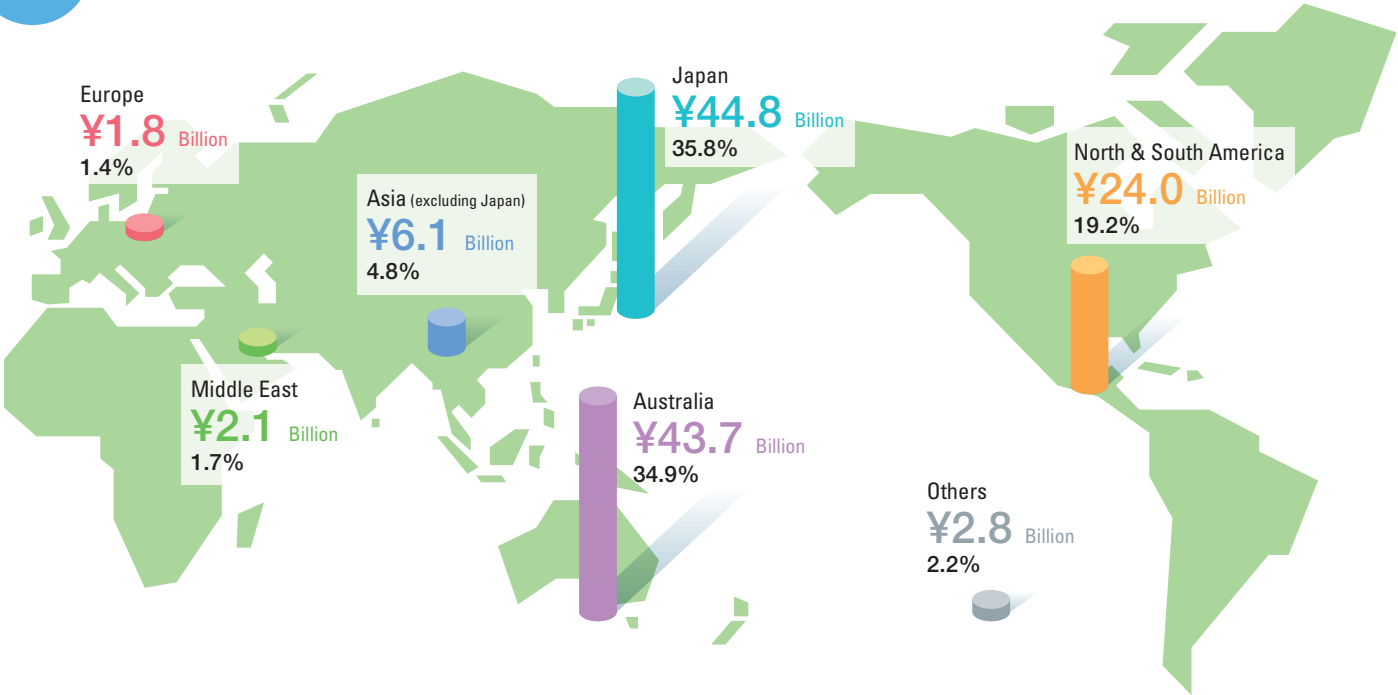
¥125.3 Billion



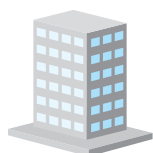
2 Revenues by Business Segment



3 Revenues by Region



4 Number of Companies



Head Office



Consolidated Subsidiaries

53



Unconsolidated Subsidiaries
(accounted for by the equity method)

3



Unconsolidated Subsidiaries
(unaccounted for by the equity method)

9



Affiliates
(unaccounted for by the equity method)

3

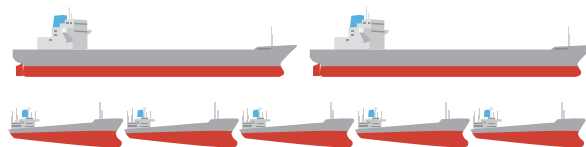
5 Number of Employees



663 (consolidated)

6 Number of Fleet Vessels

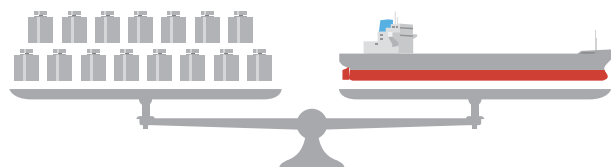
(As of March 31, 2017)



202 vessels (consolidated)

7 Fleet Tonnage

(As of March 31, 2017)



12.5 Million DWT

8 Total Annual Cargo Volume



79.7 Million tons

9 Capital Investment



¥29.5 Billion

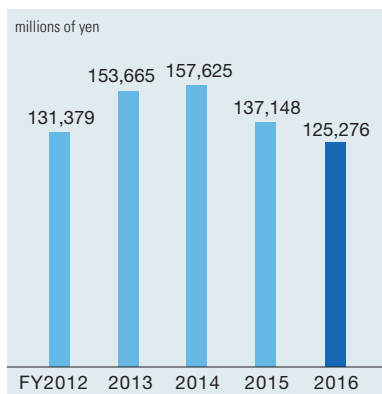
Financial and Non-Financial Highlights

Fiscal years referred to in this report cover the period from April 1 to March 31. Fiscal 2016 refers to the fiscal year ended March 31, 2017.

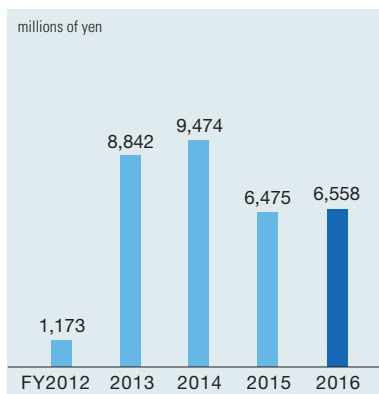
Fiscal Year (consolidated)	unit	FY2012	FY2013	FY2014	FY2015	FY2016
Revenues	millions of yen	131,379	153,665	157,625	137,148	125,276
Operating income	millions of yen	1,173	8,842	9,474	6,475	6,558
Ordinary income	millions of yen	2,529	8,920	10,380	4,064	4,607
Profit (loss) before income taxes	millions of yen	(14,977)	12,005	10,691	4,343	3,814
Profit (loss) attributable to owners of parent	millions of yen	(15,505)	10,778	8,626	4,110	3,322
Per share data						
Net assets per share	yen	219.28	270.91	319.56	319.72	325.9
Profit (loss) per share	yen	(67.21)	46.72	37.40	17.54	14.09
Dividends	yen	—	9.0	9.0	4.0	4.0
At year-end:						
Total assets	millions of yen	181,682	224,507	227,663	217,524	233,071
Net assets	millions of yen	52,633	64,943	76,481	75,372	76,826
Equity ratio	%	27.8	27.8	32.4	34.6	33.0
Major Financial Indicator						
Return on equity (ROE)	%	(27.2)	19.1	12.7	5.5	4.4
Price earnings ratio (PER)	times	—	5.2	7.8	8.7	17.0
Payout ratio	%	—	19.3	24.1	22.8	28.4
Interest-bearing debt	millions of yen	99,723	135,716	125,912	121,880	133,707
Debt-equity ratio	times	1.97	2.17	1.71	1.62	1.74
Capital investment	millions of yen	23,275	58,295	20,344	24,733	29,491
ESG* data (non-consolidated)						
Number of fleet vessels	millions of tons	1,006	1,072	1,135	1,124	1,219
Traded cargo volume	kton	59,475	58,772	65,099	64,088	62,483
Fuel consumption (MDO/HFO)	kton	12/696	13/694	15/686	19/658	21/644
Fuel consumption per unit load	t/kt	12.0	12.0	10.8	10.6	10.6
Fuel oil price (HFO/average price during period)	U.S. dollars	667	621	539	295	267
CO ₂ emission volume	kton	2,153	2,149	2,132	2,058	2,023
CO ₂ emissions per load unit (compared with FY2000, the fiscal year ended March 31, 2001)	%	82	83	74	73	73
Number of employees	number	225	226	228	227	228

*Environment, Society, Governance

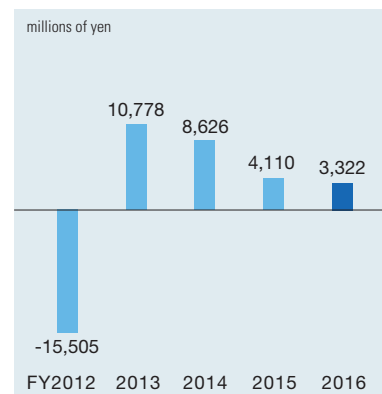
Revenues



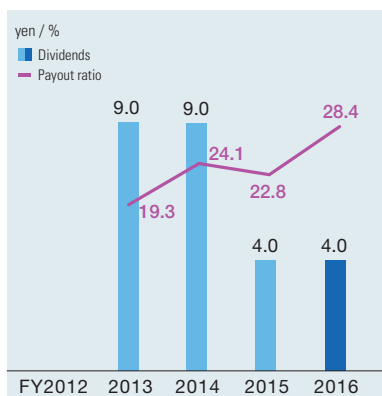
Operating income



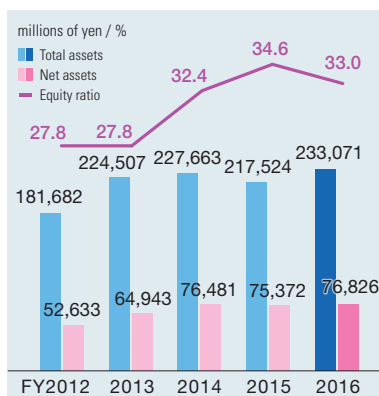
Profit (loss) attributable to owners of parent



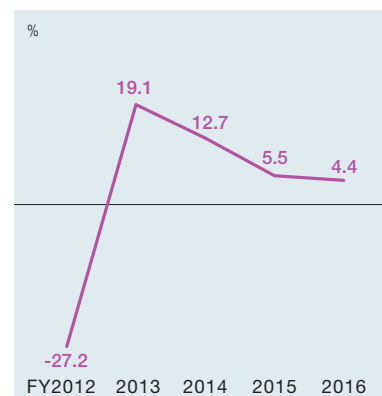
Dividends / Payout ratio



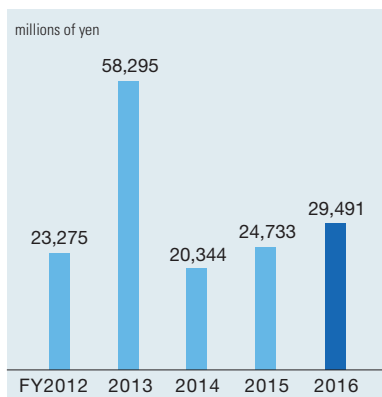
Total assets / Net assets / Equity ratio



Return on equity (ROE)



Capital investment



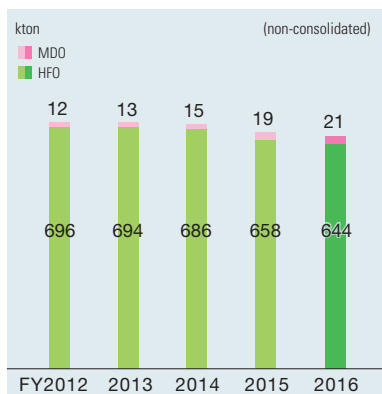
Number of fleet vessels



Traded cargo volume



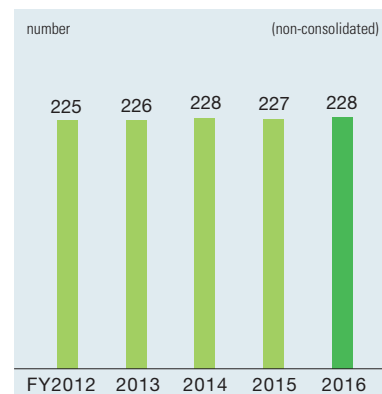
Fuel consumption (MDO/HFO)



CO₂ emission volume



Number of employees



Message from the President



Q

Please give us a business overview for the fiscal year ended March 31, 2017.

A

Downside risks for the global economy emerged during the first half of the fiscal year due to the Brexit decision and the effects of geopolitical and other risks, in addition to a slowdown of the Chinese economy. Nevertheless, the global economy saw a moderate recovery on the back of signs of a rebound in emerging economies such as in China during the fiscal-year second half.

The Japanese economy moved along a moderate recovery path as the decline in overseas economies and the drop in resource prices came to a pause, even though capital investment and consumer spending remained flat.

In international shipping, the dry bulk market saw increased tonnage demand for large vessels. This reflected a trend in which expanded imports of high-grade iron ore produced overseas replaced low-grade domestic products in China, amid an improvement in the supply-demand balance mainly for large vessels. Meanwhile, the demand and supply for tonnage of small and medium-sized bulk carriers tightened, due mainly to large-scale congestion on the North American west coast caused by the disruption of land transportation reflecting a spell of extremely cold weather during the grain harvesting season in North America. The recovery of the market, however, was limited due to the delivery of a number of new vessels into the market.

While the oil tanker market witnessed a temporary uplift due to an increase in offshore storage and demand for long-distance transportation, the market remained sluggish as no signs of improvement were seen in the business environment, with its excessive tonnage supply.

The coastal shipping business secured stable traded volume for tankers despite the sluggish performance of dry bulk carriers, which reflected a decrease in the shipment of steel products due to reduced steel production.

In terms of fuel oil prices, the average purchased bunker (fuel oil C) price for international shipping during the fiscal year dropped by approximately 29 dollars per ton from the previous fiscal year.

Under these business conditions, for the fiscal year, the Company posted consolidated revenues of 125,276 million yen (down 11,873 million yen from FY2015), operating income of 6,558 million yen (up 84 million yen from FY2015), ordinary income of 4,607 million yen (up 543 million yen from FY2015), and profit attributable to owners of parent of 3,322 million yen (down 788 million yen from FY2015).

Q

Please discuss the Medium-Term Business Plan, NSU 2021.

A

We have formulated a new Medium-Term Business Plan, NSU 2021, which was launched in FY2017 as the initial year of the three-year plan. While the outlook for external factors such as foreign exchange rates and oil prices has remained uncertain, the shipping market is expected to move along a moderate recovery path. By leveraging our solid operating base developed since the merger, we will strive to achieve our targets for the new plan under the slogan of "Next Stage after United for 2021."

We explain the details in another section of this report.

Q

What efforts are you making to achieve safe navigation and environmental conservation?

A

Connecting countries and areas domestically and overseas, our Group aims to contribute to the development of industry, economy, and culture through our daily operations: genuine, credible, high-quality marine

transportation services designed to respond immediately to every customer's need. At the same time, we contribute to environmental conservation with the thorough implementation of safe navigation, zero marine accidents, vigorous efforts regarding environmental issues, and other initiatives. As a corporation with the world as its stage, we make safe navigation and environmental conservation the cornerstones of our business activities and our mission. With regard to safe navigation, the Group has made every effort to ensure safe navigation by establishing a safe navigation management system, instituting the Safety and Environmental Committee, setting up a crisis management system, and offering training sessions for crew members.

For environmental conservation, the Group has established an environmental policy focused on issues such as air pollution, marine pollution, and CO₂ emissions to promote global environmental conservation.

Q Please discuss the Group's concept and approach to corporate social responsibility (CSR).

A We believe that the Group's CSR activities contribute to enhancing our corporate value in two ways. First, they allow us to deepen communication with a wide range of stakeholders, including customers, partners, shareholders, employees, and communities in which we operate, thereby attaining greater understanding and trust regarding our corporate activities. And second, they provide us with opportunities to collect a range of opinions and information that we can incorporate into our operations for continuous improvement.

This concept of CSR serves as a cornerstone of the Group's corporate philosophy. Sharing this understanding, we promote interaction with society in cooperation with Group companies.

To achieve our philosophy, solid corporate management systems are essential. Furthermore, it is our view that the key to effective management systems is awareness of the need for compliance with laws and regulations, company rules, and social norms in relation to corporate activities.

Based on this belief, the Group will pursue CSR activities by taking an approach that matches its corporate scale and characteristics. Specifically, we will seek to enhance our capabilities to boost our market competitiveness and profitability, while working to reduce the environmental impact of our activities and forge deeper ties with society.

Q What are the Company's major strengths and the future growth strategies?

A We have developed our business for two different customer categories: as an industrial carrier, primarily for Nippon Steel & Sumitomo Metal Corporation, and as a common carrier for other general customers. This dual-sided

service format constitutes our major strength, and we will pursue further growth with this format.

Specifically, we aim to boost market share in shipping raw materials and steel products for our main industrial client while striving to expand our common carrier service to other customers, using the expertise we have gathered.

In December 2016, the Company entered into a 25-year contract of affreightment to transport an estimated volume of 40 million tons of iron ore with Vale, a major Brazilian resources company. In line with this contract, the Company will build and operate Japan's first 400,000 DWT eco-type ore carrier.

As we must continue to advance globally to grow our customer base in the future, we will enhance the functions of our overseas bases while maintaining our head office in Japan, which serves as the home base of our industrial carrier service.

Q What is your message to stakeholders?

A Guided by its Group Corporate Philosophy and fully acknowledging that it is a member of society, the Group aims in all its business undertakings to contribute to social development. Based on this concept, we continuously engage in CSR activities in line with the scope and characteristics of our shipping business.

Among many themes, the Group places the greatest importance on the safety of navigation, which is critically important in earning the trust of society.

As one corporate group, we will continuously work together to meet the expectations of society and achieve sustainable growth.

We appreciate the continued support of our stakeholders.

Toru Obata

Toru Obata, President



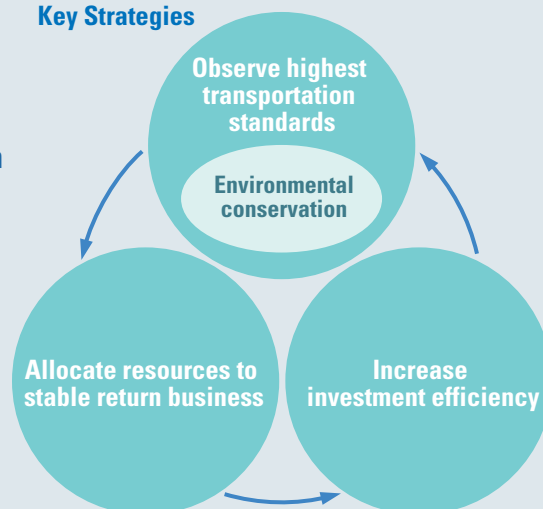
New Medium-Term Business Plan

NSU 2021 ~Next Stage after United

Under the new Medium-Term Business Plan (FY2017–FY2019), we aim to develop sustainable relationships with our stakeholders and thus contribute to society overall by broadly capturing marine transportation needs around the world. As well, we will take flexible measures, including enhancing ESG* activities premised on consistently offering first-class marine transportation services that are in turn based on leveraging the achievement of the past Medium-Term Business Plan.

* Environment: Management in consideration of the environment
Society: Management in consideration of society
Governance: Reinforcement of governance

Key Strategies



Medium-Term Objective

Our goal is to register 12 billion yen in consolidated operating profits in FY2021. In order to achieve it, we are focusing on serving coastal and international dry bulk transportation demand with a wide array of services.

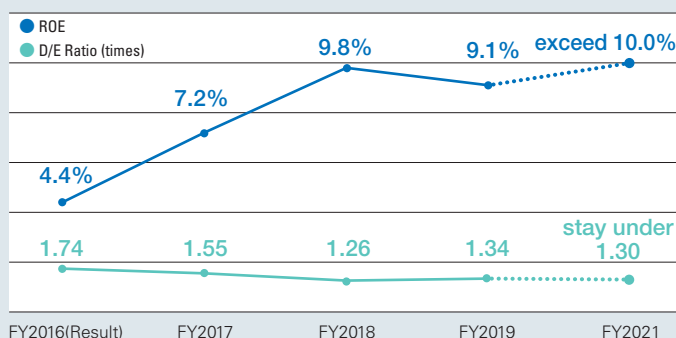
Financial Forecasts / Targets

Consolidated basis (Billion yen)

	FY2017	FY2018	FY2019	FY2021
Revenues	135.5	137.2	145.5	
Operating income	6.7	7.5	9.2	12.0
Ordinary income	4.9	6.2	7.9	
Net Income	5.7	8.3	8.3	
Interest-bearing debt	126.5	111.5	126.0	
Equity capital	81.6	88.2	93.9	
Debt-equity ratio (D/E ratio) (times)	1.55	1.26	1.34	stay under 1.3
Return on equity (ROE) (%)	7.2	9.8	9.1	exceed 10.0

We aim to improve profitability (ROE) through strategic investments. To maintain financial stability (D/E ratio), we are reducing interest-bearing debt. In addition, we are increasing dividend payments from free cash flow to optimize shareholder returns.

Estimates and Targets for ROE and Debt-Equity Ratio

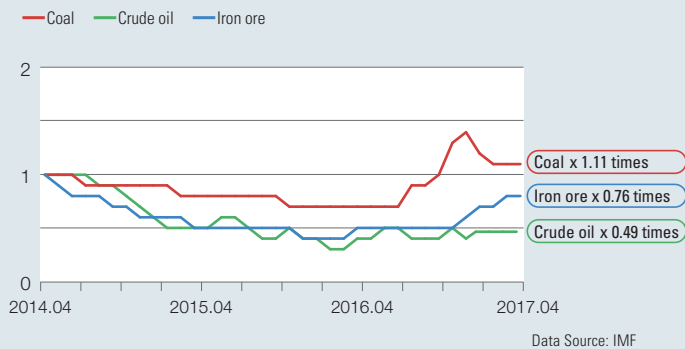


for 2021~

External Factors

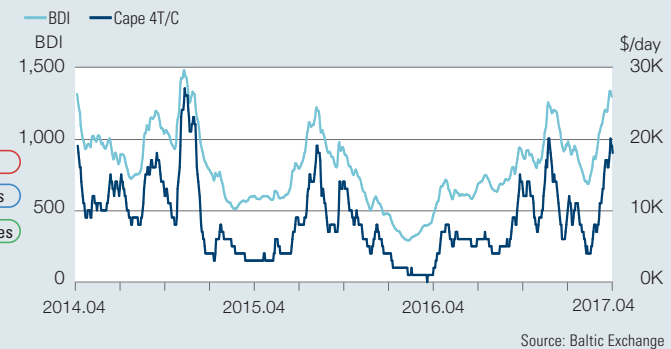
Current Environment and Trends

Trends in Raw Material & Fuel Price (April 2014 = x 1.0)



- Global Economy in Moderate Growth
- Resource Prices to Remain Steady
- While the fuel oil price plunged to the 100-dollars-per-ton level during FY2016, it has recovered to the 300-dollars-per-ton level currently.

Trends in Shipping Markets

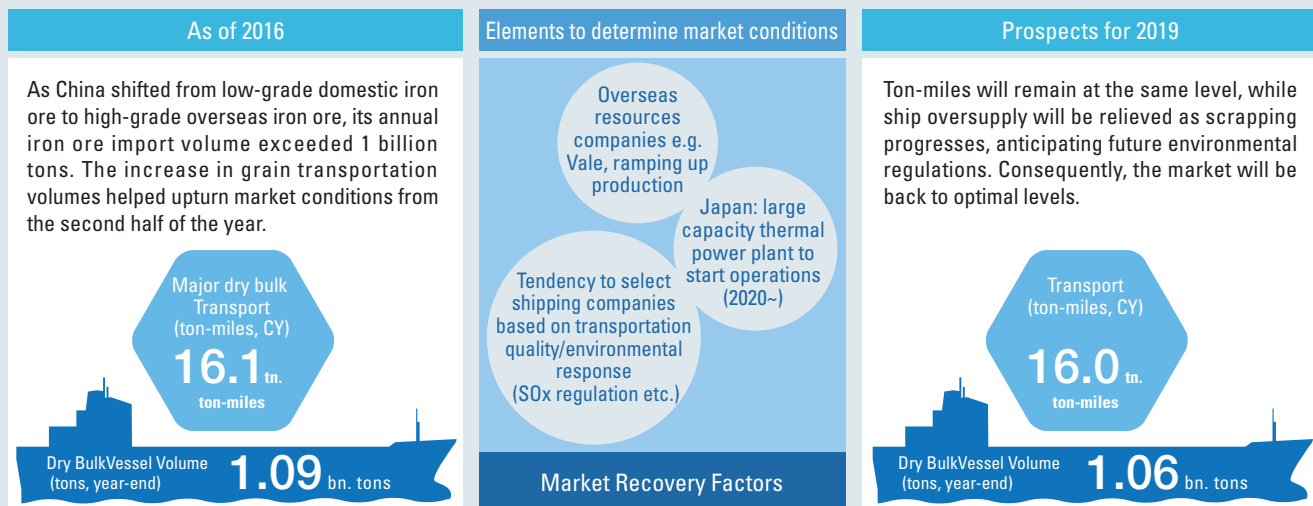


- In the shipping market, the demand for ships has improved as the scrapping of larger ships has grown and demand from China for resources has further increased.
- Regarding the dollar/yen exchange rate, the yen continued to appreciate against the dollar to reach the 100-yen range during FY2016, and the current rate has remained at around 110 yen to the dollar.

Vessel Supply-Demand / Shipping Market

- For vessel supply-demand, as the global economy is maintaining a moderate recovery trend, growing grain demand is expected to increase the cargo transportation volume by 1.0 to 2.5% annually. On the other hand, vessel volume is expected to decrease by 1.0% a year after 2018 as the result of scrapping aged vessels, anticipating future environmental regulations.
- Although massive delivery of the newly built ships lowered the average age of vessels and the number of scrapping vessels tends to peak, markets are expected to gradually recover as the gap between supply and demand closes.
- Ship owners are increasingly considering new building orders in view of higher charter market forecasts and of newbuilding prices hitting the bottom. When environmental regulations are finalized, market composition could change drastically.

Forecast, Dry Bulk Market



Data Source: United Nations, other research

Overview by Business Segment

FY2016 Summary

International shipping

Despite some significant effects from international politics and economics, such as a slowdown of the Chinese economy and Brexit, the international shipping business posted 103,295 million yen in revenues and 5,262 million yen in operating income, reflecting the possible bottoming out of sluggish market conditions.

Coastal shipping

The coastal shipping business delivered 21,540 million yen in revenues and 1,285 million yen in operating income.

FY2016

Group Fleet Development Results

(including vessels in their fifth or later year of service)

International shipping vessels: 9

1,212,135 DWT (KT)

Coastal shipping vessels: 4

10,738 DWT (KT)

FY2017

Group Fleet Development Plan

(including vessels in their fifth or later year of service)

International shipping vessels: 8

1,494,600 DWT (KT)

Coastal shipping vessels: 2

15,900 DWT (KT)

International shipping

Revenues

¥103.3 billion

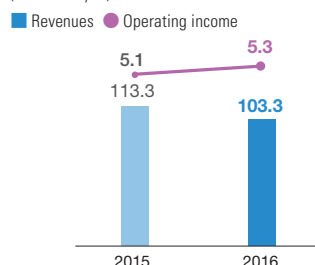
Operating income

¥5.3 billion

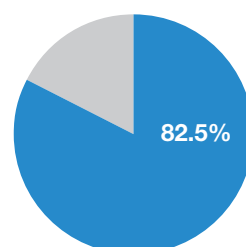
down 8.9% year on year

up 3.7% year on year

Change in revenues / operating income (billions of yen)



Breakdown of revenues



Capesize Bulk Carriers

The capesize bulk carrier (180,000 DWT) market saw a recovery in the supply-demand balance as tonnage supply was reduced due to the postponement of deliveries for new vessels and the scrapping of old vessels, although the time charter weighted average rates for the five primary routes remained sluggish at the beginning of the term: a daily charter rate in the 3,000-dollar level. Moreover, on the back of further tightening of the supply-demand balance due to an increase in iron ore shipments from Australia and Brazil, the daily charter rate recovered to the 20,000-dollar level in March.

Given these conditions, we carried out spirited sales activities in Japan and overseas, winning long-term voyage contracts with overseas customers as well as delivering new dedicated vessels to our major customer, Nippon Steel & Sumitomo Metal Corporation. For these reasons, we were able to achieve our initial targets.

Panamax-Size Bulk Carriers

In the panamax-size bulk carrier (70,000–80,000 DWT) market, the time charter weighted average rates for the four primary routes remained low, at the daily charter rate of the 5,000-dollar level during the first half of the fiscal year. In the second half of the fiscal year, however, the daily charter rate exceeded 10,000 dollars, mainly in the Atlantic Ocean in December, as a result of increases in grain shipments from North America at the beginning of the fall and growing coal demand in winter. In addition, as grain shipments from South America grew earlier than in previous years, the robust market conditions remained even past mid-February. In these circumstances, we strove to secure stable revenues through strong sales activities targeting major customers, including domestic power companies and general industry. As well, we promoted efficient vessel allocations to benefit from arbitrage among regional markets. However, sluggish market conditions during the first half of the period did not enable us to attain our initial targets.

Supramax/Handy-Size Bulk Carriers

The supramax/handy-size bulk carrier (20,000–50,000 DWT) market suffered from generally lower trends than expected despite an upswing in the market, mainly in the Atlantic Ocean at the beginning of the fall. Regarding major cargo transportation on outbound voyages, while cargo volumes for steel products to Central America remained robust, shipping steel products to the Gulf of Mexico and the east coast of North America were sluggish due to a slump in energy-related businesses and the impact of U.S. anti-dumping regulations. For major inbound cargo transportation, a certain amount of revenues was secured through long-term contracts for non-ferrous metal ores from the west coast of South America. Under these circumstances, overall results for this segment fell short of the initial targets as tonnage not covered by long-term contracts was affected by slow market conditions.

Near Sea Small-Sized Carriers

In the near sea small-sized carrier (13,000 DWT or smaller) market, with regard to the transport of steel products bound for China — the mainstay of this segment — shipping volume for the automobile industry grew steadily. In addition, the volume for consumer electronics, office automation, and other industries, which had suffered from a gradual decline, saw a recovery in line with an increase in demand for overseas steel products, a reflection of the decrease in production in China against the backdrop of environmental regulations. In this business climate, we accomplished our initial targets despite some negative influences, including a rapid rise in fuel oil prices in the second half of the year.

Oil Tankers

The VLCC tanker (300,000 DWT) segment saw a temporary upswing in market conditions due to an increase in offshore storage anticipating a rise in the crude oil prices following the agreement on production cutbacks among oil-producing nations as well as the resumption of crude oil exports from Nigeria. The supply-demand balance eased off, reflecting increased pressure on the supply for new vessel construction without progress in scrapping old vessels. Meanwhile, the VLGC (80,000 m³) LPG carrier segment suffered from sluggish market conditions due to a rapid rise in the delivery of new vessels amid soft demand for long-distance transportation as a result of the narrowing gap in LPG prices between the U.S. and the Middle East. Under these circumstances, while we strove to stabilize revenues by fixing our fleet services through medium- to long-term charter contracts, we did not achieve our initial targets; the impact of sluggish market conditions could not be completely stripped out of some contracts.

For the chemical tanker business of NS United Tanker Pte. Ltd., a subsidiary based in Singapore, market conditions remained unfavorable amid intensified competition from new market entrants. Under this environment, we sought ways to stabilize revenues through long-term contracting, thus achieving our initial targets.

Coastal shipping

Revenues

¥21.5 billion

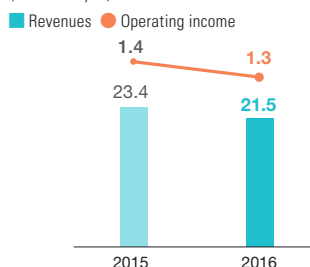
Operating income

¥1.3 billion

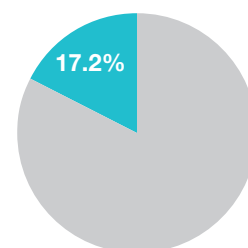
down 7.9% year on year

down 7.8% year on year

Change in revenues / operating income (billions of yen)



Breakdown of revenues



Coastal Vessels

In the dry bulk market, while steel-related cargo shipments declined during the first half of the year due to the effect of a reduction in crude steel production, raw material cargo shipments remained steady toward the end of the year. This was chiefly due to the acquisition of new limestone freight contracts as well as a rebound in cargo movement in line with an increase in automobile production from the beginning of fall. While cement-related cargo shipments remained slow, reflecting sluggish demand, restoration from the Kumamoto Earthquake and public works spurred cargo shipment demand after the year-end. Under these circumstances, we could not reach our initial targets mainly due to the effect of the slump in steel and other general cargo shipments, despite our efforts to maintain efficient vessel allocation and to reduce costs.

For tankers, the demand for LNG (liquefied natural gas) shipments remained slow owing to the impression of relatively expensive LNG prices due to a decline in the crude oil price and a shift toward energy saving, etc. The traded volume for the Hokkaido route also declined, reflecting a decrease in transfer demand as output from the domestic gas field increased, while we managed to secure a stable cargo volume for the Seto Inland Sea route. In addition, while LPG (liquefied petroleum gas) shipments for industrial use slumped because of slowing domestic demand, among other reasons, the traded volume of consumer LPG increased during the high-demand period in winter. Under these conditions, we continued to make vigorous efforts to achieve efficient vessel operation, and, as a result, we accomplished our initial targets.

Fleet List

(As of March 31, 2017)

NS United Kaiun Kaisha, Ltd.

Capesize Bulk Carriers		
Vessel name	DWT (KT)	
1 SHINWA MARU	297,541	
2 NSU JUSTICE	250,835	
3 NSU PRIDE	250,821	
4 NSU INSPIRE	250,813	
5 NSU MILESTONE	250,675	
6 NSS DYNAMIC	233,584	
7 NSS HONESTY	229,548	
8 NSS CONFIDENCE	229,545	
9 NSU ULTIMATE	208,788	
10 NSU TRUST	208,747	
11 NSU VOYAGER	208,745	
12 SHIN-EI	207,933	
13 SHIN-REI	207,923	
14 NSU OBELISK	207,819	
15 NSU KATSURA	207,791	
16 NSU KEYSTONE	207,684	
17 NSU QUEST	207,362	
18 SPRING NEXUS	206,562	
19 NSS ENDEAVOR	184,887	
20 NSS FORTUNE	184,872	
21 NSU SIRIUS	182,981	
22 NEW FUTURE	182,598	
23 GOOD HORIZON	182,342	
24 SG UNITED	181,415	
25 UNITED CROWN	181,381	
26 NSU NEWSTAR	181,380	
27 UNITED BREEZE	181,325	
28 NEW DELIGHT	181,279	
29 NSU RESPONSIBILITY	181,126	
30 NEW ADMIRE	181,050	
31 UNITED DIGNITY	180,818	
32 UNITED ADVENTURE	180,745	
33 NSU LODESTAR	180,690	
34 NEW MIGHTY	179,851	
35 E.R.BRANDENBURG	178,978	
36 NSS GRANDEUR	176,882	
37 NEW STAGE	176,877	
38 NEW EXPEDITION	176,387	
39 CHOU SHAN	175,569	
TOTAL	7,866,149	

Post-Panamax & Panamax-Size Bulk Carriers		
Vessel name	DWT (KT)	
1 DYNA GLOBE	99,347	
2 HONEST SKY	95,732	
3 AZALEA WAVE	95,584	
4 CENTURY WAVE	91,686	
5 DYNA CAMELLIA	91,569	
6 SAKURA WAVE	88,299	
7 DOUBLE HARMONY	88,270	
8 JP VERDURE	88,269	
9 KNOSSOS WAVE	87,340	
10 KAGUYA	83,900	
11 GLORIOUS WIND	83,410	
12 IBIS WIND	82,937	
13 SEAGULL WIND	82,908	
14 NEW ASCENT	82,179	
15 RISING WIND	82,151	
16 BRIGHT WIND	82,119	
17 NORD BELUGA	81,841	
18 ARGO WIND	81,761	
19 ROBIN WIND	78,228	
20 DIAMOND WIND	76,536	
21 CRYSTAL WIND	76,523	
TOTAL	1,800,589	

General Cargo Carriers		
Vessel name	DWT (KT)	
1 ORIENTAL XANADU	16,656	
2 NEW AUDACITY	13,559	
3 KERRISDALE	13,559	
4 HAYATE	13,121	
5 MEGAH ENAM	12,926	
6 WINDS 3	11,759	
7 GINGA	11,439	
8 HAYABUSA	11,415	
9 PACIFIC HORSE	11,401	
10 ASAKAZE	11,382	
11 YUSHO PRINCESS II	11,353	
12 PIONEER THIRD	10,738	
13 TOYO HOPE	10,262	
14 MIGHTY CHAMP	10,084	
15 MIGHTY DANDY	10,072	
16 BUNGO PRINCESS	10,034	
17 TAMAKI PRINCESS	10,024	
18 SEIYO SPRING	9,999	
19 REIKA HARMONY	8,790	
20 FOREST FRONTIER	8,782	
21 ALISHAN BLOSSOM	8,767	
22 FOREST ANGEL	8,763	
23 HARUKAZE	7,568	
24 SHINAKI MARU	6,167	
25 FIRST CLARITY	5,465	
TOTAL	264,087	

Handymax & Handy-Size Bulk Carriers		
Vessel name	DWT (KT)	
1 PACIFIC INFINITY	56,104	
2 NEW BEGINNING	56,098	
3 NEW DIRECTION	56,097	
4 NEW DESTINY	53,554	
5 ANDES QUEEN	52,333	
6 INCA QUEEN	52,199	
7 CHAVIN QUEEN	51,241	
8 ATACAMA QUEEN	51,213	
9 ANCASH QUEEN	51,068	
10 SPRING QUEEN	51,063	
11 SUMAQ QUEEN	51,052	
12 AREQUIPA QUEEN	51,024	
13 YOU & ISLAND	38,309	
14 SAKURA OCEAN	38,239	
15 LOCOMOTION	38,046	
16 BASIC PIONEER	37,196	
17 ATLANTIC GRACE	33,709	
18 ATLANTIC RUBY	33,680	
19 ATLANTIC VENUS	33,677	
20 ATLANTIC GLORY	33,472	
21 ATLANTIC OASIS	33,457	
22 EOS VICTORY	33,451	
23 ATLANTIC BRAVE	33,407	
24 ATLANTIC DIANA	28,419	
25 ATLANTIC RAINBOW	28,368	
26 ATLANTIC EAGLE	28,339	
27 IVS MAGPIE	28,240	
28 CRYSTALGATE	28,183	
29 ATLANTIC FAIRY	27,935	
30 ATLANTIC TRAMP	27,930	
31 PACIFIC SPIKE	24,041	
TOTAL	1,241,143	

VLCC/VLGC/ Petrochemical Carriers		
Vessel name	DWT (KT)	
1 YUGAWASAN	302,481	
2 IDEMITSU MARU	300,433	
3 AQUARIUS WING	299,990	
4 KODAIJISAN	58,591	
5 NS FRONTIER	54,312	
6 CARRIBEAN ORCHID	19,998	
7 ARABIAN ORCHID	19,984	
8 BENGAL ORCHID	19,980	
TOTAL	1,075,769	

Notes: 1. The above list includes vessels chartered for a short period.

2. The last three vessels (Nos. 6 to 8) listed in "VLCC/VLGC/Petrochemical Carriers" are owned by a Singapore-based subsidiary of the Company.

Topics

Topic

1

Share Consolidation in Conjunction with Changes in the Share Trading Unit

For the convenience of investors and other market participants, all Japanese stock exchanges are promoting an action plan to consolidate trading units at 100 shares. Accordingly, the Company will amend the Articles of Incorporation to change the number of shares in a trading unit from 1,000 to 100 shares, as of October 1, 2017.

In conjunction with the change in the composition of a trading unit from 1,000 to 100 shares, the Company has decided to implement a share consolidation plan where every 10 shares are consolidated into 1 share. This is to maintain the price level of a single trading unit, as determined to be desirable by stock exchanges and to avoid changing the number of voting rights of shareholders following the change in the number of shares in each unit. To match the ratio of share consolidation, the Company will reduce the total number of authorized shares from 600 million to 60 million shares.

Topic

2

Merger of Subsidiaries

The Company's consolidated subsidiaries Nippo Marine Co., Ltd. and NS United Marine Service Corporation merged on April 1, 2017. The name of the company following the merger is NS United Marine Service Corporation.

The two companies were providing services with a focus on supporting the Company's business operations: Nippo Marine Co., Ltd. dispatched seamen to the Company and NS United Marine Service Corporation provided safety supervision for vessels operated by the Company. By integrating these support services, we aim to boost organizational efficiency for the Group through more streamlined operations. This was an absorption merger with Nippo Marine Co., Ltd. as the surviving company.

Summary of the new company after the merger

Company name: NS United Marine Service Corporation

Main businesses: Marine transportation, shipping agency, seamen dispatch, sales and intermediary for ship articles.

Head office: 5-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo

Topic

3

Formulation of Anti-Harassment Guidelines and Amendment of Related Company Rules

The revised Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment was enacted on January 1, 2017. In addition to the prohibition of disadvantageous treatment by reason of pregnancy, childbirth, childcare, or family care, the revised act imposes obligations on employers to take measures to prevent harassment related to these issues.

Accordingly, the Company formulated the Anti-harassment Guidelines on January 1, 2017 and amended all related company rules and regulations.

Topic

4

Conclusion of Long-Term Contracts to Transport Iron Ore from Brazil

The Company entered into 25-year contracts of affreightment with both Nippon Steel & Sumitomo Metal Corporation and Vale, a major Brazilian mining company, to transport iron ore from Brazil. For Vale, transportation is scheduled to begin in the second half of 2019 on the service route between Brazil and China. For Nippon Steel & Sumitomo Metal, transportation is scheduled to begin in the second half of 2020 on the service route between Brazil and Japan. The total estimated volume of iron ore to be shipped over the term of the contracts is approximately 80 million tons. The Company will build two new 400,000-DWT eco-type ore carriers to fulfill the contracts.

Corporate Governance

1 Corporate Governance

Based on the corporate philosophy of contributing to the development of society by providing genuine and high-quality marine transportation services, NS United Kaiun seeks to achieve the sound and sustainable growth of the Group and to improve corporate value over the medium to long term while striving to adequately respond to the expectations and trust of shareholders, customers, and all other stakeholders. To this end, we have developed corporate governance systems suited to the characteristics of the Group's business. These systems are subject to periodic review for continuous improvement by enhancing the efficiency, soundness, and transparency of corporate management.

Basic Principles

At NS United Kaiun, the Board of Directors, consisting largely of members who are highly knowledgeable about the Company's business and management, makes decisions regarding important operational matters as well as basic management policies. Further, the Company has established an Audit & Supervisory Board, a board of auditors as defined in Japan's Companies Act.

From their independent position, the Audit & Supervisory Board Members are expected to exercise strong authority to effectively supervise directors and executive officers in the performance of their duties, particularly through attending Board of Directors' meetings.

We believe that this system is effective for ensuring efficient and sound corporate management. Particularly for ensuring sound management, outside Audit & Supervisory Board Members with a wealth of experience and knowledge concerning relevant areas are elected to supervise the performance of directors and executive officers in fulfilling their duties.

In addition, outside Audit & Supervisory Board members are expected to routinely monitor the Company's financial status, exerting strong legitimate authority as necessary, in cooperation with the independent public accountant, the Internal Audit Division, and Audit & Supervisory Board members of every Group company, as appropriate.

To increase the opportunities for the Board of Directors to make decisions from a broader perspective and to boost the supervisory management function, the Board of Directors includes more than one outside director with a wealth of experience and knowledge about corporate management and other themes.

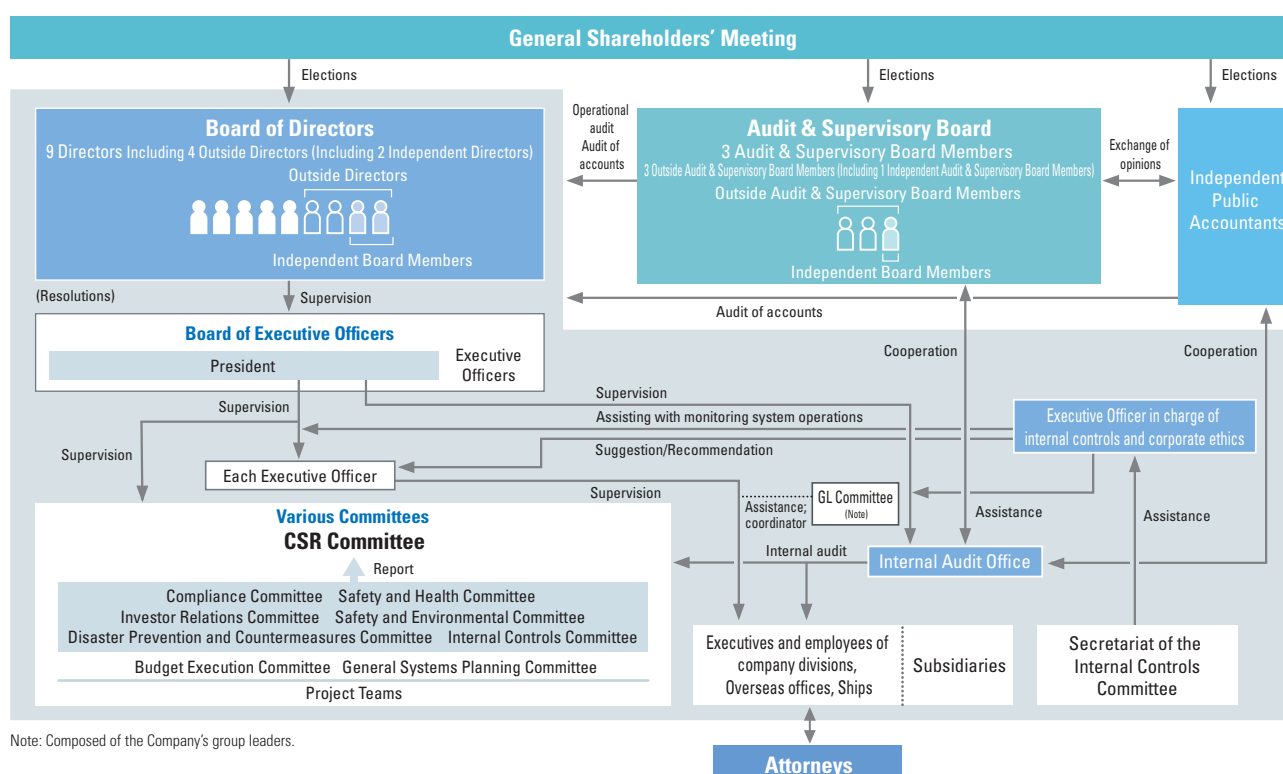
The Company seeks to appropriately disclose information to increase the transparency of management and help our stakeholders to more accurately understand the Group's business conditions. In addition to obligatory disclosures, including laws and regulatory requirements relating to financial instruments exchange, we voluntarily offer financial and nonfinancial information accurately to the extent possible and in a timely and easy-to-understand manner.

Corporate Governance System

NS United Kaiun is a company with a Board of Directors, and strives to improve management efficiency through meetings of a Board of Directors composed of nine directors including four outside directors (as of June 28, 2017). In June 2007, the Company introduced an executive officer system to address changes in the management environment appropriately and precisely. All of the three Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members (as of June 28, 2017). Audit & Supervisory Board Members attend meetings of the Board of Directors, the Board of Executive Officers, the CSR Committee, the Board of Executive Officers, the CSR Committee,

Organization Chart Including the Management System of Internal Controls

As of June 28, 2017



Note: Composed of the Company's group leaders.

and various other committees to conduct appropriate audits, as indicated, of business operations and accounting. Two of the Directors and one of the Audit & Supervisory Board Members are appointed to serve as an independent board member who ensures the objectivity and neutrality of the management review function.

The Company also established an internal audit office in July 2006 to contribute to risk management and support the evaluation of internal controls in accordance with Japan's Companies Act and the Financial Instruments and Exchange Act. By order of the president, internal audits are conducted on operations in every division in cooperation with the Audit & Supervisory Board to enhance the effectiveness of corporate governance.

In addition, we established control systems at the Company as well as the Group companies in accordance with the Corporate Governance Code that was formulated by the Financial Services Agency and the Tokyo Stock Exchange. We will also revise regulations as needed, in an

effort to further enhance corporate governance.

Since September 2016, we have arranged opportunities for the president and internal directors to regularly exchange information with outside directors.

Executive Compensation

At NS United Kaiun, the amount of compensation paid to executives is determined in accordance with each person's management rank and position, taking into consideration the level of ability and responsibility required for operating shipping services.

Based on the above policy, the amount of directors' compensation was determined by the Board of Directors, within the limit approved at the general shareholders' meeting. The amount of audit & supervisory members' compensation was determined based on a discussion at the Audit & Supervisory Board meeting.

(Results for FY2016)

Executive category	Number of executives	Total amount of compensation
Directors (outside directors)	8 (3)	¥174 million (¥8 million)
Audit & Supervisory Board Members (outside Audit & Supervisory Board members)	4 (3)	¥41 million (¥39 million)

Note: The total amount of compensation for Audit & Supervisory Board members indicated above includes the amount paid to one Audit & Supervisory Board member who retired on June 28, 2016 at the close of the 90th Ordinary General Shareholders' Meeting held on the same day.

2 Risk Management

Risk Management System

Risk management regulations have been established as fundamental requirements for risk management. In this way, NS United Kaiun will meet its corporate social responsibility, even if substantial risks impacting operations should emerge.

The Company manages risks based on these regulations by analyzing risks and studying measurements in considering various risks that may arise in the course of our business activities. The Board of Executive Officers and Board of Directors discuss and determine issues related to risk management in addition to performing the year-end assessments of risk items and management implementation status based on the Risk Item List.

In FY2016, it was confirmed that all risk items had been adequately managed in accordance with company rules, etc. and that the rules had been formulated or amended as a result.

In addition, with the aim of clarifying the impact, risks, etc. in the case of large or high-risk projects prior to the resolution by the Board of Executive Officers, we established the Investment Committee and developed company rules in this same year.

Appropriate Management of Personal Data

NS United Kaiun has been effectively controlling information that can identify individuals, such as data on its employees, for the purpose of safeguarding personal data. It adopts the policy of not offering personal data to any third party unless required to do so by law or when approval

has been obtained from the individuals themselves. Data is only used for the purpose for which it were intended.

After the revised Act on the Protection of Personal Information took effect on May 30, 2017, we made a full revision of our regulations for appropriate control of personal data. The revised regulations were disseminated to all companies in the NS United Kaiun Group to ensure appropriate management of personal data.

In addition, following the introduction of the Social Security and Tax Number System, we promptly established internal regulations for handling specified personal information in January 2016, and have been conforming to the new system since then.

Business Continuity Plan (BCP)

NS United Kaiun established its BCP following the Great East Japan Earthquake so that, in the event of a large-scale disaster or other emergency, the Company can safeguard employees and their families as well as continue operations to fulfill its responsibility to deliver marine shipping services to customers as contracted.

In addition, an Emergency Response Manual was created to set out initial actions to be taken in the event of an emergency. Among these actions, the highest priority is given to promptly confirming the safety of employees and their families and reporting the results according to the established reporting line. To familiarize employees with the related procedures, periodic emergency drills are conducted using internal programs developed for employee safety.

Corporate Governance

3 Our Efforts to Promote Compliance

Compliance Promotion System

Maintaining relationships of trust with stakeholders is a foundation for businesses to achieve sustainable development in society. Based on this recognition, NS United Kaiun has implemented measures to enhance its compliance system. Specifically, these include stating the Corporate Code of Conduct within the Group Corporate Philosophy as well as forming a Compliance Committee chaired by the director in charge of general affairs. The Committee organizes awareness-raising activities to ensure that all executives and employees comply with laws and regulations, company rules, and social norms and ethics in carrying out day-to-day operations.

Compliance Advisory Service Desk

NS United Kaiun established Compliance Advisory Service desks, one inside and one outside the Company, to accept direct reports from employees who are aware of contraventions of the law, misconduct or similar acts committed by executives or other employees. Anonymous consulting can be arranged with either desk. With the goal of protecting individuals who report company information that is in the public interest, whistleblowers are guaranteed protection from harmful

treatment as a result of making a report.

Further, the Company has appointed a female in-house compliance adviser to field inquiries at the internal advisory service desk, while the external advisory service will be handled by an outside lawyer.

Compliance Awareness Month

NS United Kaiun has designated October as the month for raising compliance awareness and has engaged in various activities across the Group. The campaign aims to remind all personnel of the importance of this theme, implementing a range of activities to further enhance their awareness as well as giving them the knowledge and information necessary to practice compliance.

In FY2016, the president sent a message on compliance to all executives and employees. In addition, we promoted awareness on workplace bullying and insider trading regulations by providing specific items to pay attention to as well as points to be observed using case studies. Moreover, we revised our internal guidelines regarding antitrust laws, requiring the submission of a record of interactions in cases of unavoidable business interactions and thoroughly instilling awareness of this requirement, among other initiatives.

4 Internal Controls

In accordance with Japan's Companies Act and its Enforcement Ordinance, the Board of Directors has established a basic internal controls policy, while also working to ensure the reliability of financial reports in accordance with the provisions of the Financial Instruments and Exchange Act.

In FY2016, we assessed the effectiveness and status of implementing the basic internal controls policy. As a result, it was concluded that internal controls that are included in the basic internal controls policy and are developed and operated by the Company do cover risks that, among those anticipated, could result in significant damage to the Company. The controls are functioning effectively as a way to respond to material risks. This conclusion was determined at a meeting of the Board of Directors. We aim to further establish an internal control system in the future.

Furthermore, NS United Kaiun Internal Controls Committee has

ensured better internal control of the Group by formulating annual plans and managing progress.

We find that internal control activities contribute to the improvement of management quality, and our highly reliable financial reporting heightens the credibility of NS United Kaiun among both individual and corporate stakeholders. All the directors and employees of this company are committed to continuing our cooperative effort to establish and implement internal controls appropriate for NS United Kaiun.

In FY2016, with the aim of strengthening the contact system between the site (such as the vessel, agent, etc.) and the Company, between the Company and Group companies, and between Group companies and related parties in the case of a marine accident involving the Company or its Group companies, we established a contact network among the site, the Company, and Group companies and thoroughly disseminated relevant information within the Group.

5 Basic Policy on Communication with Shareholders and Investors

NS United Kaiun is committed to engaging in appropriate communication with shareholders and investors. Upon receiving interview requests, the Investor Relations Committee handles related processes in accordance with annual plans and relevant investor relations (IR) standards while, generally, executives in charge of IR meet and respond to individual interviewers. These arrangements are available at any time of the year, excluding a certain period of time prior to the periodic reporting of financial results.

At General Shareholders' Meetings, we readily provide information and respond to individual questions in an appropriate way.

At a later time on the same day, we hold a dialogue session in which shareholders are invited to speak directly with our executives.

For IR-related interviews, executives deal with the required tasks in accordance with internal regulations on handling insider information (non-public material information about the business).

Directors, Audit & Supervisory Board Members and Executive Officers (As of June 28, 2017)

Directors (*outside / **outside and independent)



Toru Obata

President
President Executive Officer



Masahiro Samitsu

Director
Senior Managing Executive Officer



Shin Yaguchi

Director
Managing Executive Officer



Mitsuhiro Oyamada

Director
Managing Executive Officer



Kanji Ishikawa

Director
Executive Officer



Kazuo Tanimizu

Director (part-time) *



Masato Kimura

Director (part-time) *



Masayuki Kinoshita

Director (part-time) **



Setsu Onishi

Director (part-time) **

Audit & Supervisory Board Members (*outside / **outside and independent)



Masaaki Noguchi

Outside Corporate Auditor
(full-time) *



Yasuhito Mitani

Outside Corporate Auditor
(part-time) **



Keizo Chihara

Outside Corporate Auditor
(part-time) *

Executive Officers

Yasuhiro Minemura
Managing Executive Officer

Yoshifumi Nakata
Managing Executive Officer

Kazushi Fukuda
Executive Officer

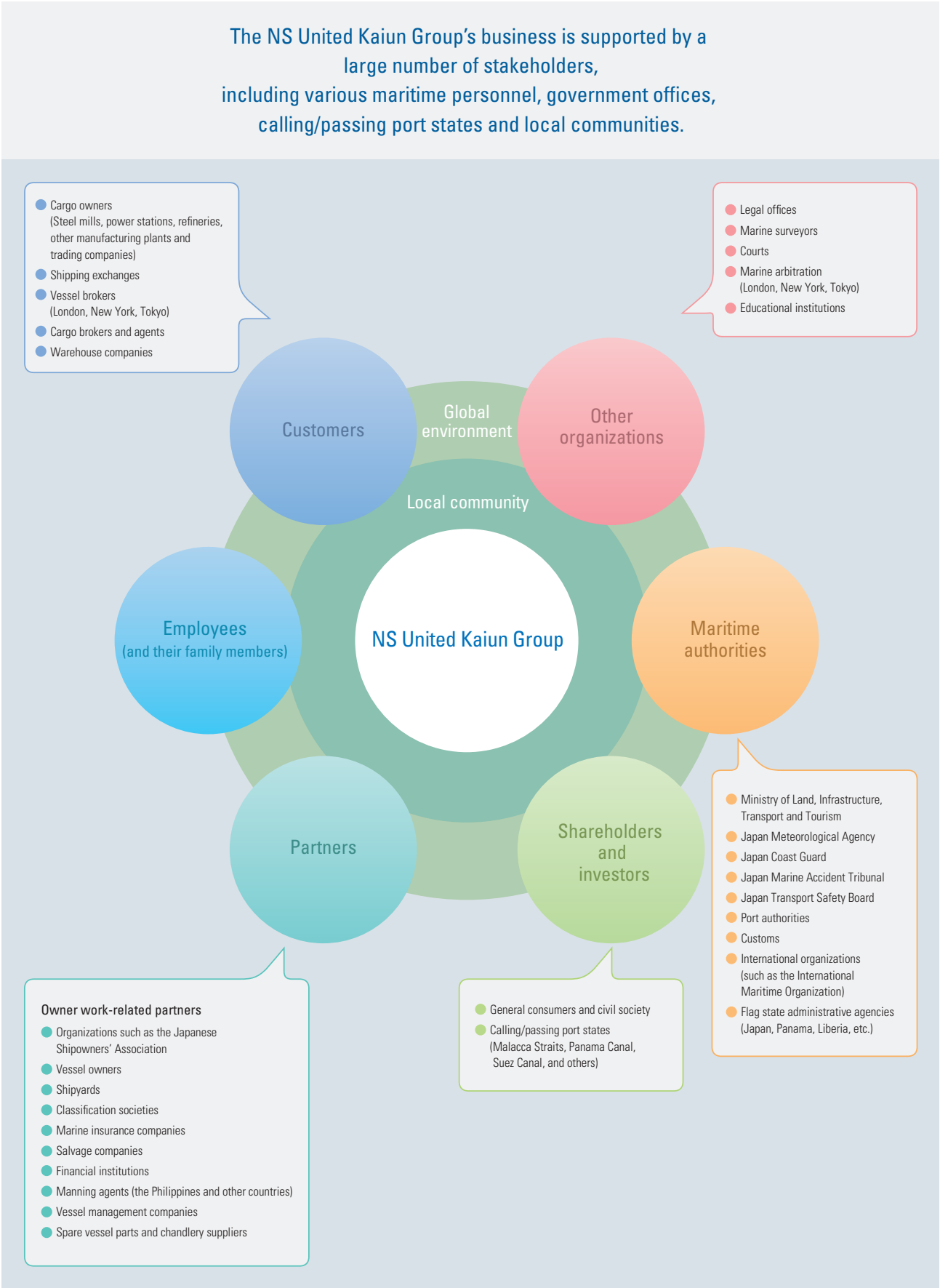
Naruhiko Miyai
Executive Officer

Makoto Yoshikawa
Executive Officer

Toru Fujita
Executive Officer

Naoki Asuwa
Executive Officer

Stakeholders Supporting the NS United Kaiun Group

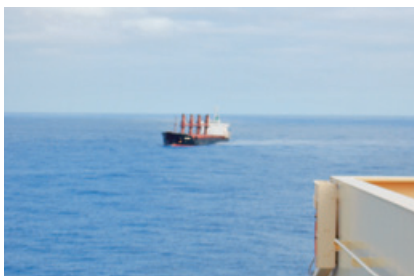


Initiatives for Society

Rescue

Many countries have established systems to report a vessel's location and a request that the closest vessel rescue, when needed. These systems include AMVER, a U.S.-led, computer-based voluntary global ship-reporting system. Japan has a similar system, the Japanese Vessel Reporting System (JASREP), and all vessels under the management of NS United Kaiun participate in this system.

On Friday, December 2, 2016, M/V NSU INSPIRE, a dedicated ore carrier owned, managed, and operated by the NS United Kaiun Group, rescued 19 crew members of a vessel in distress off the coast of Africa. Through our involvement in emergency rescue operations for any marine accidents that we encounter, we will continue to contribute to a broad range of marine safety activities.



① Our vessel approached the vessel in distress.



② Lifeboats neared our vessel.



③ Lifeboats moored next to our vessel.



④ Roll call for crew members of the vessel in distress.

Rescue operations

The timeline of rescue operations is summarized below.

2016
December 2 15:25 (all times are local)

During navigation from Brazil to China, we received a request for rescue via radio from a bulk carrier off the west coast of the Cape of Good Hope in Africa.

2016
December 2 18:55
All 19 crew members were rescued.

2016
December 5 23:37
The crew members were safely delivered to the South African Coast Guard off Cape Town.

With Our Customers and Suppliers

Customer Satisfaction

NS United Kaiun is principally engaged in the worldwide logistics of raw materials, energy resources and products for industry. The Company meets customers' needs for cargo transportation throughout the world by fully utilizing information on trade, vessels, shipping routes and cargo handling know-how accumulated over a long period at its bases in London, New York, Singapore, and Tokyo, where many shipbrokers are located, and strives to offer timely shipment in the most appropriate vessels, safely and at competitive freight rates.

The style of business communication by which the Company pays direct visits to domestic and overseas customers becomes the foundation of relationships of trust. Regardless of whether a project is long term or a spot voyage, the Company strives to generate customer satisfaction, build trust, and increase opportunities for its customers worldwide to do business with "a first-class industrial bulk carrier."

Participation in Safety Meetings with Customers and Partners

NS United Kaiun, together with its coastal shipping body NS United Naiko Kaiun Kaisha, Ltd. and NS United Coastal Tanker Kaisha, Ltd., has continued to forge strong ties with the domestic consignees of various industries such as steel mills, power stations, oil refineries, gas plants and other port-related personnel, and has participated in many safety conferences all over Japan to ensure the safety of vessels entering/leaving port and the safety of the region. It has cooperated in periodic surveys, and has implemented risk management programs related to accidents, disasters and environmental pollution.

Emergency Response and Public Communication

NS United Kaiun is always poised to implement an emergency response together with customers, salvagers, insurers, shipping agents, shipyards, and other partners, as well as related authorities, in accordance with our regulations regarding the handling of disasters at sea and other emergency circumstances. We also have systems in place to provide public explanations at appropriate times by means of the media and the Company's website.

Ensuring Safety and Quality in Shipping Services

The NS United Kaiun Group's mission is to supply customers with high-quality shipping services. NS United Kaiun, together with NS United Systems Co., Ltd., NS United Business Co., Ltd., and International Marine Consulting Co., Ltd., has established an environment management system for marine transportation services in compliance with ISO 14001:2015, and the Group has undertaken the inspection.

In addition, our Company and NS United Naiko Kaiun Kaisha, Ltd. have incorporated the ISO 9001:2008 quality management system into our vessel safety management systems. We are currently working on transitioning to ISO 9001:2015.



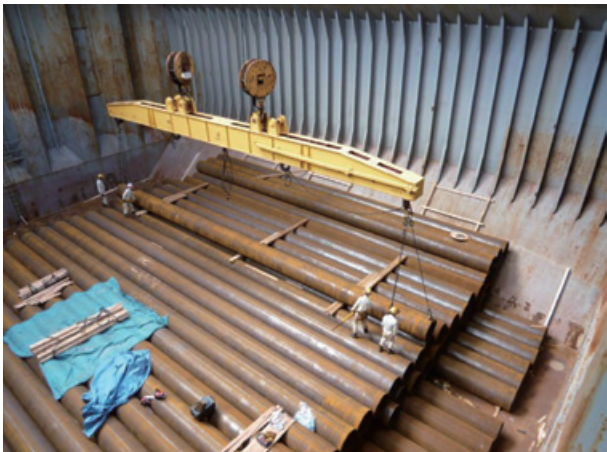
Registered certificate of our quality management system



ISO9001:2008 registration certificate for NS United Naiko Kaiun Kaisha, Ltd.

Efficient Stowage and Cargo Preservation

At International Marine Consulting Co., Ltd., a NS United Kaiun Group member, experienced vessel masters supervise the loading and discharging of high-value steel products and plant products, and similar cargoes. The Company uses its accumulated experience and knowledge of cargo characteristics and worldwide port conditions to preserve cargo and support efficient transportation.



Pipe stowage

With Our Shareholders and Investors

Timely Disclosure of Company Information

NS United Kaiun endeavors to ensure the timely and appropriate disclosure of IR and important result-affecting corporate information to shareholders and investors. The information is disclosed on the website of the Tokyo Stock Exchange, through the media, and on NS United Kaiun's website.

In addition, the Company's Investor Relations Committee, which is composed of the executives in charge of the General Affairs Group, Finance and Accounting Group, and Project Group, as well as the managers of those groups, has formulated a public relations policy governing the release of information intended for investors. This committee is charged with responding to media coverage, holding press conferences, and posting articles on the Company's website.

IR Materials on Our Website

- Securities report (in Japanese), quarterly report (in English and Japanese)
- Corporate Governance Report (in Japanese)
- Corporate Disclosure
- Financial Results
- NS United REPORT (integrated report; in English and Japanese)
- Business report (information for shareholders; in Japanese)

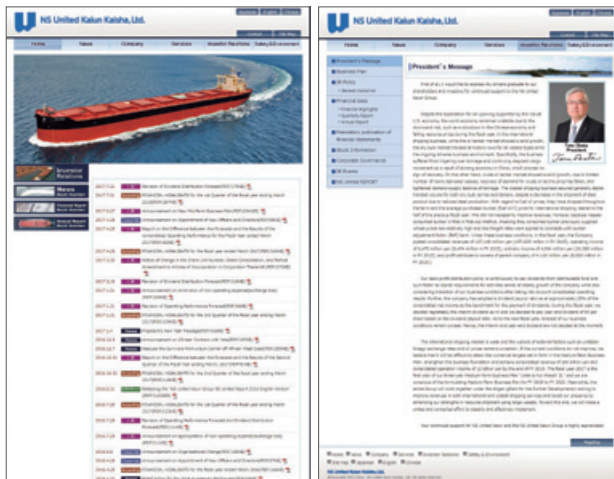
Interactive Communication

NS United Kaiun works to provide information to domestic and overseas institutional investors. As far as possible, the Company holds individual briefings with securities analysts upon request, answering questions and explaining the status of operations. In accordance with a policy established by the Investor Relations Committee, at least one executive and one from the committee secretariat participate in these briefings. We held 10 individual briefings during FY2016.

Dividends to Shareholders

NS United Kaiun makes dividends to shareholders one of its key management policies. While retaining a portion of our profits internally to ensure future stable business development and strength to cope with changes in the business environment, we have set forth a basic policy to provide stable and continuous payment of dividends to our shareholders according to our operating results.

Our basic policy regarding annual dividends calls for a payout ratio of approximately 25% on a consolidated basis.



Front page of the Company's website

IR page

With Our Employees

Basic Employment Policy

There is a fundamental assumption that core staff, both administrative and technical, are permanent employees. In the spirit of Japan's Law on Securing Equal Opportunity and Treatment between Men and Women in Employment, employment is based only on the capabilities and aptitude of each individual and the growth of employees is fostered by the Company's training system.

Concerning our non-Japanese crews, we strive to improve retention rates on vessels managed by the NS United Kaiun Group by expanding various kinds of training available to crew and staff, supporting in-house executive training through our qualification support system and giving preference to long-term employees. Further, to explore and develop outstanding human resources, NS United Kaiun established a scholarship system.

Work-Life Balance

NS United Kaiun strives to create a congenial work environment so that employees can maintain a good balance between work and home and lead a satisfactory life. The Company offers a secure environment for working mothers, maternity leave, family care leave, and other benefits more generous than required by law, and allows employees who satisfy conditions such as continuous service and age to take sabbaticals for self-improvement. Since April 2012, NS United Kaiun has been encouraging employees to take more paid leave on important dates, such as birthdays and anniversaries. In addition, Wednesday has been designated as No Overtime Work Day, and employees are encouraged to follow the campaign practice to ensure its effective implementation.

The Company provides dormitories (two locations in the Tokyo area), company housing, an employee savings system, a housing loan interest supplementation system, and various other welfare and benefit programs, in addition to which it helps fund employee cultural groups that engage in cultural activities (including sports). In April 2008, the Company also introduced lump-sum child-rearing support payments.

Employee Health and Safety

All employees of the NS United Kaiun Group receive annual health checkups, and the Company bears the expense of comprehensive physical examinations for employees who satisfy the requisite conditions. The head office also has a Health Maintenance Office where an industrial physician with professional knowledge of mental health and an administrator with nursing qualifications offer physical and mental health consultations and guidance on a regular basis.

Programs provided also include health guidance for preventing metabolic syndrome and other lifestyle-related diseases, preventative education on infection, mental health checkups and seminars on mental health.

Mandatory pre-embarkation health checkups are provided for crew members upon boarding, and they are also given guidance on periodic health checks while on board. Safety is the top priority, and we have established a safety management system with safety measures that are

implemented rigorously. In the unlikely event of an employee accident, compensations greater than that required by Japanese law is in place.

Personnel System

In FY2001, the Company introduced a personnel system under which promotion and advancement depend upon an assessment of the individual's ability, motivation and performance. Since its introduction, the Company has fine-tuned the system based on the opinions of employees. This system has the primary aim of meeting every individual at his or her level of competence, and further developing his or her abilities as well as ensuring fair treatment.

Relations with Labor Unions

NS United Kaiun's shore employees belong to the NS United Kaiun Labor Union, and its onboard employees belong to the All Japan Seamen's Union. NS United Kaiun enjoys relationships of amity and trust with both of these unions.

Training System

To develop employees into professionals in the field of international shipping, NS United Kaiun provides training tailored to the career track and rank, with on-the-job training (OJT) being the core of this training system. The Company also offers training for new employees, training in shipping practices and languages (English, Chinese and other languages), training onboard, abroad, or at domestic agencies, as well as grade-specific or job-specific training. These provide every individual with opportunities for progress according to their position and requirements.

- Training in shipping practices: Allows trainees to select from among multiple courses offered by the Company and maritime industrial associations covering a broad range of subjects from sales/marketing, insurance and regulations to technology and treaties.
- Onboard training program: Offered to shore-based personnel in their second year or later with vessels under the Company's management. This training focuses on increasing trainees' knowledge of ships and awareness of the importance of safe navigation.

- Training abroad program: Trainees are sent for one year or so to the Company's overseas subsidiaries or representative offices to develop international business skills including language and negotiation skills.

In accordance with the Company's plan for developing young crew in the short term, exacting guidance and education are provided, allowing new onboard-based employees to play instructive roles as chief officers or first engineers just four to five years after joining the Company. For non-Japanese crew members, we have a promotion support system and skill improvement training programs. These include pre-boarding seminars held both in the country of recruitment and in Tokyo, classroom training, assistance in obtaining advanced marine certifications and OJT.

Onboard training program

Yosuke Ohori Capesize Team-2

Onboard training program

Thursday, January 26 – Tuesday, February 14, 2017
M/V UNITED DIGNITY (180,818 DWKT) V-21 (coal in bulk)
Newcastle, Australia to Kimitsu

What I remember most: The words of the chief engineer

“‘Maintenance of onboard equipment, such as the main engine, steering, etc., must be conducted with the utmost care and without cutting any corners.’ If the engine stops during bad weather, there is a risk of running aground, of capsizing, etc, and it is not just the vessel but also the safety and lives of the crew that may be endangered. The words of the chief engineer, whose mission is to protect the vessel and crew from danger through meticulous maintenance, were the most memorable thing for me.”

Differences before and after training: Delivering essential information when needed

“The vessel formulates plans by incorporating many factors and checking how much freshwater and bunker fuel are left in which tank and how to use them. However, they cannot plan for everything if we don’t provide them with the right information, such as the amount of bunker fuel and water that we will supply, etc. Water and bunker fuel are just one example, but since I realized that such kind of information is needed by vessels as soon as possible, I have been striving to provide it more quickly, or even any of that, prior to joining this training program, used to take me longer to deliver.”



Inside the ballast tank of the vessel

Training at an agency

Soichiro Ina Ocean-going Tramp Team-1

Yawata

Tuesday, March 21 – Friday, March 31, 2017
Kitakyushu Shipping Department, Kyushu Business Division,
Azuma Shipping Co., Ltd.

What I remember most: Attending to vessels in my charge

“Attending to vessels that I was in charge of from berthing until leaving port was a memorable experience. The emotion I felt when they left port was indescribable. It was also valuable for me to be able to attend to various types of vessels, from a capesize bulk carrier to a small near sea carrier.”

Differences before and after training: Putting faces to voices

“I have a more vivid picture of on-site work now. I also had the chance to spend a lot of time with members of our agency with whom we interact during our daily operations, both during and outside of business hours. One of the biggest benefits from this training program is that now when I talk directly with a member of our agency, I can now put a face to the voice.”



Our vessel navigating under Wakato Bridge

NS United Kaiun Group Environmental Policy, Safe Navigation System

Environmental Policy

1

We will strive to maintain a healthy global environment—the common property of all mankind—as a corporate group that provides marine transportation services worldwide.

2

We will establish an environmental management system that we continuously update and strive to prevent pollution.

3

We will observe the laws and regulations and other environment-related requirements that are applicable to the navigation of our vessels and to our office activities.

4

Each section of our company will establish environmental objectives and targets that comply with our Environmental Policy and strive to attain these objectives and targets according to programs. We will also review performance on a regular basis to make sure these environmental objectives and targets are achieved.

5

We will strive to ensure that all employees of the NS United Kaiun Group increase their awareness of environmental issues and act in accordance with this Environmental Policy through environmental education and promotion activities.

6

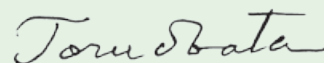
We will choose supplies designed to reduce environmental impact when acquiring vessels, instruments, and other products and materials required for providing our services.

7

We will promote the conservation of energy and resources across the NS United Kaiun Group as well as the reduction and appropriate disposal of wastes.

8

We will disclose our Environmental Policy and environmental preservation activities as necessary



Toru Obata

President
NS United Kaiun Kaisha, Ltd.

Established on June 28, 2011

Promoting Safe Navigation

Striving for zero marine accidents, the NS United Kaiun Group makes every effort to maintain safe navigation based on the following four principles both to ensure high-quality services for our customers and to promote environmental conservation activities on a global scale.

Establishing a safe navigation management system

Aiming for a stronger safe navigation management system and cooperation between sales and technology divisions, the NS United Kaiun Group has established a system to carry out vessel safety management of the entire Group in an integrated fashion, and built a Safety Management System based on the International Safety Management Code of the International Maritime Organization (IMO). The Safety Management System is also qualified under the international quality management standard ISO 9001: 2008.

Convening the Safety and Environmental Committee

The Safety and Environmental Committee, headed by the president, was held to review our Environmental Management System (including our Environmental Policy) as well as to ensure safe navigation on a regular basis. We are genuinely committed to conserving the global environment by continuously improving our Environmental Management System.

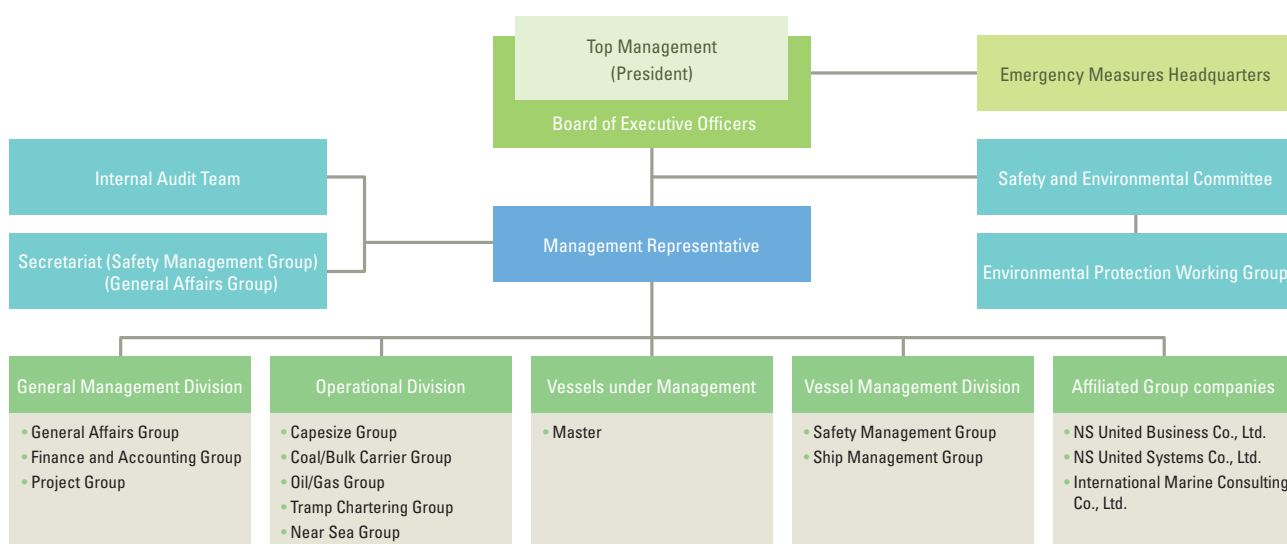
Establishing a crisis management system

In accordance with our regulations regarding the handling of casualties at sea and other emergency circumstances, we have adopted measures to prevent marine accidents, including management strategies and internal systems to handle accidents if and when they occur, focusing on such activities as periodic emergency response exercises and regular reviews of our risk management systems.

Offering training sessions for crew members

We provide training sessions, including seminars and OJT to all crew on our management vessels. For young Japanese officers, we established a "concentrated upgrade scheme" to develop officers in the short term. To enhance the employment and training of non-Japanese crew, we continually send our staff to the Philippines and Vietnam.

Environmental Management System Organization Chart (NS United Kaiun Kaisha, Ltd.)



Verification of FY2016 Implementation Plan (Environmental Management Programs)

10-Year Long-Term Objectives (Formulated in FY2011; Revised in FY2016)

Achieve a 20% reduction in annual average of CO₂

PLAN ⇨			DO ⇨	CHECK / ACT ⇨	
Environmental Policies	Environmental Objectives	Target for FY2016	Content of Activities	Verification of Results	Achieved
Environmental Education	Promoting an Environmental Mind	Implement in-house education (at least three times a year)	Designate a training program for new employees	Provided training for new employees in April and October 2016	U U U
			Provide in-company training making use of group meetings	Implementation plans and certification renewal review results were shared through group circulars and at group meetings; some groups failed to hold three training sessions, the yearly requirement	U U U
		Train internal environmental auditors (at least one)	Foster internal auditors within the environment secretariat	Two employees participated in a related external program and became a qualified internal environmental auditor	U U U
		Implement pre-boarding seminar (100%)	NS United Kaiun Kaisha, Ltd. implements the educational training of the “top four” (captain, chief engineer, C/O, and 1/E) and Japanese staff. To those other than above, a manning company implements the training.	(1) Provided pre-boarding seminars for Japanese and the top four of non-Japanese crew (a total of 236 participants at 168 sessions in FY2016). (2) Explained the Environmental Policy and operational instructions aimed at preventing a serious environmental impact as part of pre-boarding seminars offered by a manning company.	U U U
		Implement onboard education of crew (once a year for each vessel)	Implement onboard education of crew	Provided complete internal audit and vessel maintenance inspection as planned, while training in vessel safety inspections was not provided for three vessels	U U U
		Hold Shipboard Safety and Health Committee meetings (once a month)	Disseminate environment conservation matters by Shipboard Safety and Health Committee	Provided onboard crew training on a monthly basis for all vessels managed by the Company	U U U
Promotion of Safe Operation (Pollution prevention)	Preservation of the Marine Environment		Promote safe navigation (prevent contamination)	Held safety campaigns for vessels managed by the Company, (100%) Confirmed compliance with safety management manuals on internal audits	U U U
			Perform safe cargo handling on oil tankers	Sent safety superintendents and port superintendents to discharging ports to supervise safe cargo handling operations (100%)	U U U
		Zero oil spills from vessels (without regard to amount)	Implement safe bunkering and oil transfers Carry out maintenance work for potential oil leaks outside of vessels securely	Observed instructions, and achieved zero oil spills related to bunkering	U U U
			Prevent oil leaks from the deck when at anchor and berthing	The Shipboard Safety and Health Committee organized oil spill prevention measures and training, thoroughly familiarized crew with Sailing Instructions and other rules to raise safety awareness.	U U U
			Familiarized crew with actions for emergency response.	Conducted an accident response drill on November 9, 2016.	U U U
		Implementation of Ballast Water Exchange	Execution of ballast water exchange in rigid compliance with port state regulations	Ballast water exchange is effectively handled by the vessels in compliance with the rules and instructions of each port of call.	U U U
Natural Resource Saving and Reduction of Waste	Conservation of Natural Resources	Maintain 20% or more reduction in fuel oil consumption per ton/mile unit load over FY2000	Implement effective operation by onshore organization Implement effective onboard navigation Adding chemicals to boost combustion efficiency and reducing fuel oil consumption	Achieve 26.85% reduction in fuel oil consumption per ton/mile unit load over FY2000.	U U U
		Reduction in consumption of paper per employee	Reduction through converting reference documents to electronic data Reduction by saving paper	Paper consumption: FY2016: 8,676 sheets/person FY2015: 8,787 sheets/person Results: reduced 111 sheets per person (1.3%) over the previous year	U U U
			Promoting paperless operations by introducing onboard vessel-management software	Continued to promote paperless operations by converting official documents into electronic data to the most extent possible since the previous fiscal year. Contribute to resource saving to comply with instructions.	U U U
		Conserve electricity	Made energy-saving efforts to cope with low power distribution, turning off unused lights, computers, and equipment and eliminating unnecessary lighting. Saved energy through Cool-Biz (casual summer office clothes) and other initiatives during summer.	Set room temperature at 28°C in summer (July through September). Promoted “Super Cool Biz” casual wear.	U U U
		Maintain 20% or more reduction in NOx emission per ton/mile unit load over FY2000	Implement effective operation and navigation Improved devices can reduce NOx level. These will be installed on newly constructed vessels in accordance with regulations.	Reduce emissions of harmful air pollutants by using equipment that complies with regulations. Achieve 26.85% reduction in NOx emissions per ton/mile unit load over FY2000.	U U U
Conservation of Air Quality (Contamination prevention)	Reduction of Harmful Air Pollutants	Maintain 20% or more reduction in CO ₂ emission per ton/mile unit load over FY2000	Implement effective operation and navigation	Reduce emissions of harmful air pollutants by operating and navigating vessels efficiently.	U U U
		Reduce 20% CO ₂ emission (average: FY2013-2020) per transported unit over FY1990 (to be in line with the Japanese Shipowners’ Association’s Commitment to a Low Carbon Society)	Note:Even with the latest models, it is impossible to reduce CO ₂ emission as long as fossil fuels are being used. Therefore, reductions are derived only from more efficient navigation.	Achieve 26.85% reduction in CO ₂ emissions per ton/mile unit load over FY2000 Reduce CO ₂ emissions by 28.42% (average: FY2013–2016) per transported unit over FY1990. (FY2013: 21.75%, FY2014: 29.93%, FY2015: 31.29%, FY2016: 30.72%)	U U U
		Implement Green Flag Incentive Program (100%) in a vessel placed in service at Long Beach Harbor in the U.S.	Sail at 12 knots or less within 40 miles of relevant port	Vessels that called at the port implemented the program. (Three vessels from the Tramp Chartering Group.)	U U U
		Prevent use of low-quality fuel oil.	Conduct fuel oil analysis. Use lower sulfur fuel oil in designated emission control area.	Conduct fuel analysis in compliance with instructions. Ensured the use of fuel oil matching the regulations for ocean areas where our vessels navigate	U U U

and FY2017 Implementation Plan

emissions per ton-mile unit in the 10 years from FY2011 to FY2020, compared to the FY2000 level.

■ ■ ■ ■ : Achieved

■ ■ ■ : Partly achieved

■ : Needs review

PLAN ⇨	DO ⇨	
Target for FY2017	Content of Activities	Term
Implement in-house education (at least three times a year)	Designate a training program for new employees	Full year
	Provide in-company training making use of group meetings	Full year
Train internal environmental auditors (at least one)	Foster internal auditors within the environment secretariat	Full year
Implement pre-boarding seminar (100%)	NS United Kaiun implements the educational training of the "top four" (captain, chief engineer, C/O, and 1/E) and Japanese crew. To those other than the above, manning companies implement the training.	Full year
Implement onboard education of crew (once a year for each vessel)	Implement onboard education of crew	Full year
Hold Shipboard Safety and Health Committee meetings (once a month)	Disseminate environment conservation matters by Shipboard Safety and Health Committee	Full year
Zero oil spills from vessels (without regard to amount)	Promote safe navigation (prevent contamination)	Full year
	Perform safe cargo handling on oil tankers	Full year
	Implement safe bunkering and oil transfers	Full year
	Carry out maintenance work for potential oil leaks outside of vessels securely	Full year
	Prevent oil leaks from the deck when at anchor and berthing	Full year
Manage ballast water effectively	Execution of ballast water exchange in rigid compliance with port state regulations	Full year
	Responding to the Ballast Water Management Convention (BWM)	Full year
Maintain 20% reduction in fuel oil consumption per ton/mile unit load over FY2000	Implement effective operation by onshore organization	Full year
	Implement effective onboard navigation	Full year
	Add chemicals to boost combustion efficiency and reduce fuel oil consumption	Full year
Reduction in consumption of paper per employee	Reduction through converting reference documents to electronic data Reduction by saving paper	Full year
	Promoting paperless operations by introducing onboard vessel-management software	Full year
Conserve electricity	Make energy-saving efforts to cope with low power distribution, turning off unused lights, computers, and equipment and eliminating unnecessary lighting. Save energy through Cool-Biz (casual summer office clothes) and other initiatives during summer	Full year
Maintain 20% reduction in NOx emission per ton/mile unit load over FY2000	Implement effective operation and navigation Improved devices can reduce the NOx level. These will be installed on newly constructed vessels in accordance with regulations.	Full year
Maintain 20% reduction in CO ₂ emission per ton/mile unit load over FY2000	Implement effective operation and navigation	Full year
Reduce 20% CO ₂ emission (average: FY2013 to FY2020) per transported unit over FY1990 (to be in line with the Japanese Shipowners' Association's Commitment to a Low Carbon Society)	Note: Even with the latest models, it is impossible to reduce CO ₂ emissions as long as fossil fuels are being used. Therefore, reductions are derived only from more efficient navigation.	Full year
Implement Green Flag Incentive Program (100%) in a vessel placed in service at Long Beach Harbor in the U.S.	Sail at 12 knots or less within 40 miles of the relevant port	Full year
Prevent use of low-quality fuel oil.	Implement fuel oil analysis Use lower sulfur fuel oil in specific ocean areas	Full year

Reducing Environmental Impact

Environmental/Safety Issues Involved in Marine Transportation Services

The NS United Kaiun Group offers marine transportation services for port-to-port delivery of cargo, as ordered, via oceangoing vessels.

A diesel engine system (main engine) is used to power propeller-driven ships. The system (power generator) also generates electricity to supply the amount needed onboard, ranging from operating machinery and equipment to everyday use by the crew. The major fuel to run the system is heavy oil, which contains hazardous air pollutants such as carbon dioxide (CO₂), sulfur oxide (SO_x) and nitrogen oxide (NO_x) that result from burning this oil.

A ship can be likened to a small isolated town, though one that is moving across the sea. Many types of domestic waste are inevitably produced from the crew on board that are similar to the waste produced by households on land. These include both combustibles (such as clothing, paper, plastics) and incombustibles (such as glass bottles and metal).

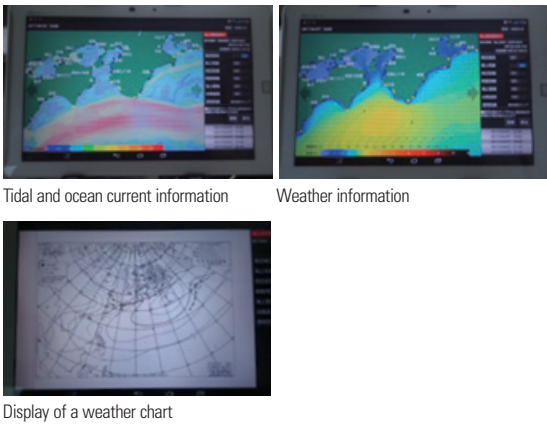
Self-reliant onboard emergency response drills are carried out by the crew, including repair work for equipment failures and firefighting. Crew members are trained so that they can effectively perform a variety of essential roles to respond to many types of emergency. Keeping these facts in mind will help you to understand the following reports on our activities titled “Reducing the Environmental Impact” (page 32) and “Ensuring Safe Navigation” (page 34).

Adopting the Tidal Current and Ocean Current Forecast Information System

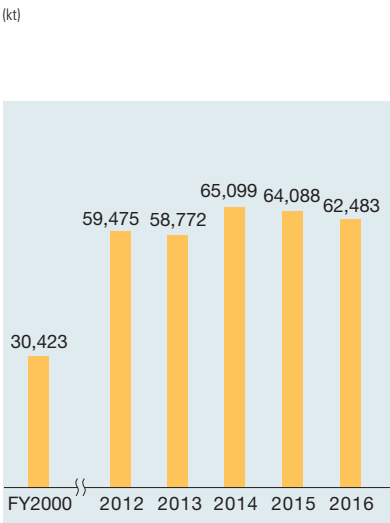
Since 2014, NS United Naiko Kaiun Kaisha, Ltd. has adopted a system for “visualizing” tidal and ocean currents—a high degree of accuracy used to be difficult to attain for this—on a monitor onboard one of our vessels, *Kimitetsu Maru*. This system enables a ship to simultaneously gather weather information and rainfall radar information as well as to forecast the weather for the 300 primary ports throughout Japan.

Using this system, we have performed safe, efficient operations and navigation for *Kimitetsu Maru*.

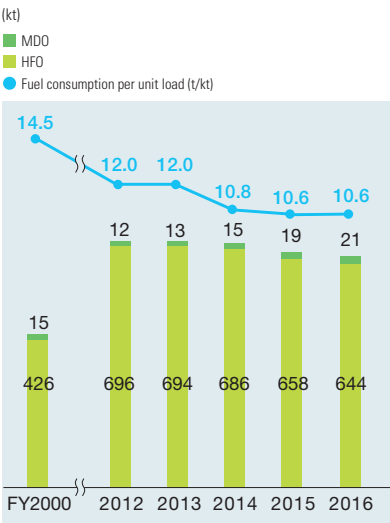
Based on the successful example of *Kimitetsu Maru*, we are planning to install this system in seven other vessels, excluding those assigned to the Seto Inland Sea route, after FY2017. In this way, we will improve the safety and efficiency for our operations and navigation



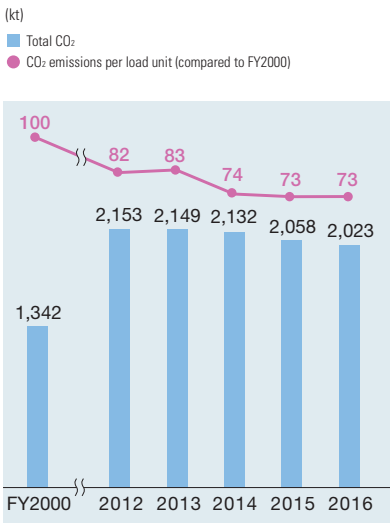
Traded Cargo Volume (fiscal year)



Fuel Consumption



CO₂ Emission Volume



Preventing Air Pollution Caused by Vessels

As introduced on the previous page, the International Maritime Organization (IMO) has adopted MARPOL Annex VI: Regulations for the prevention of air pollution from ships. The requirements for emissions of air pollution substances are expected to be stricter in the future. The following explains our actions in order to comply with the stricter regulations.

Stricter Regulations for SOx (sulfur oxides)

From January 2015, SOx emissions control has been tightened for ocean areas where emissions are limited (Europe: the North Sea and Baltic Sea; North America: the coastal area of the U.S. and Canada), and the sulfur content of fuel oil has been limited to 0.1% or less.

From January 2020, SOx emission regulations will be further tightened in general ocean areas, excluding the areas specified above, and the sulfur content of fuel oil will be lowered from 3.5% to 0.5% or less.

Other than using lower-sulfur fuel oil, marine machinery manufacturers develop devices that clean exhaust gas from engines to remove SOx or use diesel engines run on natural gas. The Company will learn more in order to make the best choice from new technologies.

Stricter Regulations for NOx (nitrogen oxides)

For new vessels to be constructed after January 2016, it is necessary to reduce NOx emissions by 80% compared to those constructed between 2000 and 2010, if the vessels navigate the NOx emission control area along the North American coastlines (U.S. and Canada). To satisfy the

requirements, vessels need to mount device to reduce NOx emissions. Therefore, we will keep a close eye on device development trends when considering the specifications of vessels to be constructed in the future.

Measures to reduce CO₂ (carbon dioxide) emissions

The fuel efficiency of newly constructed vessels has been improving with the adoption of the Energy Efficiency Design Index (EEDI), which indicates fuel efficiency for vessels to be constructed after 2013. The index is improved approximately every five years after that. In addition, the Ship Energy Efficiency Management Plan (SEEMP) has been drawn up and used with the aim of reducing CO₂ emissions by devising more efficient vessel navigation.

Specific measures to verify actual CO₂ emissions from vessels have been deliberated on at the International Maritime Organization (IMO), and there is a plan to begin reporting actual fuel consumption in 2019 in order to fully grasp CO₂ emissions. The IMO aims to establish a system to further reduce CO₂ emissions in the future.

At the same time, the European Union (EU) will embark on initiatives to monitor, report on and verify the fuel consumption of vessels that call at ports of EU nations (the EU-MRV regulation) in 2018, ahead of the IMO. Reducing fuel consumption has become an important issue from the perspectives of not only pursuing economic efficiency but also for promoting environmental conservation.

To reliably respond to environmental conservation regulations that are expected to become more and more complex in the future, we will endeavor to incorporate the latest information and enhance our environmental conservation activities.

Area with limited emission



Baltic Sea and North Sea (SOx only)



200-mile area from U.S. and Canadian coast
(NOx and SOx)

U.S. and Caribbean Sea area
(NOx and SOx)



Note: It is possible to designate SOx ECA and NOx ECA separately.
Source: Japanese Shipowners' Association

Reducing Environmental Impact

Responding to the Ballast Water Management Convention (BWM)

In February 2004, the IMO adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediments (also known as the Ballast Water Management Convention [BWM]), aiming to prevent damage to the ocean environment, the ecosystem, and human health caused by harmful aquatic life (e.g., algae and shellfish) or pathogenic organisms (e.g., *Vibrio cholerae*) contained in the ballast water. The Ballast water is taken on in one location and discharged in another.

The Ballast Water Management Convention will come into effect on September 8, 2017. This convention requires ballast water to be replaced in the open sea or to use ballast water treatment systems to remove, sterilize, and destroy aquatic life and pathogenic organisms to prevent transferring these organisms to other environment.

The deadline for installing a ballast water treatment system is specified for each vessel (when renewing the IOPP certificate). Five years after effective of the convention, all vessels will be required to adopt a management method that uses a ballast water treatment system.

NS United Kaiun has installed the systems in newly constructed vessels since 2013. We will install the systems in existing vessels in the future to contribute to ocean environment conservation.

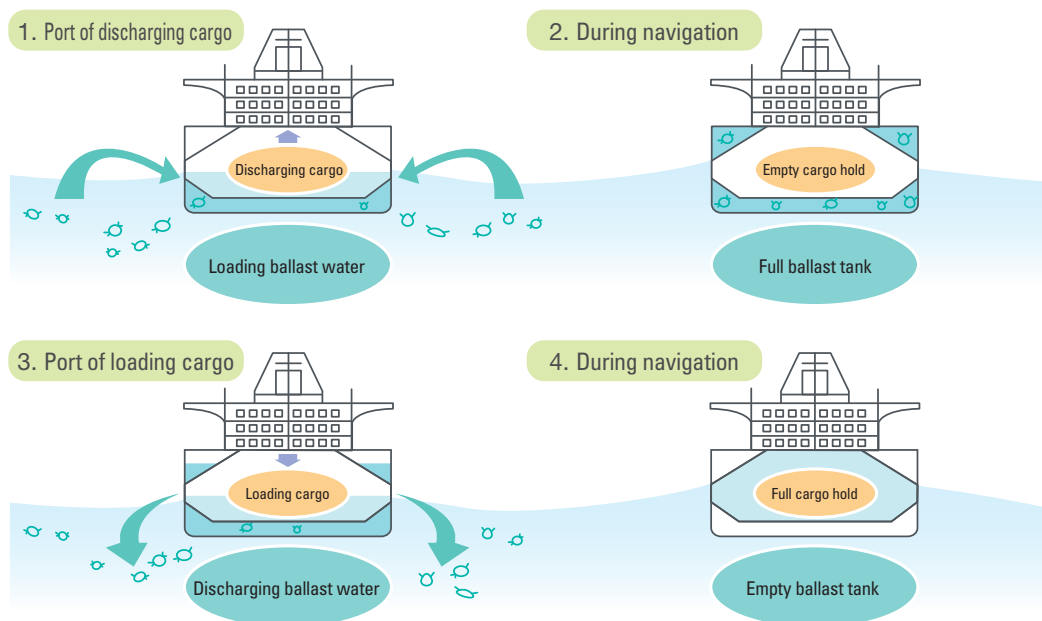
Proper Disposal of Onboard Garbage

Domestic waste of many types is generated from crew accommodation onboard. Such waste is properly disposed of using an onboard garbage management plan developed in compliance with the MARPOL Annex V provisions, which require onshore disposal of all types of waste produced onboard, excluding food waste and cargo residue and the like.

This plan describes the procedures for sorting the garbage generated by all vessels managed by the Company into 12 types to meet the local sorting and recycling rules adopted in the ports of call. Also, to minimize the amount of disposal, a number of measures have been implemented, such as introducing incinerators designed to reduce dioxin emissions from burning combustibles and providing can crushers and garbage compressors.



Type-approved incinerator



Source: Materials released by the Ministry of Land, Infrastructure, Transport and Tourism, "Travel of aquatic life through ballast water" (February 16, 2004)

Adopting Energy-Saving Equipment and Fuel-Efficient Anti-Fouling Painting

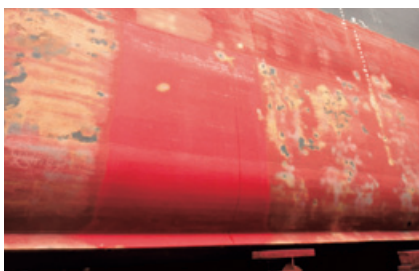
NS United Naiko Kaiun Kaisha, Ltd. introduced an energy-saving water flow rectifier and fuel-efficient anti-fouling painting to old vessels in their 20th year or later of service as part of dry dock maintenance.

The water flow rectifier was installed in “SHIMOKITA MARU” (built in 1994). This is an energy-saving feature that rectifies water flow generated in the stern when turning screw propellers, to increase propulsion efficiency. The fuel-efficient antifouling painting, which was applied to “KIMITETSU MARU” (built in 1991) and “FUYO MARU No. 5” (built in 1994), possesses lower friction properties than conventional ship bottom paints. The adoption of these functions proved to be effective in cutting fuel consumption by 3–5% and reducing CO₂ and other gas emissions.

An additional measure was adopted for “SHIMOKITA MARU” and “FUYO MARU No. 5” during recent dock work. The two vessels underwent a full-blast paint stripping process followed by the repainting of their bottom plating to restore their friction resistance to that of newly built vessels. As a result, they achieved a 1–3% reduction in fuel consumption.



“SHIMOKITA MARU” with an energy-saving feature installed



“KIMITETSU MARU” with fuel-efficient antifouling painting applied to the bottom



“FUYO MARU No. 5” in the process of paint stripping work on the bottom plating

Environmental Education

In-House Education

NS United Kaiun has created an Environmental Education Implementation Plan to provide training on the environment to its workforce. It consists of programs for new employees, including onboard personnel, and workshops of each Group.

New employee programs offer an introduction to the Environmental Management System focused on the environmental policy. Group workshops, meanwhile, involve holding discussions, chiefly on the agenda of the Safety & Environmental Committee and results of internal audit and external review performed for this theme.

To respond to the September 2015 revision of the ISO 14001 international standard for environmental management systems, the NS United Kaiun Group’s environmental management manual was revised on February 1, 2017, and the new system is now being utilized. The new system was submitted for transition assessment by Nippon Kaiji Kyokai on May 29 and 30, 2017 and has obtained ISO 14001: 2015 certification.

Crew Members’ Environmental Education

NS United Kaiun has organized and implemented onboard education and training through OJT in addition to classroom training for crew members ashore. The plan includes items related to environmental protection and is implemented during pre-boarding seminars to improve crew awareness.

We provide pre-boarding seminars to Japanese and the top four of the non-Japanese crew (namely, the captain, chief engineer, chief officer, and first engineer) at NS United Kaiun. For the crew other than those listed above, overseas manning companies provide seminars on our behalf.

The items in the seminars include garbage management, operation of the Ship Energy Efficiency Management Plan (SEEMP), response to the MARPOL Convention, and an overview of past accidents and countermeasures. These seminars help crew members to take skills and awareness to the next level.



Seminar in the Philippines

Ensuring Safe Navigation

Efforts That Support Safe Navigation

Safe navigation is the core of the Company's business. We work to achieve zero marine accidents and support safe navigation under the systems described below with the acknowledgement that safe navigation of vessels is the top-priority issue in order to promote activities for the conservation of the global environment, especially the marine environment.



Shipboard Safety and Health Committee activities on board

Accident Zero Achievement Committee

The Accident Zero Achievement Committee analyzes the causes of accidents that have occurred concerning vessels managed by the Company, looking in detail at both physical/hardware aspects and systemic or "soft" aspects. It also analyzes the causes in chronological order and examines preventive measures. These are fed back to each vessel site with the aim of achieving zero accidents.

Vessel Safety Management System Committee

Proposals for improvement by ships managed by the Company, accident statistics results of internal audits of ships owned by the Company and of the Vessel Management Division, and matters pointed out by external vessel inspections such as PSC are reported to the Vessel Safety Management System Committee, which reviews the vessel safety management system and quality management system—the core components of vessel management—and makes improvements on a continuous basis.

Near-Miss Report System

A near-miss box has been installed on ships owned by the Company for accident prevention and crew members have been encouraged to collect details of more near-miss incidents through its use. We pursue safe operation by analyzing near-miss incidents on board or at the Vessel Management Division and by studying preventive measures, which are aggregated and fed back to management vessels.

Shipboard Safety and Health Committee

NS United Kaiun convenes the Shipboard Safety and Health Committee with the participation of all crew members every month to discuss shipboard activities concerned with safety, health, and environmental protection. The aim is to raise crew members' awareness of safety/health management and environmental conservation.

BRM Training for Safe Navigation

Bridge watchkeeping is an essential duty established to ensure that the entire voyage is completed safely. Officers perform the duty in relay to make sure the vessel is prevented from colliding with other ships or running aground.

The recent development of autonomous steering technologies is remarkable, particularly in the automobile industry, where much attention has been drawn to advance automatic driving and braking technologies aimed at driverless vehicles. In this field, however, the marine navigation sector lags considerably behind, with current self-steering systems requiring significant progress to overcome external conditions, such as waves and winds that are difficult to control for, to achieve comparable levels.

In heavy vessel traffic waters, such as Tokyo Bay, manual steering is indispensable. Officers and helmsmen form a team to ensure safe navigation under the leadership of the captain on the bridge, and this teamwork is the key to a safe voyage. To enhance this teamwork functionality, bridge resource management (BRM) training is offered to captains and officers who are off duty, using simulators installed in onshore facilities.



BRM training

Vessel Inspections

Vessel inspections are one of our management activities that ensure safe operation of our management vessels. Annual safety inspections are carried out to confirm conformity to our own safety standards. Semi-annual Superintendent (SI) visits are carried out to confirm the condition of the vessel, for maintenance planning and for crew education. Internal audit is carried out annually to confirm compliance with our Safety Management System, Environmental Management System, and Ship Security Plan. In addition to the above inspections for management vessels, charter vessel inspections are carried out periodically to maintain the NS United Kaiun safety standards in cooperation with owners and their ship managers.

Safety Campaigns

The NS United Kaiun Group conducts campaigns to raise safety awareness.

The Company carried out a six-month campaign from October 2016 to March 2017. During the campaign period, the president, directors, and general managers visited vessels to exchange views with crews under the theme, "Aim for Zero Injuries and No Fire Incidents." The objective of this project is for onshore and onboard members to work together to strengthen the Company's fleet safety management system. To reach this objective, onshore-onboard communication will be improved, while reminding the crew of the significance of safe navigation, which is the first priority of the Company.

Content of the meetings:

- Work allocations that consider the skills of each crewmember
- Preventing onboard fires
- Reviewing accidents that occurred during the fiscal year under review

Under the slogan of "Striving for zero accidents," NS United Naiko Kaiun Kaisha, Ltd. formulates sub-slogans twice a year and visits vessels in operation to educate its crew and staff on the significance of safe navigation. The activities focus on raising safety awareness during the summer and thorough checking of navigation during the winter.

Campaign challenges:

- (1) Distributing Safety Campaign posters
- (2) Presenting awards to the winning vessels of the previous campaign
- (3) Distribution of campaign materials
- (4) Familiarization with preventive measures using past examples of accidents and problems

NS United Coastal Tanker Kaisha, Ltd. announces Priority Safety Objectives and Voyage Safety Declarations on a monthly basis. These are made known to vessels under its operation and management and vessels' owners to heighten safety awareness. The Company also conducts educational campaigns for safe operation, with an annual Zero Dense Fog Accident Campaign and New Year's Zero Accident Campaign.

Achieving zero accidents and zero injuries is a never-ending mission. To engage in sustained and concerted efforts to fulfill this mission, the NS United Kaiun Group will continue holding safety campaigns and

offer a back-to-basics opportunity to maintain safety awareness. We will also continue working to increase communication between the shore-based management and the onboard operation as well as management visits to vessels as part of efforts to ensure safe navigation for all vessels.



Safety Campaign

Accident Response Drills

NS United Kaiun, NS United Naiko Kaiun, and NS United Coastal Tanker organize a joint marine accident response drill on a regular basis.

The most recent drill was conducted on November 9, 2016, based on a mock scenario where a vessel managed by the Company collided with two vessels during navigation off the coast of Hinomisaki, resulting in the sinking of one of the vessels and leaking of fuel oil from this vessel, as well as search and rescue operations by our vessel for the crew members of the vessel that sank.

This simulation exercise was performed by a vessel managed by the Company and used established reporting/response procedures for accidents, including maintaining onshore-offshore communication. In addition, an emergency measures headquarters was set up, which will be established in the event of an emergency, with the president acting as the chairman. Based on the assumption that the details of this kind of accident will be disclosed to the public, we also held a mock press conference, where specialized media representatives were invited to participate.



Accident response drill

Consolidated Financial Statements (Summary)

Consolidated Balance Sheet

Millions of yen

As of March 31	2016	2017
ASSETS		
Current assets	51,979	54,373
Fixed assets	165,545	178,698
Tangible fixed assets	154,824	167,036
Intangible fixed assets	2,793	2,987
Investments and other assets	7,928	8,675
Total assets	217,524	233,071
LIABILITIES		
Current liabilities	51,260	35,928
Long-term liabilities	90,893	120,317
Total liabilities	142,153	156,245
NET ASSETS		
Shareholders' equity		
Common stock	10,300	10,300
Capital surplus	17,181	17,181
Retained earnings	48,160	50,538
Treasury stock, at cost	(991)	(991)
Total shareholders' equity	74,650	77,028
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	(10)	591
Gains (losses) on deferred hedge	(196)	(1,293)
Foreign currency translation adjustments	651	188
Remeasurements of defined benefit plans	258	295
Total accumulated other comprehensive income	702	(219)
Non-controlling interests	19	17
Total net assets	75,372	76,826
Total liabilities and net assets	217,524	233,071

Consolidated Statement of Shareholders' Equity

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost
Balance at April 1 2016	10,300	17,181	48,160	(991)
Changes of items during the term				
Dividends of surplus			(943)	
Profit attributable to owners of parent			3,322	
Acquisition of treasury stock				(0)
Disposal of treasury stock				
Increase through share exchanges				
Change of scope of consolidation			(1)	
Change in shares of parent arising from transactions with non-controlling interests				
Net changes of items other than shareholders' equity				
Total changes of items during the term	—	—	2,378	(0)
Balance at March 31, 2017	10,300	17,181	50,538	(991)

Consolidated Statement of Income

Millions of yen

Fiscal years referred to in this report cover the period from April 1 to March 31. Fiscal 2016 refers to the fiscal year ended March 31, 2017.		2015	2016
Revenues		137,148	125,276
Operating expenses		124,502	112,868
Gross profit		12,646	12,407
General and administrative expenses		6,172	5,849
Operating income		6,475	6,558
Non-operating income		421	303
Non-operating expenses		2,832	2,254
Ordinary income		4,064	4,607
Extraordinary profits		481	549
Extraordinary losses		201	1,343
Profit before income taxes		4,343	3,814
Income taxes—current		567	567
Income taxes—deferred		(307)	(73)
Profit		4,083	3,320
Profit (Loss) attributable to non-controlling interests		(27)	(2)
Profit attributable to owners of parent		4,110	3,322

Consolidated Statement of Cash Flows

Millions of yen

Fiscal years referred to in this report cover the period from April 1 to March 31. Fiscal 2016 refers to the fiscal year ended March 31, 2017.		2015	2016
Cash flow from operating activities		19,915	18,944
Cash flow from investing activities		(19,326)	(27,141)
Cash flow from financing activities		(6,909)	10,643
Effect of exchange rate changes on cash and cash equivalents		(131)	3
Net increase (decrease) in cash and cash equivalents		(6,450)	2,450
Cash and cash equivalents at the beginning of the year		30,485	24,035
Cash and cash equivalents at year-end		24,035	26,485

Millions of yen

Total shareholders' equity	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gains (losses) on securities	Gains (losses) on deferred hedge	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
74,650	(10)	(196)	651	258	702	19	75,372
(943)							(943)
3,322							(3,322)
(0)							(0)
—							—
—							—
(1)							(1)
—							—
	600	(1,097)	(463)	38	(921)	(2)	(923)
2,378	600	(1,097)	(463)	38	(921)	(2)	1,454
77,028	591	(1,293)	188	295	(219)	17	76,826

Glossary

ISO 14001 P.22, P.33

This is the international environmental standard established by the International Organization for Standardization (ISO) to guide companies in pursuing environmentally responsible business activities. It mandates environmental management policies, organizations and systems, operation, internal audits, and other measures, which are to be continually improved based on the PDCA cycle.

ISO 9001 P.22, P.27

This is the international standard for quality control and quality assurance established by the ISO. It sets forth the requirements for a quality management system that extends to organizational management to achieve customer satisfaction and operational improvements. The pursuit of customer satisfaction and improvement efforts through ISO 9001 allows a company to maintain the trust of the public and heighten its competitiveness.

MARPOL Convention P.31, P.32, P.33

International Convention for the Prevention of Pollution from Ships, 1973, as Modified by the 1978 and 1997 Protocols. The convention stipulates initiatives for preventing contamination through oil, water, and waste.

SOx (sulfur oxide), NOx (nitrogen oxide)P.11, P.28, P.29, P.30, P.31

Exhaust gas from engines and boilers used in vessels contains SOx (sulfur oxides) and NOx (nitrogen oxides) generated in the course of combustion. The NOx and SOx react with water vapor or oxygen in the air to become nitric acid and sulfuric acid respectively. These substances return to the earth in the form of acid precipitate after being absorbed by raindrops. The acid precipitate often causes severe environmental damage such as damage to forests or killing of lake or river organisms.

CO₂ (carbon dioxide) P.3, P.6, P.7, P.9, P.28, P.29, P.30, P.31, P.33

In this report, CO₂ (carbon dioxide) is used as a term for gases suspected to be harmful and that lead to global warming. CO₂ is emitted when fossil fuels, such as petroleum products and coal, are burned. CO₂ is therefore emitted as a result of fuel consumed while vessels are navigating. Consequently, reducing CO₂ emissions that lead to global warming is directly connected to reducing fuel consumption. emissions that lead to global warming is directly connected to reduction of fuel consumption.

International Maritime Organization (IMO) P.20, P.27, P.31, P.32

IMO is a specialized organization of the UN that researches and establishes international maritime treaties and conventions. The IMO promotes cooperation among the governments of every nation with regard to technological and legal issues bearing on marine transport, including maritime safety, improvement in marine transport technology, prevention of ocean pollution by vessels, and the abolition of discriminatory treatment between countries.

Dioxins P.32

Dioxins are highly toxic substances that are primarily formed during the incineration of waste, but may also be formed from natural causes such as wildfires and volcanic activity. They can cause cancer, birth defects, immune system suppression, and reproductive abnormalities. Although dioxins are decomposed at over 800°C, they recombine as they cool down, so exhaust gases are cooled down rapidly to limit formation of dioxins.

Ballast water P.28, P.29, P.32

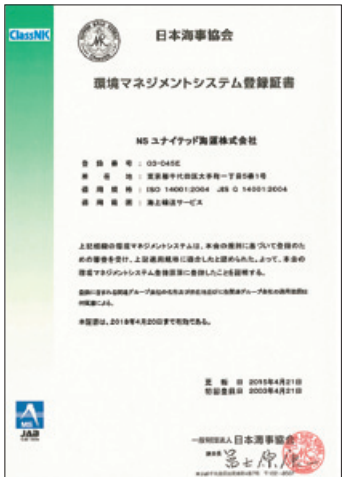
Ballast water is water used as a weight to stabilize the posture of vessels at sea. The vessels sink when loading cargo and float when unloading cargo. However, excess float may upset the balance of the vessel, so the vessels typically load ballast water into dedicated ballast tanks when unloading cargo in order to prevent excess float, and discharge the ballast water when loading cargos to ensure that adequate draft (depth of the ship in the water) is maintained.

BRM (Bridge Resource Management) training P.34

BRM training aims to develop maritime management competence by fostering mariners' attitudes and behavior to enable the effective use of human and any other forms of resources available on bridges, to achieve safe and efficient navigation throughout an entire voyage.

Work-life balance P.24

This is a concept promoted by the U.K. Ministry of Trade that involves harmony between a person's professional and personal lives. It means maintaining health and happiness without sacrificing either the workplace or the family. In Japan, the Ministry of Health, Labor and Welfare established a study group in 2003, and is working to achieve the acceptance of this concept through regional governments nationwide. It is also called work-life balance.



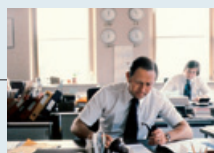
ISO 14001 Approval Registration Certificate

History

Shinwa Kaiun Kaisha, Ltd.



- Established Nittetsu Steamship Co., Ltd. Apr. 1950
- Opened a liaison office in London Dec. 1957
- Merged with Toho Kaiun Kaisha and changed registered name to Shinwa Kaiun Kaisha, Ltd. Feb. 1962
- Joined the Nippon Yusen Group in response to the Marine Transportation Restructuring Act May 1964
- Opened a liaison office in New York Sep. 1969
- Established Shinwa (U.K.) Ltd., as a subsidiary Jan. 1970
- Spun off the domestic transportation section into Shinwa Naiko Kaiun Kaisha Ltd. Jun. 1974
- Established Shinwa (U.S.A.) Ltd. May 1975
- Opened a liaison office in Singapore Apr. 1992
- Opened a liaison office in Hong Kong Jan. 1995
- Established Shinwa Shipping (H.K.) Co., Ltd. Jun. 1996
- Opened a liaison office in Shanghai Jul. 2004
- Established Shinwa (Singapore) Pte. Ltd. Apr. 2007



Oct. 2010



Nippon Steel Shipping Co., Ltd.

- Jan. 1957 Established Nippo Kisen K.K.
- Apr. 1964 Joined the Showwa Shipping Group in response to the Marine Transportation Reconstruction Act
- Sep. 1983 Nippon Steel Corporation became the largest shareholder
- Sep. 1985 Opened a liaison office in London
- Dec. 1990 Merged with Nippon Steel Shipping Co., Ltd. and changed registered name to Nippon Steel Shipping Co., Ltd.
- Sep. 1997 Began stationing employees in Hai Phong, Vietnam
- Nov. 2003 Concluded a business alliance contract with Hsin Chien Marine Co., Ltd. in Taiwan
- Apr. 2008 Opened a liaison office in Manila



The two companies merged and changed the registered name to **NS United Kaiun Kaisha, Ltd.**

Company Outline (As of March 31, 2017)

Outline of the Company

Company name	NS United Kaiun Kaisha, Ltd.
Head office	Otemachi 1st Square West Tower, 5-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo 100-8108, Japan
Established	April 1, 1950
Principal lines of business	International marine transportation services and related businesses
Capital	¥10,300,000,000
Stock market listing	Tokyo Stock Exchange (the First Section)
Number of employees	228 (non-consolidated)
Fleet	121 vessels (12,188,000 DWT)

Major Consolidated Group Companies

Company	Main businesses
NS United Naiko Kaiun Kaisha, Ltd.	Coastal shipping business
NS United Coastal Tanker Kaisha, Ltd.	Coastal shipping business
NS United Marine Service Corporation*	Safety supervising and supervising construction of new vessels
Nippo Marine Co., Ltd.*	Seamen dispatching business
NS United Business Co., Ltd.	General affairs and accounting agents, real estate management
NS United Systems Co., Ltd.	Development/maintenance of information systems business
NS United Tanker Pte. Ltd.	International shipping business

* NS United Marine Service Corporation and Nippo Marine Co., Ltd. were merged in an absorption merger effective April 1, 2017, with Nippo Marine Co., Ltd. as the surviving company and NS United Marine Service Corporation as the company that was absorbed. The name of the company post-merger is NS United Marine Service Corporation.

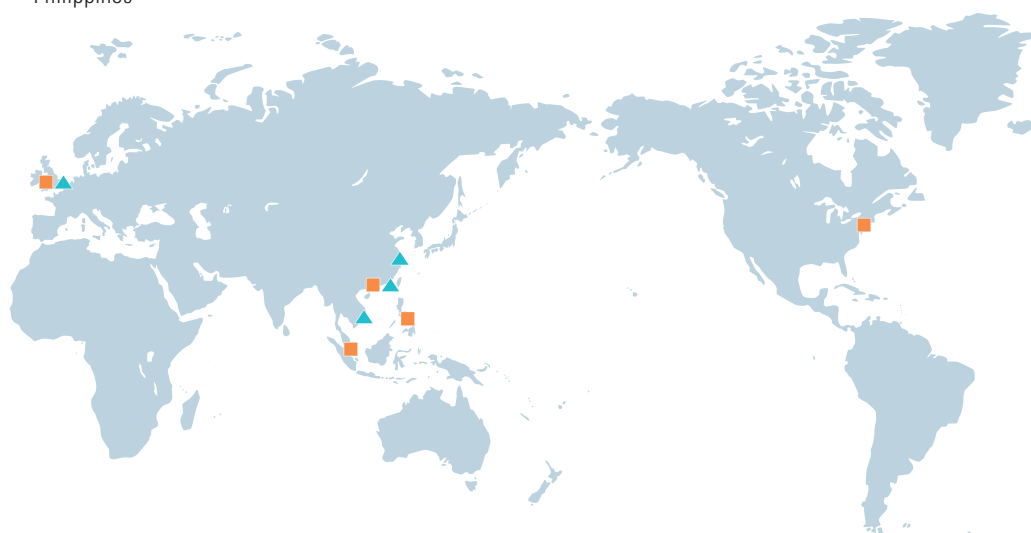
Principal Overseas Subsidiaries & Representative Offices

Overseas Subsidiaries ■

United Kingdom
United States
Hong Kong
Singapore
Philippines

Representative Offices ▲

London
Hong Kong
Shanghai
Vietnam



Stock Information (As of March 31, 2017)

Total Number of Authorized Shares 600,000,000

Total Number of Shares of Common Stock Issued 239,706,793

Number of Shareholders 7,915

Major Shareholders

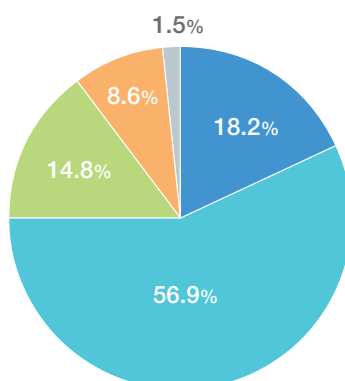
	Number of shares held (thousands)	Percentage of shares held (%)
Nippon Steel & Sumitomo Metal Corporation	78,612	33.36
Nippon Yusen Kabushiki Kaisha (NYK Line)	43,247	18.35
Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,765	3.72
Mizuho Bank, Ltd.	7,989	3.39
Mitsubishi Heavy Industries, Ltd.	5,400	2.29
Hsin Chien Marine Co., Ltd.	5,048	2.14
Sompo Japan Nipponkoa Insurance Inc.	4,896	2.08
Mitsui Sumitomo Insurance Co., Ltd.	4,133	1.75
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	3,226	1.37
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,594	1.10
Japan Trustee Services Bank, Ltd. (Trust account)	2,594	1.10

Notes: 1. The above list of principal shareholders excludes NS United Kaiun Kaisha, Ltd., which holds 4,025,000 shares of treasury stock.

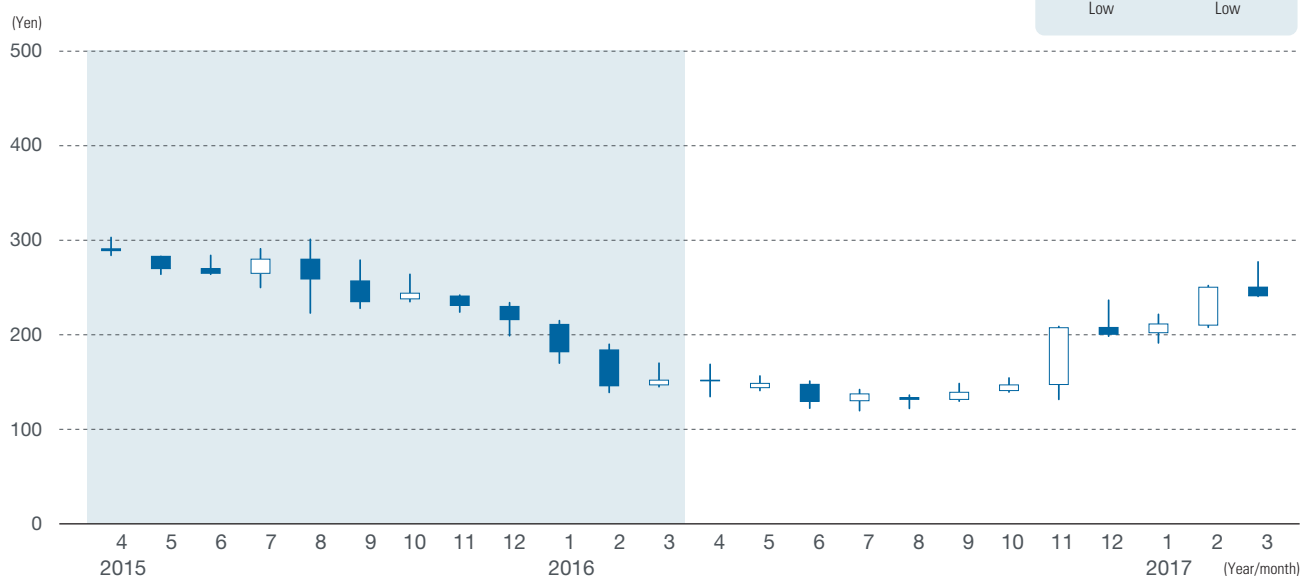
2. Percentage of shares held has been calculated excluding the treasury stock.

Distribution of Stock

- Financial institutions
- Other corporations
- Individuals, others
- Foreign corporations or individuals
- Financial instruments business operators



Share Price Chart



NS United Kaiun Kaisha, Ltd.

CSR Committee Secretariat, General Affairs Group

Otemachi 1st Square West Tower, 5-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo 100-8108, Japan

TEL: +81-3-6895-6404 FAX: +81-3-6388-2366

E-mail: LEGAL@nsuship.co.jp



<http://www.nsuship.co.jp/english/index.html>

Thank you for your reading NS United Group's Corporate report 2017.
Please take a minute to give us your opinions of the report.

① Please evaluate this Corporate report.

- | | | | |
|-------------------------|--|---------------------------------------|---|
| Quality of content: | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low |
| Quality of information: | <input type="checkbox"/> Plentiful | <input type="checkbox"/> Sufficient | <input type="checkbox"/> Insufficient |
| Number of pages: | <input type="checkbox"/> Too many | <input type="checkbox"/> Usual number | <input type="checkbox"/> Few |
| Readability: | <input type="checkbox"/> Very readable | <input type="checkbox"/> Readable | <input type="checkbox"/> Not readable |
| Clarity: | <input type="checkbox"/> Very clear | <input type="checkbox"/> Clear | <input type="checkbox"/> Unclear |
| Approachability: | <input type="checkbox"/> Approachable | <input type="checkbox"/> Sufficient | <input type="checkbox"/> Unapproachable |
| Volume of picture: | <input type="checkbox"/> Too many | <input type="checkbox"/> Usual number | <input type="checkbox"/> Few |

② Which parts of the report did you find particularly interesting? (Select as many as you like)

- | | |
|---|--|
| Group Overview | <input type="checkbox"/> Group Corporate Philosophy |
| | <input type="checkbox"/> Statistical Profile of the NS United Kaiun Group |
| | <input type="checkbox"/> Financial and Non-Financial Highlights |
| Message from the Management | <input type="checkbox"/> Message from the President |
| | <input type="checkbox"/> New Medium-Term Business Plan: NSU2021 |
| Business Activities That Provide Value | <input type="checkbox"/> Overview by Business Segment |
| | <input type="checkbox"/> Fleet List |
| | <input type="checkbox"/> Topics |
| CSR as a Cornerstone for Providing Value | <input type="checkbox"/> Corporate Governance |
| | <input type="checkbox"/> Directors, Audit & Supervisory Board Members and Executive Officers |
| | <input type="checkbox"/> Stakeholders Supporting the NS United Kaiun Group |
| | <input type="checkbox"/> Initiatives for Society |
| | <input type="checkbox"/> With Our Customers and Suppliers |
| | <input type="checkbox"/> With Our Shareholders and Investors |
| | <input type="checkbox"/> With Our Employees |
| | <input type="checkbox"/> NS United Kaiun Group Environmental Policy, Safe Navigation System |
| | <input type="checkbox"/> Verification of the FY2016 Implementation Plan and FY2017 Implementation Plan |
| | <input type="checkbox"/> Reducing Environmental Impact |
| | <input type="checkbox"/> Ensuring Safe Navigation |

Which article interested you the most? (Page number: Sub-title:)

③ Please tell us what you'd like to know more about, and make any other comment you wish.

④ Please identify your relationship to NS United Kaiun Group or reason for reading this report.

- | | | |
|---|---|---|
| <input type="checkbox"/> Customer | <input type="checkbox"/> Shareholder or investor | <input type="checkbox"/> Financial institution |
| <input type="checkbox"/> CSR or environmental manager for a company or organization | <input type="checkbox"/> NGO/NPO | |
| <input type="checkbox"/> Research or educational institution | <input type="checkbox"/> Student | <input type="checkbox"/> SRI Index or other evaluative body |
| <input type="checkbox"/> Family of NS United Kaiun Group employee | <input type="checkbox"/> Other () | |

⑤ Would you like to receive our next Corporate report?

- ☐ Yes ☐ No

Please fill in the following information as you feel comfortable providing.

Name	Gender	<input type="checkbox"/> M <input type="checkbox"/> F	Age
<hr/>			
Address			
<hr/>			
Occupation (Name of company or school, etc.)			
<hr/>			
Department and position			
<hr/>			

Thank you very much for your assistance.

Privacy policy: The personal information gathered from this questionnaire will be used only for (1) evaluation and analysis of our corporate report, and (2) to provide next year's reports to those who request them. Your completion of this questionnaire indicates your consent to these conditions.