



6th January, 2025

President's New Year Message

“NS United Kaiun Group Will Work Together to Steadily Implement the Medium-Term Business Plan“

The following message was addressed to all officers and employees by President Kazuma Yamanaka, as business opened for 2025.

A Happy New Year!

It is a great pleasure to welcome the start of 2025 with the NS United Kaiun Group at home and abroad. I would like to express my heartfelt gratitude and New Year's greetings to all those working at sea and on land for their hard work.

Business Environment

Last year saw even greater uncertainty in financial markets, policy management in each country, and geopolitical risks, while the global economy maintained solid growth. Despite the turmoil in our business environment, thanks to your efforts, our group was able to lay the foundation for further growth.

This year, we need to continue to closely monitor political and economic developments in the United States, China, and other countries around the world, as well as geopolitical tensions in each region, or trends in technological innovation and climate change countermeasures. While many changes are expected in each of these areas, and the future is uncertain, I believe it is important to understand these trends and respond appropriately in a timely manner while conducting business operations. Let's continue to work together in our group to tackle various issues.

Medium-Term Business Plan

From fiscal year (FY) 2020 to FY 2023, we strongly promoted the previous medium-term business plan, FORWARD 2030. In this plan, we envisioned a company that is both profitable and socially responsible in 2030. In order to realize this, we pursued our efforts in line with the three key strategies of "strengthening the brand power," "building a sustainable business structure," and "establishing a resilient management base," and achieved certain results.

In terms of "strengthening the brand power," we established the "U" brand of security and trust, engaged in safe navigation which is our company's mission, and through thorough inspections of our vessels, we were able to halve the number of hours stopped due to vessels' accidents compared with 2019.

In terms of "building a sustainable business structure," we strengthened our core businesses that provide long-term stable earnings, such as the delivery of three Valemaxes, the world's largest 400,000 dead weight ton type ore carriers, and increased the ratio of our business for overseas customers to expand our earnings opportunities.

In terms of "establishing a resilient management base," we were able to achieve our financial targets of consolidated operating income of 10 billion yen or more, ROE of 10% or more, and Net DER of 1.0 times or less ahead of schedule, at the end of FY 2021. We were able to create an environment in which we could embark on new growth strategies, including investment plans, based on our strong financial foundation.

Based on these results, we formulated a new medium-term business plan last year. In formulating this plan started in FY 2024, we first returned to our group's Purpose of "Through Marine Transportation, We Will Work Together to Shape the World Today and Create a Sustainable Future" and set our vision for 2030 as "Aiming to become an indispensable presence for clean and sustainable marine transportation services, we will continue to transform ourselves in cooperation with stakeholders and further enhance our corporate value." as a process to realize this Purpose. As a concrete management strategy to realize this new 2030 vision, we formulated the current medium-term management plan, "FORWARD 2030 II Challenge for innovation and further growth with U."

In this plan, we will aim for sustainable growth by placing two business strategies at the center: "Expanding the domains of new growth businesses" and "Deepening the domains of existing core businesses." We will strengthen our management base by implementing four initiatives that support these two business strategies: the Human Capital Strategy, the Sustainable Shipping Strategy, the Governance Enhancement, and the Digital

Transformation Strategy. At the same time, we formulated the environmental road map toward realizing net zero GHG emissions by 2050, demonstrating our strong commitment to reducing GHG emissions across the entire group.

The implementation of this plan only started in April of last year, and we have already taken the first steps, such as the fleet development of dual-fuel methanol-powered Cape-size bulk carriers, but we are facing the most important phase from now on. While each and every one of us is constantly aware of what part of this medium-term management plan we can contribute to, and how we need to grow ourselves to make more contributions, let us take a sense of ownership and make steady efforts to achieve this plan across the entire group.

Toward Further Leap

Amid major changes in the business environment, it is essential for our group to continue to be a company that is trusted by stakeholders in order to steadily achieve the current medium-term management plan and sustainable growth. To gain the trust of stakeholders, it is essential not only to achieve safe and stable operations, but also to achieve transparency and reliability. To achieve sustainable growth, we will practice internal controls and compliance in our daily operations and further enhance transparency and reliability.

It is also important to make various proposals that are of high value to stakeholders. To achieve this, we need to conduct operations efficiently and with high added value by actively promoting DX. I hope that you will be aware that you are the person who is responsible for promoting DX in your daily work and in the organization to which you belong, and that you will actively engage in DX activities.

Lastly

This year marks 15 years since the establishment of NS United Kaiun Kaisha, Ltd. As in the past, this year will be a turbulent one, but let us accept the changes surrounding us, respond flexibly, grow together, and do our best for the further growth and development of our group. I wish you and your family a safe, healthy, and prosperous year.