



4th January, 2024

President's New Year Message

"Rallying the Group's collective strength to take on the challenge of a new era together"

The following message was addressed to all officers and employees by President Yamanaka Kazuma, as business opened for 2024.

A Happy New Year!

It is a great pleasure for me to welcome a New Year together with all members of the NS United Kaiun Group, at home and abroad. I would also like to express my respect and sincere gratitude to all of you, both at sea and on shore, for your dedicated efforts at all times.

Looking Back at the Year 2023

Last year, the economic environment became increasingly uncertain due to high global resource prices, inflation, and policy shifts toward tighter monetary policy in many countries, and also the dry bulk market was volatile.

Against this backdrop, we were able to achieve semiannual operating income of more than 10 billion yen for the fifth consecutive semiannual period in the first half of fiscal 2023, as previously announced, supported by stable earnings from long-term contracts, efficient vessel allocation, and foreign exchange rate trends. Although earnings for the full year will be lower than last year's record high, we expect to exceed our previous forecast. I would like to take this opportunity to express my sincere gratitude to all the employees of our group for their unrelenting efforts. Let us all continue to work together as one group to achieve results which will exceed the current forecast.

Current Medium-term Business Plan and Its Results

Under the current medium-term business plan "FORWARD 2030," which was announced in 2020, we envisioned our ideal state in 2030 as "a company that is both profitable and socially responsible," and in order to realize this vision, we have been promoting initiatives in line with three key strategies: "strengthening the brand power," "building a sustainable business structure," and "establishing a resilient management base."

With regard to "strengthening the brand power", we have been promoting ESG (Environment, Social and Governance) management under our Basic Sustainability Policy. In January last year, we formulated the "NS

United Kaiun Group Human Rights Policy", which clearly states that respect for human rights is a social responsibility which we must fulfill as a company that operates globally. In addition, with the aim of further enhancing the "U Brand" that we have built up to date, we have been strengthening and accelerating our initiatives for safe operations and environmental preservation, introducing advanced technologies, promoting investment in human capital, and strengthening governance, and have achieved concrete results.

With regard to "building a sustainable business structure," we have positioned addressing climate change as a top management priority, and have implemented various initiatives in both the ocean-going and domestic divisions to achieve carbon neutrality by 2050.

With regard to the "establishing a resilient management base," we were able to improve the soundness of our financial base while reducing interest-bearing debt, and we achieved our consolidated operating income, ROE (Return On Equity), and Net DER (Debt-Equity Ratio) targets ahead of the initial plan.

It is the result of your efforts that we have been able to implement many initiatives and achieve goals in the current medium-term business plan. Thank you very much. On the other hand, there are still many issues that remain to be addressed. The period covered by the current medium-term business plan is now less than three months away. Let us all persevere in tackling the remaining issues until the very end.

Toward 2024 and The Next Era

The year 2024 has finally begun. This year, as last year, we must be prepared for various unpredictable and significant changes. The business environment surrounding us will change at a tremendous pace, with the emergence and increase of difficult political, economic, and social issues around the world, technological advances in various fields, and the acceleration of global climate change response. In the international shipping market, we have already begun to move toward a new era, with a shift to growing economies, structural reforms by customers toward decarbonization, and changes in shipping tonnage supply-demand trends against a backdrop of various factors. At this turning point, we believe it is more important than ever for all of us to reaffirm our shared vision of what the Company group is aiming for, and to ensure that we carry it out.

We are now in the process of formulating our next medium-term business plan, which will set forth our vision and specific strategies for achieving that vision, starting in fiscal year 2024. In formulating the plan, we will incorporate into our business strategy solutions to sustainability issues, particularly climate change, which is a major long-term and irreversible trend in the world, and will focus on "Raising profitability and growth potential" and "advancing the pursuit of sustainability management," which is indispensable for achieving these goals.

With regard to profitability, we will further pursue high profitability and the creation of value added by concluding stable transportation contracts, securing sufficient cargo, and achieving high operational efficiency. In terms of growth potential, we will further strengthen our efforts to invest in shipping capacity with the potential to increase environmental value and to acquire a new cargo in response to social needs and customers' changing strategies.

To further promote sustainability management, we will deepen and accelerate our efforts in the six priority

issues of the current medium-term management plan: (1) safe navigation, (2) environmental conversation, (3) customer satisfaction, (4) technological innovation, (5) securing and developing human resources, and (6) corporate governance.

This next medium-term business plan is, so to speak, the "compass" for the future of our group's management. I hope that everyone will share this plan, be fully aware of their own roles and expectations, and demonstrate their capabilities as individuals.

Together with Stakeholders

In order to tackle the challenges ahead, it is essential that we value strong partnerships with our stakeholders in addition to the cohesiveness of the group as a whole.

Our business is not only made possible by our efforts, but thanks to our customers, suppliers, and other stakeholders who would support us.

For this reason, we must focus on further strengthening our ties with our stakeholders and building better partnerships with them. Let us build relationships that maximize mutual benefits by correctly understanding each other's needs and desires, and work together with our stakeholders to realize the Company's Purpose: "Through Marine Transportation, We Will Work Together to Shape the World Today and Create a Sustainable Future.

Lastly

This year's Chinese zodiac sign is "Kino-e-tatsu." The Year of the Dragon symbolizes strength and active energy. The combination of the strong image of the dragon and the active image of the Chinese zodiac sign Kino-e will make this year a year full of vitality. The year of "Kino-e-tatsu." is considered to be a year of great achievement in terms of work and learning. It will be a year of learning new skills, realizing new ideas, and taking on new challenges. It is also said to be a year of deepening ties in human relations. Let us cherish the bonds with those we hold dear, and let us not forget to show our gratitude.

I wish you all a fulfilling year and wish for your safety, health, and happiness.