ENGLISH



NS United Kaiun Kaisha, Ltd.

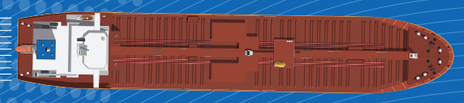
Integrated Report 2026

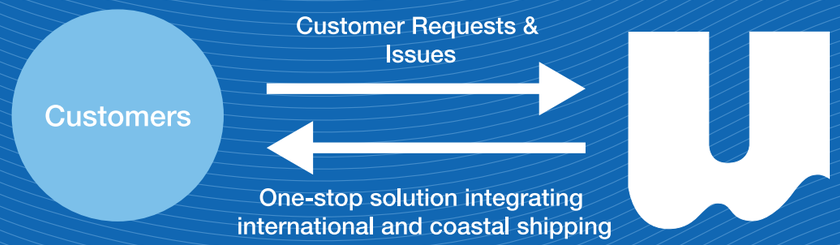
NS UNITED REPORT 2026

NS United Kaiun Group is a specialist in marine transportation, seamlessly covering both domestic and international shipping.

As a team of marine transportation professionals, the Group has developed expertise in transporting a wide range of cargo, including iron ore and coking coal, various energy resources, raw materials, manufactured goods, and foodstuffs. We optimize each logistics operation to support the development of society.
Our strength lies in our “one-stop solution,” which integrates the Group’s international and coastal shipping businesses. We take pride in our ability to meet a wide range of maritime logistics needs and provide safe and seamless transportation services.

Connecting accross the Seas





Three value propositions		
Safety-First Operations	Maritime transportation tailored to customer needs	Reducing environmental impact across the supply chain

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Important Notice Regarding This Report

At the meeting of the Board of Directors held on July 31, 2026, the Company resolved that, if Nippon Yusen Kabushiki Kaisha (NYK Line) commences a tender offer for the Company's common shares, the Company will express an opinion in favor thereof and recommend that the Company's shareholders tender their shares in this tender offer.

In addition, if the tender offer by NYK Line is successfully completed and the prescribed procedures are completed, the Company is scheduled to become a consolidated subsidiary of NYK Line, and the Company's shares are scheduled to be delisted. In addition, the Company resolved that no dividend will be paid for fiscal year 2026, conditional upon the successful completion of the tender offer.

This report has been prepared based on information available prior to July 31, 2026. Depending on the result of the tender offer and the progress of subsequent procedures, there is a possibility that changes may occur in the Company's management structure, shareholder composition, capital policy, etc. For the latest information, please check our website.

Reporting period and scope

Period: April 1, 2025 to March 31, 2026

Certain information outside this reporting period is included where relevant.

Scope: NS United Kaiun Kaisha, Ltd. and its subsidiaries and associates

Forward-looking statements

The forward-looking statements contained in this report, including performance forecasts, plans, and management strategies, are based on information currently available to the Company and are subject to various risks and uncertainties. Please note that actual business results may differ materially from those projected due to various factors, including changes in the business environment.

Reference guideline

This publication has been prepared with reference to the Guidance for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry, as shown on the right. We believe that the framework presented in this guidance provides an effective foundation not only for facilitating dialogue with shareholders and investors but also for fostering collaborative value creation with a broad range of stakeholders, including customers, employees, and local communities.

Key elements of the Guidance for Collaborative Value Creation 2.0		Relevant report sections
Values		● Connecting the Sea
Long-term strategies	Long-term vision	● Purpose–Management Strategy Connectivity
	Business model	● 4 Questions to Discover the NSU Group ● Value Creation Process ● Business Strategies
	Risks and opportunities	● Sustainability ● Toward Carbon Neutrality ● Respect for Human Rights
Implementation strategies (e.g., medium-term management strategy)		● Progress of the Medium-Term Business Plan—FORWARD 2030 II ● Technology, Innovation ● Human Resources Development, Personnel Evaluation, DE&I ● DX Implementation
Performance and key performance indicators (KPIs)		● Message from the President ● NSU Group in Numbers ● Financial Strategies ● Material Issues
Governance		● Sound Corporate Governance
Substantive dialogue and engagement		● Policy on Information Disclosure and Dialogue

Policy on Information Disclosure and Dialogue

Basic policy

We are committed to the active and fair disclosure of corporate information, as defined in the Group's Corporate Code of Conduct.

In compliance with the Financial Instruments and Exchange Act and the Timely Disclosure Rules of the Tokyo Stock Exchange, and based on the principles of transparency, fairness, and continuity, we endeavor to provide shareholders and investors with timely information on important management matters that may influence their investment decisions.

At the same time, we strive to publish a wide range of information to enhance understanding of the Group.

The Investor Relations Committee, chaired by the officer responsible for the General Affairs Group and composed of officers and Group managers responsible for the General Affairs Group, Finance and Accounting Group, and Corporate Strategy & Planning Group, facilitates the sharing of updates on timely disclosure.

Dialogue with shareholders and investors

NS United Kaiun holds individual IR meetings to promote a deeper understanding of the Company's management policies and strategies while building trust with shareholders and investors.

Valuable feedback obtained through dialogue with shareholders and investors is reported to the Board of Directors and the Investor Relations Committee and contributes to informed discussions on the Company's management strategy.

Main participants in IR meetings

Representatives of the Corporate Strategy & Planning Group and the Finance and Accounting Group

PART 01

Value Creation Story

Message from the President

Our vision is to be a driving force behind economic activity in Japan and around the world through sustainable marine transportation.



Kazuma Yamanaka
President/Representative Director
NS United Kaiun Kaisha, Ltd.

Summary of the President's Message

- The Medium-Term Business Plan has progressed steadily over its first two years as we moved ahead with environmental investments and other growth initiatives.
- In the final two years of the Medium-Term Business Plan, we will further reinforce our foundation for sustainable growth by ensuring safe navigation, developing talent, and strengthening frontline capabilities.
- We will ensure that growth investments lead to reliable results and maintain management focused on capital efficiency.
- We will enhance corporate value and contribute to society through dialogue and collaboration with all stakeholders.

Uniting our shared sense of mission to drive NS United Kaiun forward

As an island nation with limited natural resources, Japan relies on marine transportation as part of its critical social infrastructure, with 99% of its trade volume by weight transported by sea. NS United Kaiun has primarily transported the materials and resources—including iron ore, coking coal, and energy resources—that support key industries, consistently fulfilling this role for more than a century. The Company's purpose—Through marine transportation, we will work together to shape the world today and create a sustainable future—was formulated and selected through the participation of our employees. It reflects our pride in supporting the global economy, our sense of mission, and the aspiration that drives our daily work.

I have been entrusted with the responsibility of bringing together the shared sense of mission, responsibility, and aspiration of all our employees and guiding NS United Kaiun toward its goals. When I assumed the role of President in 2023, the Company introduced its Vision, outlining the path toward its ideal state in 2030, and established the Medium-Term Business Plan FORWARD 2030 II as the roadmap to achieve that vision.

The Medium-Term Business Plan (FY2024–2027) sets out growth and business strategies aimed at enhancing long-term corporate value and advancing carbon neutrality, centered on two key themes: (i) extending the domains of new growing businesses, and (ii) deepening the domains of existing core businesses. The initiatives outlined in the plan have progressed steadily during the first half of the plan, with fiscal year 2024 designated as the year of launch and fiscal year 2025 as the year of full-scale implementation.

One notable example is the introduction of dual-fuel methanol-powered vessels, which are expected to reduce GHG emissions by more than 80% compared with conventional heavy fuel oil-powered vessels. This is a landmark investment project under our Medium-Term Business Plan. In fiscal year 2024, we signed a shipbuilding contract for the world's first Capesize dual-fuel methanol-powered vessels. In fiscal year 2025, we entered into a transportation contract for two of these vessels. Scheduled to enter service sequentially from fiscal year 2027, these vessels are expected to serve as flagships of our commitment to clean and sustainable marine transportation.

Under the Medium-Term Business Plan, the Company is steadily laying the foundation for sustainable growth in corporate value. Our efforts extend beyond large-scale investment projects to include developing the talent needed to operate new environmentally friendly vessels and deploy new technologies, advancing DX initiatives to support safety, efficiency, and growth, and strengthening governance as the cornerstone of our corporate sustainability.



Converting growth investments into results while enhancing frontline responsiveness

The final two years of the Medium-Term Business Plan will be a critical period in which we must successfully execute the plan to achieve our goals. As President, I will strive to lead the Company with a strong sense of responsibility and accountability. With this determination in mind, I will focus on three key priorities.

The first is to ensure safe navigation and further enhance the workforce and frontline capabilities that underpin it.

Ensuring safe navigation remains the Group's foremost commitment. We take the collision involving a vessel chartered by a Group company in March 2026 extremely seriously. In response, we will further strengthen safety initiatives across our entire fleet, including both owned and chartered vessels.

Our investment in new vessel technologies is advancing our operational capabilities while strengthening safety. Yet the success of these efforts ultimately depends on our people and the expertise they bring to the front line. Developing the talent needed to support these operational advancements is an urgent necessity. We will reinforce the foundation for safe and stable operations by developing human resources, enhancing the well-being of seafarers, strengthening frontline adaptability in a changing operating environment.

The second priority is to convert growth investments into tangible results. With many of our environmental investments already implemented, we have entered a phase focused on generating stable returns and strengthening our competitive position. It is essential that we secure both investment returns and competitive advantage while carefully assessing evolving circumstances, including technological challenges and customer needs.

Maintaining our focus on generating stable returns above the cost of capital

The third priority is to advance management with a focus on the cost of capital and market valuation. The Company has consistently emphasized generating returns that exceed its cost of equity over the medium to long term. To achieve this, we have focused on the following three areas and will maintain this approach going forward.

The first area of focus is maintaining strict financial discipline. Under the Medium-Term Business Plan, we have committed to investing a total of 300 billion yen by fiscal year 2030. We will make these growth investments without relying on excessive leverage, while maintaining a sound financial position.

The second area is assessing the capital efficiency of each investment project. Rather than investing in every environmental initiative by default, we will make investment decisions based on a careful assessment of each project's strategic necessity and its potential to enhance future profitability and competitiveness.

The third area is strengthening dialogue with the market. We will continue to engage with shareholders and investors and enhance our investor relations to foster a deeper understanding of our business model and medium- to long-term strategy. I consider it important to ensure that the market fully recognizes NS United Kaiun's distinctive strengths and growth potential.

Focusing on the cost of capital requires us to continually assess when to pursue growth proactively and when to exercise financial restraint. Although these decisions are rarely straightforward, I am convinced that maintaining this perspective is fundamental to sound management.

Promoting market understanding through ongoing transparent communication about our Medium-Term Business Plan

The shipping industry is particularly exposed to global developments, with market conditions changing rapidly in response. A key management challenge is building a revenue base that is resilient to market volatility. The stable earnings generated by the Company's long-term contracts, particularly those for the transportation of iron ore and coking coal, provide a solid foundation for our business. However, maintaining this stability requires substantial ongoing investment to support future growth. Our Medium-Term Business Plan sets a financial target of achieving a return on equity (ROE) of 10% or higher while promoting environmental sustainability. To foster a deeper understanding among shareholders, investors, and the broader market, it is essential to clearly explain the rationale for key financial indicators, such as ROE and the net debt-to-equity (D/E) ratio, as well as our medium- to long-term management strategy.

In addition, we regard shareholder returns as a key management priority and are committed to delivering stable and consistent returns based on a consolidated dividend payout ratio of 30%. We will continue to uphold this policy, recognizing that the key to enhancing shareholder returns is delivering strong business performance.

Dedicated to our mission of sustaining essential marine transportation

Since assuming the role of President, I have emphasized the importance of collaboration with all stakeholders. The NS United Kaiun Group maintains close relationships with a diverse range of stakeholders, including shareholders, customers, the seafarers and onshore employees who sustain our maritime operations, port authorities in Japan and overseas, and local communities surrounding those ports. We actively engage in open dialogue with all these stakeholders, listening carefully to their perspectives and feedback. I believe that this ongoing engagement is what enables the Company to gain insights and continuously improve our operations.

The subtitle of our Medium-Term Business Plan, "Challenge for innovation and further growth with U," uses the letter "U" to convey a dual meaning: it represents both the "U" in the Company name, "United," and "You"—our stakeholders. We aim to drive innovation and achieve further growth by engaging in genuine collaboration with all our stakeholders—an aspiration embodied in the subtitle of our Medium-Term Business Plan.

A key message for all stakeholders is that the Company has always been guided by its corporate philosophy of "Contributing to the development of society by providing trusted and high-quality marine transportation services." Our responsibility is to sustain marine transportation that is essential to society, without ever compromising on safety or quality. We have consistently pursued this mission and our commitment remains unwavering. We will continue our Group-wide efforts to strengthen our position as a highly trusted and indispensable partner in marine transportation.

I sincerely appreciate the continued guidance and support of all our stakeholders.



4 Questions to Discover the NSU Group

Q1 What is the origin of the name “NS United”?

A The name “NS United” reflects the 2010 merger of Nippon Steel Shipping (“N”) and Shinwa Kaiun (“S”), with “United” representing the union of the two companies.

Prior to the merger, both companies had deep roots in the steel industry, and the Group’s history dates back more than 120 years to 1901, when a predecessor began transporting iron ore for steelmaking.

Today, the Group transports a broad range of cargo, including iron ore and other raw materials, grains, biomass fuels, steel products, LNG, and LPG, supporting daily life around the world.

Nippon Steel Shipping Co., Ltd.

Jan. 1957 Established as Nippo Kisen K.K.

Sep. 1983 Nippon Steel Corporation became the largest shareholder

Dec. 1990 Merged with Nippon Steel Shipping Co., Ltd. and changed its registered name to Nippon Steel Shipping Co., Ltd.



Shinwa Kaiun Kaisha, Ltd.

Feb. 1901 State-owned Yawata Steel Works began operations of its first blast furnace

Jan. 1934 Japan Iron & Steel Co., Ltd. was established (Marine transportation handled by the Shipping Department of the Yawata Steel Works)

Apr. 1950 Japan Iron & Steel Co., Ltd. spun off its marine transportation business, establishing Nittetsu Steamship Co., Ltd.

Feb. 1962 Merged with Toho Shipping Co. Ltd. and changed its registered name to Shinwa Kaiun Kaisha, Ltd.



Oct. 2010 **NS United Kaiun Kaisha, Ltd. was established**

Q2 What does the NSU Group do?

A The Group supports social infrastructure through its marine transportation services.

The NS United Kaiun Group consists of companies operating in coastal and international shipping, with a fleet of approximately 210 vessels. By transporting resources, energy, food, and other essential materials that are required by industries and in people’s daily lives, we help support the bedrock of society and industrial activity. Additionally, our coastal and international shipping businesses collaborate seamlessly to provide a one-stop solution tailored to customer needs.

● Example of a one-stop solution

Cargo: PKS (palm kernel shells), a biomass fuel used for power generation

Shipping route: Padang Port, Indonesia–Ube Port, Japan–Buzen Port, Japan

International shipping → Coastal shipping → Handover to inland trucking →



Cargo transport from Padang Port, Indonesia to Ube Port, Japan



Transshipment onto a coastal vessel at Ube Port



Coastal cargo transport from Ube Port to Buzen Port



Overland transport from Buzen Port to the customer’s site

Q3 How large is the NSU Group?

A We are a mid-sized shipping company powered by a compact, high-caliber team at sea and ashore.

As a Japanese shipping company, we have built a solid business foundation. Despite our mid-sized scale, our revenue and operating profit per employee are among the highest in Japan’s shipping industry.

We draw motivation from the inherent responsibility of being a small team. Through strong team cohesion, efficient information sharing, and operational agility, we are committed to delivering safe and reliable marine transportation services.









Q4 Why Does the NSU Group generate stable profits?

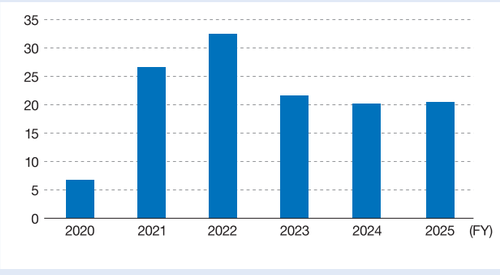
A A sound fleet and strong financial foundation enable us to generate stable earnings that are resilient to fluctuations in market conditions.

The shipping market is inherently volatile, influenced by external factors such as global economic conditions, cargo volumes, vessel supply and demand, and crude oil prices. To hedge against these risks, we focus on strengthening our business by emphasizing medium- to long-term contracts, primarily for the transportation of steelmaking raw materials, while delivering safe and stable marine transportation services.

Monthly average Baltic Dry Index (points)



Consolidated operating profit (billion yen)



NSU Group in Numbers

Financial Information (FY2025)

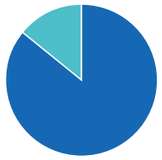
Profitability

Breakdown by segment

Revenues 229.8 billion yen

International shipping
197.1 billion yen

Coastal shipping
32.7 billion yen



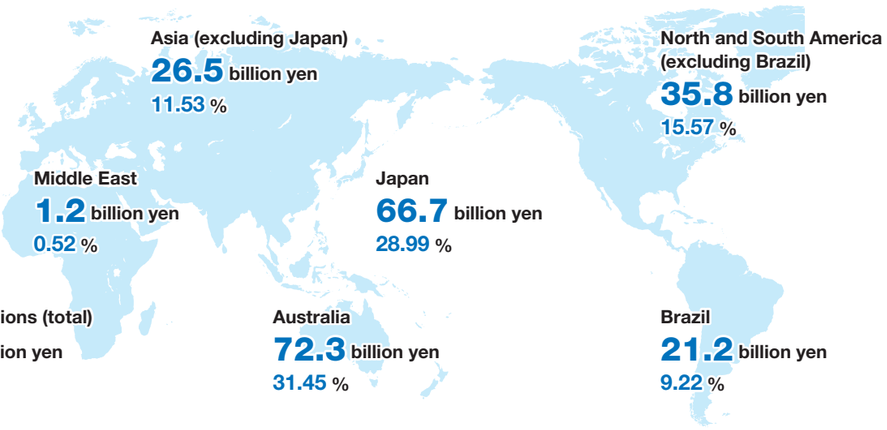
Operating profit 20.5 billion yen

International shipping
15.5 billion yen

Coastal shipping
5.0 billion yen



Revenues by region



Ordinary profit	Profit	ROE
21.0 billion yen	24.1 billion yen	13.8 %

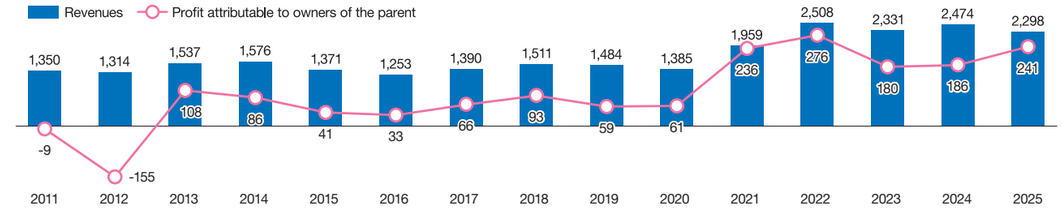
Financial stability

Equity	Equity ratio	Interest-bearing debt	Net D/E ratio
187.2 billion yen	63.2 %	63.6 billion yen	-0.01 x

Shareholder value

Annual dividend per share	Price-to-earnings (P/E) ratio	Price-to-book (P/B) ratio	Capital investment
310 yen	7.1 x	0.92 x	5.5 billion yen

Trends in revenues, profit attributable to owners of the parent, and Medium-Term Business Plans (billion yen)



FY2011–2013 Unite & Full-Ahead!
Aiming for New Value Creation
Implemented the integration of industrial and common carriers while establishing a business structure capable of withstanding market downturns.

FY2014–2016 Unite & Full-Ahead! II
Start for Further Development
Executed strategic fleet development, including construction of new vessels with excellent environmental performance.

FY2017–2019 NSU 2021
Next Stage after United for 2021
Built a sound financial structure by expanding the revenue base.

FY2020–2023 FORWARD 2030
Driving U forward over the next decade
Pursued both profitability and social responsibility by 2030, based on the key strategies of strengthening our brand power, building a sustainable business structure, and establishing a resilient management base.

FY2024–2027 FORWARD 2030 II
Challenge for innovation and further growth with U
Executing the growth strategy using the financial foundation built under the previous plan. Entering a new phase of sustainable growth and corporate value maximization.

Non-financial Information (FY2025)

Fleet overview

Total number of vessels operated by the Group: **211** (as of March 31, 2026)

International vessels ... 130
Owned vessels 40
Chartered vessels 90
- Dry bulkers 127
- Iron ore carriers 50
- Small to mid-sized bulkers ... 77
- Very Large Gas Carriers 3

Coastal vessels 81
Owned vessels 21
Chartered vessels 60
- Dry bulkers 75
- LPG carriers 3
- LNG carriers 3

Total annual cargo volume
88.83 million tons

Fleet tonnage
13.31 million DWT

ESG highlights

GHG emissions	Number of Group employees	Board composition
2,680 thousand tons	669 (International shipping: 262; Coastal shipping, etc.: 407)	4 outside directors, 5 inside directors

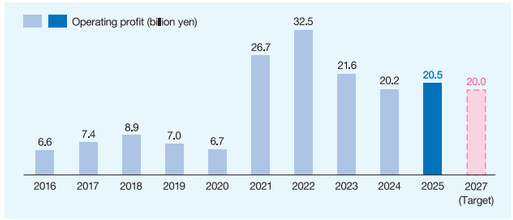
FY2027 Targets					
Operating profit	20 billion yen	Profit	18 billion yen	ROE	10.0%
Net assets	192 billion yen	Interest-bearing debt	140 billion yen*	Net D/E ratio	1.0x*

* The above figures do not include the estimated charter fee liabilities (approx. 80 billion yen) expected to be recognized from fiscal year 2027 onward following the adoption of the new lease accounting standards.

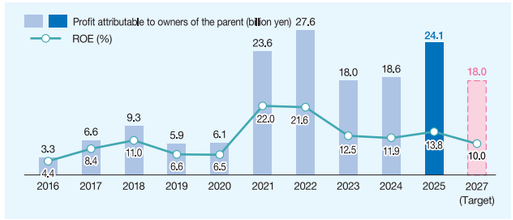
Financial & Non-financial Data

Fiscal year (consolidated)	Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues	million yen	125,276	139,000	151,068	148,415	138,454	195,941	250,825	233,100	247,408	**229,784**
Operating profit	million yen	6,558	7,361	8,911	7,040	6,736	26,711	32,487	21,601	20,224	**20,529**
Ordinary profit	million yen	4,607	5,555	7,784	5,479	5,532	26,606	33,444	22,185	19,015	**21,046**
Profit before income taxes	million yen	3,814	6,419	10,502	7,197	7,351	29,069	32,860	22,496	21,740	**28,083**
Profit attributable to owners of the parent	million yen	3,322	6,613	9,343	5,947	6,131	23,582	27,603	17,986	18,621	**24,095**
Per share data*1											
Basic earnings	yen	140.9	280.6	396.4	252.3	260.2	1,000.7	1,171.3	763.2	790.2	**1,022.5**
Net assets	yen	3,259.0	3,423.2	3,778.0	3,866.0	4,090.6	5,015.2	5,830.6	6,347.5	6,905.8	**7,943.8**
Dividends	yen	40	85	115	80	80	285	365	230	240	**310**
Share price (Closing price on March 31)	yen	2,400	2,170	2,369	1,387	1,885	4,210	4,115	4,610	4,005	**7,290**
At fiscal year-end											
Total assets	million yen	233,071	228,229	223,528	248,522	270,760	274,871	275,784	286,344	287,948	**296,361**
Net assets	million yen	76,826	80,691	89,038	91,110	96,402	118,189	137,405	149,584	162,738	**187,200**
Equity ratio	%	33.0	35.3	39.8	36.7	35.6	43.0	49.8	52.2	56.5	**63.2**
Major financial indicators											
Return on equity (ROE)	%	4.4	8.4	11.0	6.6	6.5	22.0	21.6	12.5	11.9	**13.8**
Price-to-earnings (P/E) ratio		17.0	7.7	6.0	5.5	7.3	4.2	3.5	6.0	5.1	**7.1**
Dividend payout ratio	%	28.4	30.3	29.0	31.7	30.7	28.5	31.2	30.1	30.4	**30.3**
Interest-bearing debt	million yen	133,707	125,729	113,801	137,494	149,207	123,695	100,787	97,095	85,316	**63,602**
Net D/E ratio		1.40	1.22	0.98	1.29	1.26	0.78	0.44	0.33	0.18	**-0.01**
Capital investment	million yen	29,491	23,656	18,602	60,805	41,330	5,564	6,153	13,311	18,541	**5,547**
Non-financial data (non-consolidated)											
Number of employees*2 - Shore-based (women)		160 (37)	158 (37)	158 (37)	163 (38)	162 (35)	167 (36)	184 (45)	184 (48)	189 (50)	**205 (52)**
Onboard (women)		47 (–)	45 (1)	43 (2)	44 (2)	50 (3)	48 (4)	48 (6)	50 (5)	58 (4)	**56 (4)**
Fleet tonnage	number of vessels/ 10,000 DWT	124/1,219	128/1,284	121/1,180	125/1,306	127/1,403	127/1,381	131/1,345	133/1,368	140/1,414	**130/1,307**
Downtime rate*3		1.20	0.43	0.58	2.16	11.95	7.01	4.00	0.91	3.28	**2.38**
Cargo volume	kton	62,483	62,134	64,206	59,866	72,149	73,725	73,280	70,516	75,017	**71,097**
Fuel consumption (MDO/HFO)	kton	21/644	22/634	28/672	35/609	35/662	40/688	42/675	38/649	38/678	**39/645**
Low-carbon fuel consumption (biodiesel (B100 basis)/LNG)	ton	–	–	–	–	–	–	–	183/–	373/813	**560/893**
CO_2 emissions	kton	2,033	2,005	2,139	2,008	2,175	2,284	2,249	2,156	2,233	**2,133**
Reduction in CO_2 emissions per transportation unit (ton-mile) (vs. 2019)	%	–	–	–	Base year	6.77	8.61	7.83	9.01	10.49	**11.31**
Non-financial data: GHG emissions (consolidated)											
Scope 1 (Direct emissions from our activities)	kton	–	–	–	2,199	2,328	2,447	2,424	2,342	2,469	**2,349**
Scope 2 (Indirect emissions from the use of purchased electricity, heat, and steam)	kton	–	–	–	0.2	0.2	0.2	0.1	0.1	0.1	**0.1**
Scope 3 (Other indirect emissions*)	kton	–	–	–	305	324	337	337	373	351	**329**
Category 1 (Purchased goods and services)	kton	–	–	–	–	–	–	2.1	6.5	9.4	**5.6**
Category 2 (Capital goods)	kton	–	–	–	–	–	–	–	37	4.2	**1.4**
Category 3 (Fuel- and energy-related activities not included in Scope 1 or Scope 2)	kton	–	–	–	305	324	336	334	328	336	**320**
Category 5 (Waste generated in operations)	kton	–	–	–	–	–	0.1	0.1	0.1	0.1	**0.1**
Category 6 (Business travel)	kton	–	–	–	–	–	–	0.5	1.0	1.1	**1.0**
Category 7 (Employee commuting)	kton	–	–	–	0.1	0.1	0.2	0.2	0.2	0.2	**0.2**

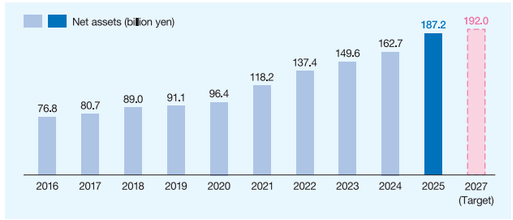
Operating profit



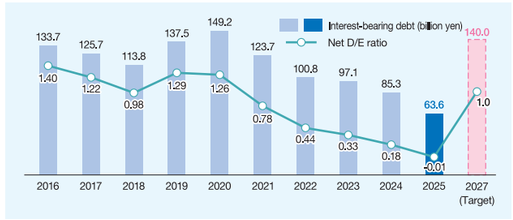
Profit attributable to owners of the parent/ROE



Net assets



Interest-bearing debt/Net D/E ratio



*1 The Company conducted a 1-for-10 reverse stock split of its common shares effective October 1, 2017. The per share data presented above has been retrospectively adjusted to reflect the reverse stock split as if it had occurred at the beginning of fiscal year 2011.
*2 The non-consolidated number of employees includes loaned employees from fiscal year 2021 onward, and contract employees from fiscal year 2022 onward.
*3 Downtime rate = Total annual downtime hours ÷ Total annual operating hours × 1,000 (Applicable fleet: the Company's owned and managed vessels)

- Among non-financial data, figures for Cargo volume and subsequent items were calculated on a fiscal-year basis through 2018 and on a calendar-year basis from 2019 onward.
- The Company obtained third-party verification from Nippon Kaiji Kyokai (ClassNK) and received a verification statement for the GHG emissions of the Group, as calculated by the Company.
- The above figures do not include the estimated charter fee liabilities (approx. 80 billion yen) expected to be recognized from fiscal year 2027 onward following the adoption of the new lease accounting standards.

Purpose and Management Strategy Connectivity

The Group's 2050 targets and 2030 Vision are both incorporated into the roadmap toward achieving our purpose. At present, with the Medium-Term Business Plan and our material issues serving as key pillars, we are working to more deeply align our strategies and values.

Why

Purpose (The Company's Reason for Being)

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

What

Mission/Basic Philosophy (Mission to Fulfill Our Purpose)

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

Where

2030 Vision (Future Vision to Fulfill Our Purpose)

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

How

Values (Important Values and Principles of Conduct)

Test and refine based on situation

Six Material Issues

- Giving top priority to ensuring safe navigation
- Enhancing activities for environmental conservation and climate change
- Increasing customer satisfaction by raising marine transportation service quality
- Human resources development, personnel evaluation, D&I, human rights
- Technology, innovation, DX
- Sound corporate governance, BCP



Established by working backwards from the 2030 vision

Our enduring core

Management Philosophy	Corporate Code of Conduct, Code of Conduct	Sustainability Basic Policy

In sync

2050 Target: Improving corporate value while achieving carbon neutrality

FY2030 Targets

	Financial	Non-financial
Targets	● Ensure the ability to invest up to 300 billion yen by steadily increasing profit while maintaining fiscal discipline (Net DER of 1.0 time or less) ● ROE of at least 10%, comfortably exceeding the 7% cost of equity ● Further strengthening shareholder returns with a benchmark payout ratio of 30%	● GHG emissions: 25% reduction vs. 2019

From FY2028: Next Medium-Term Business Plan

FY2024–2027: Medium-Term Business Plan FORWARD 2030 II

FY2027 financial targets
● Consolidated operating profit: 20 billion yen ● ROE: 10.0%
● Net D/E ratio: 1.0x or less

FY2025 results
● Consolidated operating profit: 20.5 billion yen ● ROE: 13.8% ● Net D/E ratio: -0.01x
● GHG emissions (non-consolidated): 6.2% increase vs. 2019

Business strategies and growth strategies
Extending the domains of new growing businesses | Deepening the domains of existing core businesses

Initiatives to support business strategies
Human capital strategy | Sustainable shipping strategy | Governance enhancement | DX strategy

Investment plan | **Capital policy**

Strengths
Trusted and reliable U brand built through dry bulk transportation | One-stop solutions tailored to customer needs | Forward-looking investments in decarbonization, including methanol dual-fuel vessels

Foundations of our strengths
A sound financial position to underlie growth investment | Transportation expertise accumulated over many years and strong relationships of trust with customers | A stable earnings structure underpinned by long-term contracts for large vessels

Value Creation Process

We will leverage our human capital, vessel assets, relationships of trust with stakeholders, and other basic management foundations to strengthen our environmental initiatives and safe vessel operations from a medium- to long-term perspective, thereby realizing our purpose and enhancing corporate value.

All figures are current as of March 31, 2026 (Asterisks indicate non-consolidated basis figures)

Input

Financial capital
Sound financial foundation
- Equity ratio
  63.2% (56.5% in previous fiscal year)
- Operating cash flow
  35.4 billion yen (34.9 billion yen in previous fiscal year)

Human capital
Diverse workforce with advanced expertise
- Number of employees: 669
- Total training expenses*:
  55.76 million yen

Intellectual capital
- Technologies and expertise relating to safe vessel operations and cargo stowage
- Customer network and commercial platform that utilizes our global operational sites
- Capability to provide one-stop solutions addressing transportation needs in Japan and internationally

Natural capital
Use of fuels that help reduce CO_2 emissions
- Biodiesel usage (B100 basis): 560 MT

Manufactured capital
- A portfolio of 211 vessels ranging from the world's largest vessels to coastal carriers
- Offices and ship management sites located in nine countries/regions to be able to respond on a 24-hour basis
- Capital investment: 5,547 million yen

Social and relationship capital
- Global customer base
- Long-standing relationships of trust with customers
- Partnerships with stakeholders in Japan and around the world

Business Activities



Evolving & accelerating the business model

Execution strategy

Implemented with a basis in both the Medium-Term Business Plan and our material issues
- Enhancing efficiency and improving existing businesses
- Reducing business risk
- Securing new growth opportunities

Strengthening our foundation through reinvestment

Output

Provision of marine transportation services
- Total annual cargo volume of 88.83 million tons (Iron ore and coking coal, energy resources, raw materials, products, food, etc.)

Financial capital
- Revenues: 229.8 billion yen (-7.1% YoY)
- Operating profit: 20.5 billion yen (+1.5% YoY)
- Profit: 24.1 billion yen (+29.4% YoY)

Human capital
- Revenue per person: 340 million yen

Intellectual capital
- Accumulating and systematizing operational expertise relating to vessels powered by new fuels and vessels equipped with fuel-saving equipment
- Creating operational manuals
- Establishing systematized education and training
- Vessel downtime rate (Company-owned and managed vessels): 2.38 (3.28 in the previous fiscal year)

Natural capital
- Reduction rate of CO_2 emissions per transportation unit (compared with 2019)*: 11.31%

Manufactured capital
- Replacing with vessels that meet the superior environmental performance standards of Phase 3

Social and relationship capital
- Share of operated vessels chartered from shipowners: 72%
- Establishing and strengthening collaborative frameworks to decarbonize throughout the entire supply chain

Outcome

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

Vision for 2030
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

Financial targets
While maintaining a net D/E ratio of 1.0x or less and adhering to financial discipline, we aim to achieve an ROE of at least 10%, comfortably exceeding the 7% cost of equity, through sustained profit growth

Shareholder returns
With a target payout ratio of 30%, we will further strengthen shareholder returns

Non-financial targets
GHG emissions: 25% reduction from 2019 levels

Financial targets in Medium-Term Business Plan (FY2024–2027)
- Consolidated operating profit: 20 billion yen
- ROE: 10.0%
- Net D/E ratio: 1.0x or less

Social value
- Ensuring safe navigation
- Implementing NSU's and customers' decarbonization efforts

Business environment changes
- We are responding to increasingly stringent environmental regulations while also seeing a rise in customer demand for vessels powered by new fuels and accelerating efforts toward their practical deployment
- Persistent inflationary trends, including rising raw material costs and increased labor expenses, are placing upward pressure on vessel management cost
- AI-driven technological innovation across land and sea creates opportunities to enhance and restructure our operational processes and frameworks

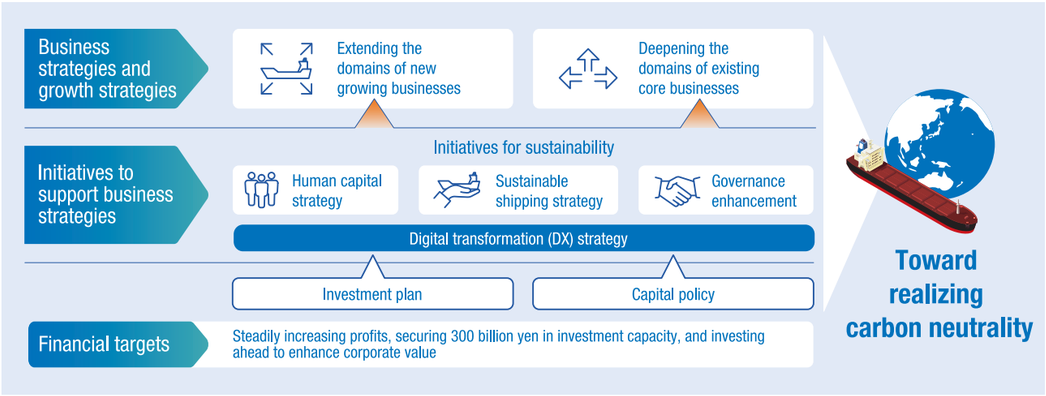
Outlook for shipping demand
- We are closely monitoring how trade policies such as U.S. tariff measures and those of other nations, as well as elevated geopolitical risks like the situation in the Middle East, may affect shipping volumes and distances.
- While crude steel production in Japan continues to decline, production in China and India remains resilient, supporting steady transportation demand for steelmaking raw materials. As a result, we anticipate a certain level of demand for shipments of iron ore and coking coal.
- While demand for thermal coal transport is expected to decline, transport demand for coking coal, bauxite, biomass fuels, and other secondary raw materials remains steady.

PART 02

Value Creation Strategy

Medium-Term Business Plan—FORWARD 2030 II
Challenge for innovation and further growth with U

Plan at a Glance



Assumptions Regarding the Business Environment

Outlook for marine transportation demand

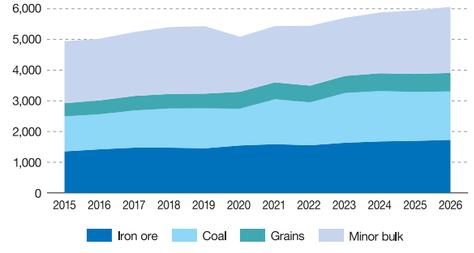
Despite heightened uncertainty driven by U.S. tariff policies, tensions in the Middle East, and other developments, dry bulk transportation demand remains firm amid evolving trade patterns. Transportation volumes of iron ore and bauxite are expected to continue increasing, with shipping distances also expected to lengthen, particularly for iron ore shipments from Africa to China.

However, as the Chinese economy matures, crude steel production is showing signs of a gradual slowdown. Going forward, we will further enhance the accuracy of our transportation demand forecasting to optimize vessel deployment.

Outlook for dry bulk vessel supply

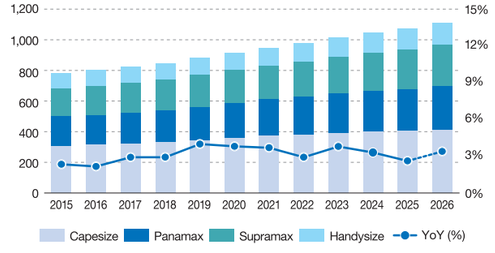
Deliveries of small- and medium-sized vessels are expected to increase moderately from 2026 onward. However, orders for new large vessels are limited, as shipowners continue to take a cautious approach toward technological developments related to new fuels such as methanol and ammonia. Accordingly, we expect the overall trend to remain subdued. Scrapping of aging vessels has remained limited amid uncertainty over the future direction of environmental regulations in the shipping industry. However, stricter regulations could accelerate scrapping activity and help ease vessel oversupply.

Trends in marine transportation demand (million tons)



Research by the Company based on various sources

Dry bulk vessel supply forecast (million DWT)



Research by the Company based on various sources

Published in March 2024, our Medium-Term Business Plan (FY2024–2027) has now entered its third year, which marks the start of its second half. During the first two years, we made steady progress in accordance with the plan despite an increasingly complex business environment. In the second half of the plan, we will further strengthen cross-functional collaboration and accelerate initiatives to achieve the goals of the four-year plan.

Overview of the Plan

Extending the domains of new growing businesses

In the steel industry, one of our major customer sectors, efforts to decarbonize production are driving a transition from blast furnaces to electric arc furnaces. As demand for direct reduced iron (DRI) and scrap is expected to expand as raw materials for electric arc furnace steelmaking, we see their transportation as a new business opportunity and will continue to establish a transportation system.

In addition, we are promoting a joint project with five other companies involving dual-fuel ammonia-powered vessels, which are expected to contribute to the achievement of maritime zero-emission goals. Concurrently, we have established a project team to secure low-carbon fuels and develop supply networks in support of these initiatives (see below for details).

- pp. 22–23: Financial Strategies
- pp. 24–27: Business Strategy for International Shipping
- pp. 34–41: Special Feature on the Environment Environmental Conservation and Climate Change Initiatives

Deepening the domains of existing core businesses

The Company is prioritizing the construction of dual-fuel methanol-powered vessels, with the sequential completion of multiple vessels planned from fiscal year 2027 onward. We are also steadily entering into transportation contracts with customers. Furthermore, we have decided to introduce LPG dual-fuel vessels capable of carrying ammonia, with delivery planned for fiscal year 2027.

To support business expansion in India and Southeast Asia where economic growth is expected to continue, we will strengthen collaboration among our offices in Singapore and Thailand. While enhancing transportation service quality for steel products shipped from Japan, a key priority, we will develop the Thailand office into a strategic hub for cargo flows to and from Southeast Asia. We will also pursue differentiation by offering a one-stop solution for combined coastal and international marine transportation (see below for details).

- pp. 22–23: Financial Strategies
- pp. 24–27: Business Strategy for International Shipping
- pp. 34–41: Special Feature on the Environment Environmental Conservation and Climate Change Initiatives

Four key initiatives supporting two business strategies

As part of our human capital strategy, we will utilize our newly introduced personnel system to encourage employees to take on new challenges, thereby developing human resources needed to execute our medium- to long-term business strategy and promoting respect for human rights.

Under our sustainable shipping strategy, we are committed to achieving carbon neutrality. In parallel, we will foster a work environment that will allow us to secure skilled seafarers for both coastal and international marine transportation and encourage them to perform at their full potential, which in turn enhances employee engagement.

To strengthen corporate governance, we will oversee the execution of the Medium-Term Business Plan and improve the effectiveness of the Board of Directors.

To support these initiatives, we will accelerate our DX strategy through the implementation of a new core system and the promotion of digital transformation in vessel management, thereby enhancing the sophistication of our operations. (see below for details).

Human capital strategy

- pp. 48–51: Human Resources Development, Personnel Evaluation, DE&I
- pp. 42–43: Ensuring Safe Navigation
- pp. 44–46: Employee Roundtable

Sustainable shipping strategy

- pp. 34–41: Special Feature on the Environment Environmental Conservation and Climate Change Initiatives
- pp. 42–43: Ensuring Safe Navigation
- pp. 44–46: Employee Roundtable
- pp. 49–50: Human Resources Development, Personnel Evaluation, DE&I (Seafarers)

Governance enhancement

- pp. 56–58: Outside Director Roundtable
- pp. 59–66: Sound Corporate Governance

DX strategy

- p. 47: Technology, Innovation
- pp. 54–55: DX Implementation

Financial Strategies

Under the Medium-Term Business Plan, we are leveraging our stable revenue base to advance growth investments and decarbonization initiatives, with the aim of balancing sustainable growth with financial soundness and delivering stable shareholder returns.

Policies Under the Medium-Term Business Plan

Deployment of investment capital to support sustainable growth

Under our Medium-Term Business Plan, we are securing operating cash flow with profits generated by deepening the domains of existing core businesses and extending the domains of new growing businesses. While maintaining a net D/E ratio of 1.0x or lower, we will leverage our financial capacity to execute approximately 300 billion yen in investments by fiscal year 2030, targeting enhanced earnings stability and long-term growth. Major investments are planned across these areas: 215 billion yen in core business investments, such as vessel replacement; 45 billion yen in environmental initiatives, including methanol dual-fuel conversion and securing biofuels; and 10 billion yen in human capital and digital transformation, including the establishment of a seafarer training center. Among these, investments in vessels powered by new fuels, including dual-fuel methanol-powered vessels, are expected to total 165 billion yen.

Following the signing of multiple contracts for building dual-fuel methanol-powered vessels in fiscal year 2024, the Company entered into a construction contract in fiscal year 2025 for LPG dual-fuel Very Large Gas Carriers (VLGCs) capable of carrying ammonia. The vessels powered by new fuels will be delivered sequentially from fiscal year 2027 onward and we expect them to make a positive contribution to the Company's earnings.

As part of our efforts to reduce GHG emissions from our existing vessels, we retrofitted our 400,000 DWT ore carrier with wind-assisted propulsion systems (rotor sails), a shaft generator, and other equipment in fiscal year 2025. We will continue to expand these initiatives based on ongoing evaluations of their effectiveness.

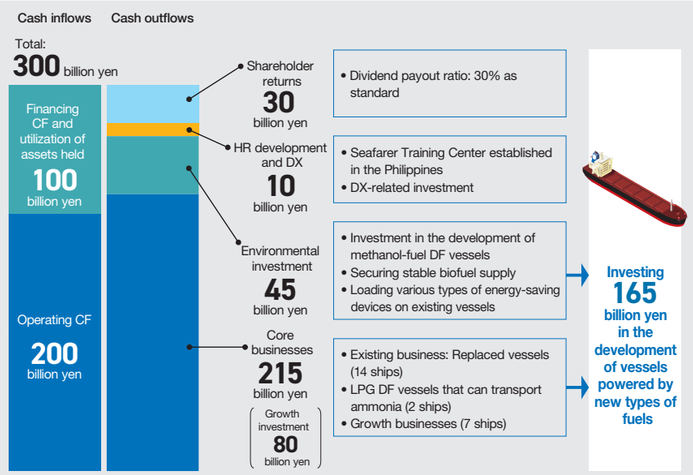
Policy on shareholder returns

The Company positions shareholder returns as a key management priority. While securing internal reserves to support stable future growth and respond to changes in the business environment, we aim to return profits in line with performance, targeting a consolidated dividend payout ratio of 30% with consideration for further enhancement. This policy is designed to facilitate the continued payment of stable dividends while securing funds for future growth investments, such as the construction of vessels powered by new fuels. For fiscal year 2025, we paid an annual dividend of 310 yen per share, resulting in a consolidated dividend payout ratio of 30.3%. We will continue to maintain stable dividend levels.

While we recognize that share buybacks play a role in shareholder returns, we anticipate significant funding needs for investments in next-generation fuel vessels.

Investment plan (FY2024 to FY2030)

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



As announced on July 31, 2026, if the tender offer by Nippon Yusen Kabushiki Kaisha is successfully completed and the prescribed procedures are completed, the Company is scheduled to become a consolidated subsidiary of Nippon Yusen, and the Company's shares are scheduled to be delisted. In addition, the Company resolved that no dividend will be paid for fiscal year 2026, conditional upon the successful completion of the tender offer. For the latest information, please check our website.

Accordingly, we will prioritize securing internal reserves while pursuing appropriate means of returning value to shareholders.

Current Situation Analysis

Review of fiscal year 2025 performance and financial activities

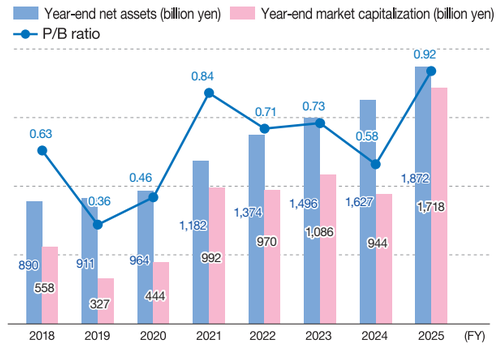
In fiscal year 2025, the global economy remained relatively firm, supported primarily by the U.S. economy, despite increased uncertainty arising from U.S. trade policies, including tariff measures and the corresponding responses of individual countries. As in the previous fiscal year, the Company successfully achieved the FY2027 financial targets set forth in its Medium-Term Business Plan: consolidated operating profit of 20 billion yen, ROE of 10%, and a net D/E ratio of 1.0x or lower.

The international shipping business remained generally resilient during the first half of the fiscal year, underpinned by steady cargo movements, particularly in iron ore and grain. After a temporary correction in the middle of the fiscal year, the market resumed its upward trend toward the year-end.

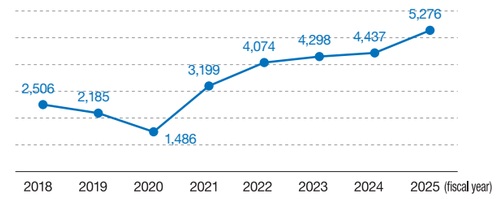
In the coastal shipping business, market conditions were supported by the continued operation of thermal power plants. However, weaker construction demand, driven by production adjustments at steel mills and higher material costs, weighed on cargo volumes.

Amid these conditions, revenue for fiscal year 2025 declined, due in part to the stronger yen year on year. However, profit increased year on year to 24.1 billion yen, primarily due to gains on the sale of aging vessels recognized by steadily executing the initial plan.

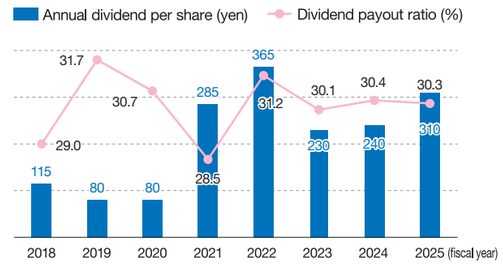
Year-end net assets and market capitalization



Average share price during the period (yen)



Annual dividend per share/Dividend payout ratio



Leadership Perspective

Our P/B ratio is on an improving trend, having temporarily exceeded 1.0x in the second half of fiscal year 2025. The P/B ratio can be thought of in terms of its components, ROE × P/E ratio.

ROE, a measure of profitability, has exceeded 10% for five consecutive fiscal years, consistently above our cost of equity (approximately 7%) as we continue to steadily improve our earning capacity.

On the other hand, to improve our P/E ratio—which reflects market expectations—we must further enhance shareholders' and investors' understanding of our medium- to long-term earnings power, business stability, and decarbonization initiatives.

To that end, we are working to bolster our investor relations activities. In fiscal year 2025, we significantly increased the number of IR meetings to increase opportunities for dialogue with investors. Moving forward, we will continue to increase these opportunities for dialogue while enhancing the quality of our IR activities with clearer and more accessible explanations and information sharing.



Shingo Nakamura
Managing Executive Officer/Corporate Strategy & Planning Group

Business Strategy for International Shipping

Our international shipping business is composed of four groups: the Capesize Group, the Energy Group, the Tramp Chartering Group, and the Near Sea Group. For fiscal year 2025, the international shipping business as a whole recorded revenue of 197.1 billion yen (down 8.8% year on year) and segment profit (operating profit) of 15.5 billion yen (down 4.8% year on year), with both revenue and profit declining from the previous fiscal year.

Capesize Group

Business overview

Vessel types/ Total number of vessels (as of March 31, 2026)	90,000 to 200,000 DWT bulk carriers 250,000 to 400,000 DWT ore carriers Total 50 vessels
Major cargoes	Iron ore, coal
Strength	● Trust built on a long history of safe and stable transportation of iron ore and coking coal
Growth strategies	● Strengthen the foundations for stable transportation ● Expand the business by capturing new demand, etc. ● Enhance the fleet to reduce GHG emissions and secure new cargo opportunities
Risk	● An unpredictable external operating environment, shaped by geopolitical developments and the introduction of new IMO measures to reduce GHG emissions
Opportunity	● Enhanced customer trust and a stronger foundation for stable transportation

FY2025 business overview

The Capesize bulk carrier market recovered from the weakness seen at the end of fiscal year 2024 and remained strong throughout fiscal year 2025. This was driven by steady iron ore shipments from Brazil and Australia and demand for bauxite transport from West Africa. As a result, the Baltic Exchange's time-charter average based on five benchmark routes temporarily reached the USD 44,000-per-day level in December 2025. Against this backdrop, profitability exceeded initial targets, driven by stable earnings from long-term contracts with major customers, optimized vessel deployment for cross trade, successfully attracting high-margin spot cargoes, and other positive developments.

Our challenges

Heightened uncertainty in economic outlook and market conditions amidst the evolving global situation underscores the need to maintain the foundations for stable transportation while enhancing resilience to market volatility. At the same time, despite the unclear fate of international policy frameworks for GHG emissions reduction, we must steadily implement initiatives in line with our environmental roadmap and address our customers' needs for Scope 3 emissions reductions.

FY2026 actions to address the challenges

To strengthen the foundations for stable transportation, we will work to provide safe transportation and high-quality service through bolstered collaboration with our marine departments and shipowners. We will also work to develop demand for bauxite and iron ore transport from West Africa.

In pursuit of GHG emissions reductions, we will promote the introduction of lower-emission vessels with a view to the broader adoption of next-generation fuels. We will also propose solutions that support customers' Scope 3 emissions reduction strategies and aim to capture emerging demand for hot briquetted iron (HBI)* and other materials associated with decarbonizing steel production.

* HBI: A form of direct reduced iron (DRI) produced from iron ore and compacted at high temperature. DRI is attracting interest as a raw material useful for decarbonizing steel production.

Leadership Perspective

It is essential to proactively anticipate customer needs and consistently deliver value that exceeds their expectations. When every group member shows the initiative to identify challenges and take ownership of their work, it highlights the Company's strengths and helps us to earn the trust of customers and stakeholders.

As global geopolitical developments, climate change, and other changes in the external operating environment reshape market conditions, we are required to adapt flexibly to new regulations and evolving frameworks. Even under these circumstances, we will uphold high standards of expertise and responsibility in carrying out our duties.

Tomoyoshi Takuma
Capesize Group Manager



Energy Group

Business overview

Vessel types/ Total number of vessels (as of March 31, 2026)	80,000 to 100,000 DWT bulk carriers 22 vessels VLGCs (Very Large Gas Carriers) 3 vessels Total 25 vessels
Major cargoes	Coal, industrial salt, iron ore, grains, LPG (liquefied petroleum gas)
Strength	● Long-term partnerships with high-value customers
Growth strategy	● Expand international maritime business, focusing primarily on coal shipments to India
Risk	● Declining seaborne volumes driven by the transition to renewable energy
Opportunity	● Marine transportation for alternative fuels

FY2025 business overview

In the Panamax bulk carrier market, the Baltic Exchange's time-charter average based on five benchmark routes fell to the USD 9,000-per-day level in June 2025 amid economic uncertainty in China. The market later recovered, reaching the USD 18,000-per-day level in March 2026, supported by stronger grain and coal shipments and developments in the Middle East. Despite our best efforts to optimize operations amidst these circumstances, performance failed to meet initial targets due to higher costs under market-linked charters.

All our VLGCs were employed under time charter contracts and achieved stable earnings. Although certain vessels operated under market-linked contracts, earnings surpassed initial targets, driven by favorable market conditions.

Our challenges

Our strategic priority across both our bulk and gas businesses is to build a resilient portfolio well-positioned to withstand market volatility, enabling us to generate stable earnings. Demand in the energy market is undergoing a structural shift driven by the transition toward a lower-carbon economy. Beyond conventional thermal coal, our strategic focus should be on broadening our transportation portfolio to include biomass fuels, ammonia, and other energy carriers.

Amid an uncertain landscape of environmental regulations and heightened geopolitical risks in the Middle East, we recognize the importance of accurately identifying and adapting to evolving customer needs and societal trends.

FY2026 actions to address the challenges

We will further develop our fleet by introducing state-of-the-art, environmentally efficient vessels. In addition, we will actively leverage digital technologies in vessel operations to improve operational efficiency and maximize profitability.

As part of our efforts to reduce GHG emissions, we will diversify our marine fuel procurement by incorporating biodiesel alongside conventional fuels and securing a stable supply of marine methanol for our dual-fuel methanol-powered vessels.

Leadership Perspective

To achieve our Medium-Term Business Plan and the group's department-specific objectives, we will pursue sound decision-making and take action rooted in core drivers to ensure steady and reliable execution of the plan. Even in a rapidly changing business environment, we will maintain a long-term perspective and steadfast resolve while further strengthening our adaptability as an organization.

Building on the long-standing trust we have earned for safe operations and expertise, we will continue to provide customers with high-value transportation services through innovations that leverage our unique strengths.

Hideto Soya
Managing Executive Officer/Energy Group Manager



Business Strategy for International Shipping

Tramp Chartering Group

Business overview

Vessel types/ Total number of vessels (as of March 31, 2026)	20,000 to 70,000 DWT bulk carriers Total 31 vessels
Major cargoes	Steel products, nonferrous metals, grains, fertilizers, salt, cement, limestone, biomass fuels
Strength	● Extensive experience and expertise in steel transportation since 1966; knowledge and technologies for diverse bulk cargo transportation
Growth strategy	● Strengthen the scale and quality of round-trip transportation by combining U.S.- and Asia-bound steel shipments with return-route bulk cargo
Risks	● Geopolitical risks and changes in the global economy and international political landscape ● Environmental challenges ● Rising costs resulting from global inflation and labor shortages
Opportunity	● Growing demand for minor bulk shipping

FY2025 business overview

Market conditions for Handysize bulk carriers remained strong in general. On the outbound leg, cargo movements of steel products, one of our principal cargoes, remained resilient, as shipments to Central and South America offset the impact of additional U.S. tariffs and geopolitical tensions in the Middle East. On the return leg, we utilized cargoes secured under medium- to long-term contracts and maintained stable earnings thanks to efficient vessel assignments in round-trip voyages. As a result, we exceeded our initial targets.

Our challenges

Prolonged geopolitical tensions and the shift toward a multipolar international order have heightened instability across the energy, logistics, and financial markets. At the same time, inflation, elevated material and equipment costs, and rising labor costs due to labor shortages continue to pose significant challenges. Against this backdrop, the continued rise in fleet renewal/upgrade costs and operating costs has made conventional operational assumptions an unreliable guide to securing stable earnings. Furthermore, it is expected that GHG emissions regulations will continue to get stricter over time. We therefore recognize that environmental compliance will be a key factor in our competitive position.

FY2026 actions to address the challenges

Amid geopolitical risks, market volatility, and fuel price fluctuations, we will strengthen business resilience by diversifying vessel deployment routes and optimizing the balance between medium- to long-term contract coverage and spot market exposure. We will mitigate cost inflation by optimizing our vessel mix, enhancing operational efficiency, and advancing labor-saving and DX initiatives. Additionally, we will implement environmental investments in phases based on economic viability, while striking a balance between environmental initiatives and profitability to support sustainable growth.

Leadership Perspective

Against a backdrop of market volatility, evolving regulations, and technological innovation, we remain committed to strengthening our core earnings power to withstand medium- to long-term fluctuations, rather than placing undue emphasis on maximizing short-term earnings. Accordingly, we will develop a safe and stable fleet and deliver high-quality transportation services through close cooperation with stakeholders across the maritime industry and related sectors, which will enable us to secure more medium- to long-term contracts. Furthermore, through our IT and DX initiatives, we aim to create an environment that enables our group members to devote more of their efforts to generating added value in the shipping industry.

Hiroyuki Tamagawa
Tramp Chartering Group Manager



Near Sea Group

Business overview

Vessel types/ Total number of vessels (as of March 31, 2026)	5,000 to 19,000 DWT general cargo carriers Total 24 vessels
Major cargoes	Steel products, biomass fuels, fertilizers, dolomite, gypsum
Strengths	● Efficient operations by combining steel and bulk cargoes ● Integrated multimodal transportation for direct delivery of steel products via coastal barges and trucks (China)
Growth strategy	● Expand cross-trade transportation, primarily for steel products and biomass fuels
Risks	● Increased steel exports from China (oversupply) ● Reduced steel exports from Japan due to geopolitical tensions ● Tight vessel supply due to limited deliveries of new near-sea vessels
Opportunity	● Growing demand for transportation to Southeast Asia

FY2025 business overview

In the near-sea small-vessel market, China's steel exports reached a record high due to weak domestic demand, while Japan's steel exports to China continued to decline. The increase in Chinese steel shipments contributed to higher steel cargo movements across Asia, resulting in relatively strong market conditions. We expanded transportation services for cargoes that serve as alternatives to steel products bound for Southeast Asia while optimizing round-trip vessel deployment for biomass fuels and other bulk cargoes. These efforts pushed earnings to exceed initial targets.

Our challenges

Given the potential for significant volatility in the shipping environment due to heightened geopolitical risks, we believe it will be essential to maintain greater flexibility through diversified shipping routes, cargo types, and other measures. Accordingly, our near-term priorities are to secure alternative cargoes to offset the decline in steel exports from Japan and to expand cross-trade business with overseas customers.

We also recognize the need to bolster our insights into information on cargo and trade flows not readily visible from the public sources, while exploring the introduction of environmentally friendly vessels and advancing initiatives to reduce GHG emissions.

FY2026 actions to address the challenges

With a focus on cargo shipped from East Asia, we will continue to capitalize on demand for shipments bound for Southeast Asia, supported by the region's sustained economic growth.

To expand our cross-trade business and diversify vessel deployment, we will work closely with our offices in Thailand, Shanghai, Hong Kong, and Singapore to broaden our customer base and cargo portfolio, while responding to evolving cargo flows driven by the spread of local production for local consumption.

Alongside our preparations for the International Maritime Organization (IMO) mid-term measures, which include increasing the share of Phase 3 vessels in our fleet and advancing biofuel trials, we will also implement DX initiatives to strengthen our sales capabilities.

Leadership Perspective

In our relationships with customers, we prioritize taking a long-term perspective rather than allowing fluctuations in the current business environment to unduly influence our decisions. Our goal is to build enduring partnerships with customers by working collaboratively to address challenges. Although this may at times involve short-term trade-offs, we remain focused on strengthening mutual trust to ultimately achieve the best possible outcomes for both parties. Based on this mindset, I believe that delivering true value means partnering with customers to build mutually beneficial relationships.

Masaki Sugai
Executive Officer/Near Sea Group Manager



Business Strategy for Coastal Shipping

Our coastal shipping business is composed of NS United Naiko Kaiun Kaisha, Ltd. and NS United Coastal Tanker Kaisha, Ltd., both wholly owned subsidiaries of the Company. For fiscal year 2025, the coastal shipping business as a whole recorded revenue of 32.7 billion yen (up 4.7% year on year) and segment profit (operating profit) of 5.0 billion yen (up 27.3% year on year), with both revenue and profit increasing from the previous fiscal year.

NS United Naiko Kaiun Kaisha, Ltd.

Business overview

Vessel types/ Total number of vessels (as of March 31, 2026)	600 to 21,000 DWT general cargo carriers, limestone carriers, and other vessels Total 75 vessels
Major cargoes	Limestone, cement, coke, steel products, coal ash, biomass fuels
Strengths	● Long-established maritime competence (including knowledge and technical expertise in vessel operations management) ● A stable business foundation and long-standing relationships with customers
Growth strategy	● Enhance competitiveness and stable earnings through fleet renewal and operational optimization
Risk	● Exposure to seafarer shortages and stricter environmental regulations
Opportunity	● Medium- to long-term business opportunities from changes in coastal transportation demand driven by structural changes in major customers' production

FY2025 business overview

In the dry bulk business, transport volume of biomass fuel-related and other electric power-related cargo remained above initial targets, driven by continued thermal power plant operation to meet electricity supply and demand. There was a decline in the volume of raw materials for steelmaking due to production cuts at steel mills. Cement-related cargo volumes decreased due to weak construction demand caused by rising material costs and labor shortages. Against this backdrop, earnings actually exceeded our initial targets due to improved profitability through efficient operations and stable fuel prices.

Our challenges

In March 2026, a vessel under our charter was involved in a collision with another vessel. NS United Naiko Kaiun Kaisha, Ltd. takes this incident very seriously and has positioned thorough measures to prevent recurrence and strengthen our safety management framework as a top priority.

In addition, the business environment continues to become increasingly challenging, with persistently weak demand for the transportation of essential industrial materials coupled with rising expenses for ships and crew, as well as fuel oil prices. In response to these challenges, our key management priorities are to develop our fleet with safety as the highest priority, promote appropriate pass-through of increased costs, and capture new transportation demand driven by customers' carbon neutrality initiatives.

FY2026 actions to address the challenges

Safety remains our highest priority. We will strengthen the safety management framework across our entire operating fleet, including chartered vessels. Through safety committees and on-site vessel inspections, we will ensure that measures to prevent the recurrence of serious incidents are baked into our operational practices while enhancing effectiveness.

At the same time, we will solidify our market position and pursue new opportunities through capital investments to reduce seafarer workload and develop and secure talent as well as enhanced sales capabilities. Together, these efforts will drive the development of a competitive fleet and stable business management.

Leadership Perspective

Coastal shipping is a vital part of the transportation infrastructure supporting domestic industries, and we have a responsibility to meet our customers' expectations by consistently providing safe and stable transportation services. To fulfill this responsibility, NS United Naiko Kaiun Kaisha, Ltd. places the highest priority on safety in transporting essential industrial materials, engaging in thorough fleet safety management. We support our customers' production activities and strive to remain a trusted partner. We will also continue promoting DX-driven operations management, as well as energy conservation and decarbonization initiatives, to help achieve more sustainable coastal shipping operations.



Fujio Endo
President/Representative Director, NS United Naiko Kaiun Kaisha, Ltd.

NS United Coastal Tanker Kaisha, Ltd.

Business overview

Vessel types/ Total number of vessels (as of March 31, 2026)	1,700 to 2,500 DWT LNG carriers 3 vessels 1,000 DWT LPG carrier 3 vessels
Major cargoes	LNG (liquefied natural gas) LPG (liquefied petroleum gas)
Strengths	● Largest LNG transportation capacity in the industry ● High-quality services enabled by an integrated in-house operational framework
Growth strategies	● Further expand LNG transportation scale ● Enter the LNG bunkering business ● Acquire new liquefied gas cargoes, including ammonia and CO_2
Risk	● Losing business expansion opportunities due to a shortage of maritime professionals
Opportunity	● Growth in shipping volumes of LNG and new liquefied gas cargoes

FY2025 business overview

In the tanker business, LNG transport volumes remained strong on the back of growing industrial LNG demand. Meanwhile, transport volume of LPG declined due to the redelivery of one chartered vessel and weak domestic demand due to a mild winter.

As a result, the business as a whole fell short of initial targets.

Our challenges

Japan's labor shortage has remained a significant challenge for the coastal shipping business as well. The shortage of seafarers is increasingly severe due to a decline in the number of young personnel, an aging workforce, and the movement of workers to other industries amid growing diversity in career choices. These conditions also constrain our business operations. Failure to accurately anticipate future trends in the supply and demand for seafarers could have a material adverse impact on our growth.

FY2026 actions to address the challenges

NS United Coastal Tanker Kaisha, Ltd. places a high priority on enhancing satisfaction and engagement among our onshore employees and seafarers, and we are committed to fostering an attractive and rewarding workplace. Through these efforts, we aim to strengthen talent acquisition and become our customers' partner of choice.

In addition, building on our knowledge and experience in safe operations accumulated over many years, as well as the increased motivation of our onshore employees and seafarers, we will continue to provide higher-quality transportation services while pursuing new business opportunities.

Leadership Perspective

Since our founding in 1966, NS United Coastal Tanker Kaisha, Ltd. has operated for more than half a century as a provider of energy resource transportation services, including LNG and LPG, throughout Japan. In 2003, we launched Japan's first coastal LNG carrier and have since established ourselves as a trusted pioneer in the industry. To date, we have safely completed 4,100 voyages and transported 4,460 thousand tons of LNG. Going forward, we will help contribute to the achievement of a decarbonized society through the transportation of liquefied gas, a clean energy source, while further investing in human resources to advance our growth strategy.



Yuji Fukuda
President/Representative Director, NS United Coastal Tanker Kaisha, Ltd.

NSU Global Network

NSU has operational sites in nine countries and regions worldwide, which allows us to accurately identify local needs and provide customers with optimal marine transportation services globally.



Overseas subsidiaries

Location	Company name	Address
United Kingdom	NS UNITED SHIPPING (U.K.) LTD.	1st Floor, 1 Knightrider Court, London EC4V 5BJ, UNITED KINGDOM
United States	NS UNITED SHIPPING (U.S.A.) INC.	1055 Washington Blvd. Suite 620 Stamford, Connecticut 06901 U.S.A.
Hong Kong	NS UNITED SHIPPING (H.K.) CO., LTD.	Room 1002, Ocean Centre, Harbour City, 5 Canton Road, Tsimshatsui, Kowloon, HONG KONG
Singapore	NS UNITED BULK PTE. LTD.	65 Chulia Street #21-08, OCBC Centre Singapore 049513
The Philippines	PHILIPPINE STANDARD SHIPMANAGEMENT INC.	5F New Solid Bldg., 357 Sen. Gil Puyat Ave., Makati City 1200, PHILIPPINES

International representative offices

Location	Company name	Address
Thailand	NS UNITED KAIUN KAISHA, LTD. BANGKOK OFFICE	599/1 Rimtangrotfai Chongnonsri Road, Klongtoey, Klongtoey, Bangkok 10110, Thailand
Shanghai	NS UNITED KAIUN KAISHA, LTD. SHANGHAI OFFICE	RM 1103, Ruijin Building 205, Mao Ming Nan Lu, Shanghai 200020, CHINA
Vietnam	NS UNITED KAIUN KAISHA, LTD. VIETNAM REPRESENTATIVE OFFICE	#201, A5 Building, Main Campus, VIETNAM MARITIME UNIVERSITY No. 484 Lach Tray St., Le Chan Ward, Hai Phong, Vietnam

Sustainability

Guided by our mission to contribute to society through marine transportation, the Group works to address our material issues in accordance with our Purpose and Sustainability Basic Policy. By steadily implementing the initiatives set out in our Medium-Term Business Plan, we aim to achieve both sustainable growth and the fulfillment of our social responsibilities.

Sustainability Governance

Leadership Perspective

For NSU, sustainability is a key part of our management on the path to achieving sustainable business operations and enhancing corporate value. In our Medium-Term Business Plan, sustainability initiatives are positioned as measures that support our business strategy, and we are implementing them towards realizing our vision for 2030. With the establishment of the Sustainability Committee, there is now a structured way to discuss these themes from a management perspective and monitor progress. Our initiatives are steadily making progress. Moving forward, we will seek to enhance the quality of implementation and strengthen information disclosures with the aim of achieving management that is trusted by society.



Kyo Sonoda
Director, Managing Executive Officer/Responsible for General Affairs Group

Promotion framework

We have established a company-wide implementation and promotion framework, chiefly centered on the Sustainability Committee chaired by the President and Executive Officer and with membership consisting of all executive officers.

In coordination with relevant departments, including the ESG/Internal Control Team, as well as the various committees, the Committee reviews the progress of initiatives and reports and makes recommendations to the Board of Directors, thereby enhancing the effectiveness of these efforts and driving continuous improvement.

For a diagram of the overall sustainability promotion framework and its structure, please refer to the NSU website.

▶ https://www.nsuship.co.jp/en/sustainability/manage/policy.html

Agenda of the Sustainability Committee

Held in April and October of each year

1. Confirm progress on sustainability-related strategy under the Medium-Term Business Plan
2. Report on initiatives to respect human rights and create related plans
3. Report on human resources strategy and create related plans
4. Report on issues being addressed by initiatives and create related plans

TOPIC

Foreign coin sorting events —Social contribution activities through employee participation

With the support of the Japan Philanthropic Association and the Japan Habitat Association, NSU held foreign coin sorting events in our meeting rooms during lunchtime in November 2025 and February 2026. Approximately 40 employees worked together to sort foreign coins by the 13 countries and regions they came from. These coins had been donated at collection boxes at major international airports in Japan.

The sorted coins, together with coins and banknotes donated by employee volunteers, will be used through the Japan Habitat Association for initiatives such as supporting women in Kenya and disaster recovery efforts in Japan and overseas.

Moving forward, NSU will continue to engage in a range of social contribution activities like this aimed at addressing social issues.



Material Issues

We have identified six material issues that are critical to the sustainable improvement of NSU's corporate value. These material issues are linked to the four priority initiatives set out in our Medium-Term Business Plan: our human capital strategy, sustainable shipping strategy, governance enhancement, and DX strategy. They are being tackled through the implementation of each respective strategy.

We believe that these initiatives will strengthen our core business foundation, support the execution of our growth strategies, and ultimately help to enhance corporate value as well. For more information on the relationship between our corporate philosophy framework, Medium-Term Business Plan, and material issues, please refer to "Connection Between Purpose and Management Strategy" on pages 16–17.

Material Issue Identification Process

STEP 1

In response to major changes in the business environment, groupwide discussions were held to clarify the requisite conditions for the Group to continue as a sustainable enterprise going forward. The ideal state in 2030 was envisioned as an outcome of these discussions. To achieve this ideal state, relevant opportunity and risk factors were identified.

STEP 2

Examination of past experiences, risk mapping, employee surveys, and other activities were conducted to make a shortlist of the relevant factors, which were prioritized in order of importance from the perspective of two parties—the Company and its stakeholders.

STEP 3

The appropriateness of each factor was confirmed and six factors of particular importance were identified as material issues for sustainability. The Sustainability Committee is monitoring, assessing, and managing activities for addressing the material issues.

Stakeholder engagement

As we proceed with sustainability management, we place great importance on the views of our stakeholders, including customers, shareholders, business partners, employees, and local communities. Through a variety of engagement opportunities, we seek to understand their needs and expectations and reflect them in our management and business activities.

Stakeholder	Major dialogue programs/activities	Related material issues
Shareholders and investors	● General Shareholders' Meeting ● IR interviews ● Disseminate the information via various media (corporate disclosures, integrated report, securities reports, semiannual securities reports, corporate governance report, materials for general shareholders' meetings, business reports)	● Sound corporate governance, BCP
Customers and suppliers	● Interviews with customers ● Participation in safety meetings with customers and suppliers ● Sending supervisors to cargo operation sites ● Joint research on low-carbonization and decarbonization ● Safety meetings with shipowners	● Increasing customer satisfaction by raising marine transportation service quality ● Giving top priority to ensuring safe navigation ● Strengthening environmental conservation and climate change initiatives
Employees, seafarers (families)	● Personnel system ● Training system ● Measures related to workstyle reforms ● Questionnaire survey on employee awareness ● Physical and stress checks ● Engagement surveys	● Human resources development, personnel evaluation, D&I, human rights ● Technology, innovation, DX ● Giving top priority to ensuring safe navigation
Maritime authorities, regulatory authorities, and other organizations	● Compliance with conventions and regulations related to vessel operations ● Providing safety-related information ● Participation in a project to promote the introduction of LNG fuel systems, etc. ● Participation in a council on common issues related to ammonia	● Giving top priority to ensuring safe navigation ● Strengthening environmental conservation and climate change initiatives ● Technology, innovation, DX
Local communities and the global environment	● Initiatives for safe navigation and environmental conservation ● Community contributions (support for disaster-stricken areas, etc.) ● Scholarships to maritime universities, donations for training equipment	● Strengthening environmental conservation and climate change initiatives ● Giving top priority to ensuring safe navigation ● Human resources development, personnel evaluation, D&I, human rights

Material issues list

Material issue	Initiative defined in the Medium-Term Business Plan	KPI/Target/Results	Risks	Opportunities	Major activities
Giving top priority to ensuring safe navigation	● Sustainable shipping strategy	● Number of work accidents resulting in death: Zero ● Number of major marine accidents: Zero ● Number of major cargo-related incidents: Zero	● Loss of customer confidence as a result of accidents	● Reduce the risk of causing accidents, boost competitiveness, and maintain customer confidence	● Reduce vessel downtime related to accidents by enhancing navigation safety ● Conduct annual maintenance and inspection of the entire fleet
Strengthening environmental conservation and climate change initiatives	● Sustainable shipping strategy ● DX strategy	● Annual greenhouse gas (GHG) emissions ● Number of vessel-based oil spill accidents	● Delayed compliance with environmental regulations, leading to a negative assessment regarding environmental stewardship ● Lack of progress in development of supply infrastructure for new fuels	● Win contracts with customers who value the reduction of environmental impacts in the supply chain ● Capture new business opportunities chiefly related to the development of supply infrastructure for new fuels	● Continue dialogue with customers and invest aggressively in ships powered by new fuels, including dual-fuel methanol-powered vessels and LPG dual-fuel VLGCs capable of carrying ammonia ● Reduce annual GHG emissions by 25% by 2030 from the 2019 level ● Ensure stable procurement of biofuels
Increasing customer satisfaction by raising marine transportation service quality	● Sustainable shipping strategy	We are considering setting KPIs for this initiative in the future	● Loss of market share as a result of a decline in service quality ● Loss of stable revenue base	● Facilitate the introduction of environmentally friendly ships, including vessels powered by new fuels ● Meet increasing opportunities to transport cargoes associated with the decarbonization of the steelmaking process	● Support customers' decarbonization efforts using environmentally friendly vessels ● Respond to shipping demand that will increase with the progress of decarbonization, such as for cargoes including direct reduced iron, steel scrap, and liquefied CO_2
Human resources development, personnel evaluation, D&I, human rights	● Human capital strategy	● Number of female managers: 1 ● Percentage of employees who understand the Group's fundamental approach to human rights: 56.8% ● Attendance rate of human rights training: 100%	● Decrease in employee motivation, operational inefficiency ● Erosion of social credibility and trust and loss of business opportunities as a result of human rights violations	● Improve labor productivity, competitiveness, and employee engagement ● Improve reputation through greater awareness of human rights issues, and attract a diverse workforce	● Enhance education and training programs for career building and develop talent and skills for strategy implementation ● Expand the scope of human rights due diligence (HRDD) ● Develop a workplace environment where female and senior employees can thrive
Technology, innovation, DX	● DX strategy	We are considering setting KPIs for this initiative in the future	● Competitiveness lowered as a result of adherence to existing systems and deferral of necessary reforms	● Promote sophistication of vessel management, install preventive maintenance functions to avoid accidents and injuries ● Proactively respond to social changes to create competitive differentiation and expand and maintain the trade area	● Promote DX for vessel management by installing accident-prevention devices and implementing navigation support systems ● Develop a corps of digital personnel
Sound corporate governance, BCP	● Governance enhancement		● Damage to corporate value and fall in stock price due to dysfunctional governance systems ● Loss of head office functions, inability to continue operations	● Bolster credibility by ensuring transparency ● Contribute to society by continuing to provide shipping services	● Conduct ongoing monitoring of long-term issues, including progress of the Medium-Term Business Plan, by the Board of Directors ● Actively hold dialogues with stakeholders, aiming to increase corporate value ● Promote a shift from business continuity planning (BCP) to business continuity management (BCM)

PART 03

Value Creation Foundation

Toward Carbon Neutrality

As part of our Medium-Term Business Plan, we have established a carbon neutrality roadmap. We are steadily implementing each measure of the plan toward the goal of achieving a sustainable society.



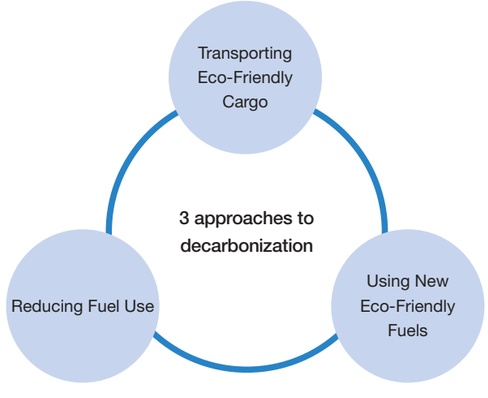
NSU TUBARAO equipped with rotor sails*
* See p. 37 for details

Introduction of Diverse New Technologies

▶ p. 36

We are taking three approaches to decarbonization: reducing fuel use, using new eco-friendly fuels, and transporting eco-friendly cargo.

In collaboration with our stakeholders, we are aiming to achieve carbon neutrality.



Company-wide Compliance with International Standards

▶ p. 38

We are pursuing initiatives to reduce environmental impact across every stage of our business activities in line with the International Maritime Organization (IMO) GHG emissions reduction strategy.

Our mission is to ensure seamless coordination of decarbonization efforts throughout the global maritime supply chain.

2023 IMO GHG emissions reduction strategy

	2023 revision strategy
Vision (Final goal)	Zero GHG emissions (To be achieved: As soon as possible)
Target levels	● **Annual total GHG emissions target (vs. 2008)**
	Reduction of at least 20% by 2030, aiming for 30% (reduction target)
	Reduction of at least 70% by 2040, aiming for 80% (reduction target)
	Net zero emissions by roughly 2050
	● **Targets for adoption of zero-emissions or nearly zero-emissions technologies, fuels, energy sources (vs. total energy usage)**
	Adoption rate of 5% or more by 2030, goal of 10%
	● **Transportation efficiency (CO_2 emissions per unit transportation) improvement target (vs. 2008)**
	Improve by at least 40% by 2030

(Created based on ClassNK data)

Carbon Neutrality Through Technology

NSU is utilizing a range of technologies and methodologies in collaboration with our stakeholders to achieve carbon neutrality by 2050.

Activities

Key Word Key words for NSU on the path to carbon neutrality

Reducing Fuel Use

Improving operational efficiency

NSU's approach Phase 3 vessels

Preparing fleets compliant with international regulations on fuels

Under IMO regulations, vessels newly contracted for construction from 2025 onward are required to achieve a 30% improvement in fuel efficiency compared with the average for vessels built between 1999 and 2008. Based on our Environmental Roadmap toward 2030, we are progressively replacing vessels in our fleet with Phase 3 vessels.

Specific measure for existing vessels: Installing equipment to improve fuel efficiency

We have introduced LED lighting and equipment that controls engine speed to reduce fuel consumption.
For further details, please visit our website.
https://www.nsuship.co.jp/en/sustainability/environment/efforts.html

[Implemented since FY2022] Propeller replacement

Replacement with energy-efficient propellers

We are replacing existing propellers with energy-efficient models designed to deliver optimal performance during slow steaming to reduce GHG emissions. We also transport the propellers to the shipyard where the replacement work is carried out.

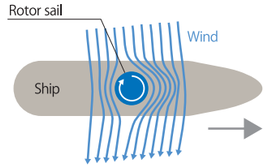


- **Recent replacements**
  Three ships had been retrofitted as of the end of FY2025

[Work begun FY2025] Rotor sail

Existing ships equipped with rotor sails

With the cooperation of the customers, we installed a cylindrical rotor sail on the 400,000-DWT ore carrier NSU TUBARAO. The rotating sail generates propulsive force, enabling the vessel to operate with less fuel.



- **Expected benefit**
  Approximately 6–12% expected reduction in fuel consumption and GHG emissions.

See pages 34–35 for a photo of the NSU TUBARAO equipped with a rotor sail

Using New Eco-Friendly Fuels

Fuel conversion

NSU's approach

Compliance with GHG emissions regulations

In January 2025, regulations entered into force in European waters that progressively limit the average GHG intensity of the fuels and energy used by vessels over the course of a year. We are working to comply with these regulations through the use of biodiesel. In fiscal year 2025, 560 MT of biodiesel (B100 basis) were used across our fleet, further accelerating reductions in GHG emissions.

[Implemented since FY2021] Biodiesel

Existing vessels × Conventional fuels × Biodiesel fuel

Used cooking oil (biodiesel fuel) is blended with conventional fuel for use in our vessels. The biodiesel fuel we use has obtained ISCC (International Sustainability and Carbon Certification), a certification system for biomass and bioenergy that is widely adopted in Europe, ensuring the traceability of feedstock.

- **Expected benefit**
  Effective GHG emissions reductions throughout the lifecycle from production to consumption
- **Strengths**
  Usable with existing vessels without large-scale retrofitting

[Scheduled for completion in or after FY2027]

Dual fuel methanol-powered vessel

New vessel × Conventional fuels or methanol

We have signed contracts for the construction of several dual-fuel vessels capable of operating on either methanol or conventional fuels. The vessels are scheduled for delivery beginning in fiscal year 2027. We plan to use environmentally friendly green methanol, including e-methanol synthesized from hydrogen produced using renewable electricity and CO_2 captured from atmospheric and other sources.

- **Expected benefit**
  Over 80% reduction in GHG emissions (using green methanol)
- **Strengths**
  Can be handled as a liquid under near-ambient temperature and pressure, making it easier to use existing infrastructure.

[Joint research underway] Ammonia-fueled vessels

New vessel × Ammonia fuel

Since 2024, we have been working with five other companies to jointly develop a dual-fuel vessel design capable of operating on either ammonia or conventional fuel.
In the same year, we also established a project team to advance efforts to ensure a stable supply of these new fuels.



Conceptual image

- **Expected benefit**
  Over 90% reduction in GHG emissions (TtW*)
  * Tank to Wake: GHG emissions generated throughout the process from the time fuel is supplied to the vessel's tanks through when the fuel is used for propulsion

Transporting Eco-Friendly Cargo

New business opportunities

NSU's approach

Capturing new cargo demand created by decarbonization

We view decarbonization not merely as a matter of regulatory compliance, but as an opportunity for new business. As we respond to emerging demand for the transportation of new types of cargo arising from decarbonization, we will continue building the capabilities needed for the future and remain ready to respond swiftly to the full range of customer needs.

[Ongoing] Biomass fuel transportation

Biomass transportation

In recent years, the use of biomass fuels such as wood chips and palm kernel shells for power generation has been promoted as a means of reducing CO_2 emissions and advancing resource circulation. We are actively responding to emerging demand for biomass fuel handling in accordance with biomass power plant operating conditions and aim to increase handling volumes, positioning biomass fuel shipping as a core component of our return-leg freight strategy.



[Scheduled for completion in FY2027]

LPG dual-fuel vessels (VLGCs) capable of carrying ammonia

New vessels × Conventional fuels or LPG fuels for transporting ammonia and LPG

Ammonia is anticipated to have a wide range of applications, not only as a marine fuel but also as a chemical feedstock. We are proceeding with the construction of a vessel capable of transporting ammonia as cargo, and construction is scheduled for completion in fiscal year 2027. The vessel will be a dual-fuel vessel capable of operating on either conventional fuel or LPG.

Future area of focus

[Creating frameworks for transport]

Transporting direct reduced iron and scrap

In the steel industry, one of our major customer segments, the shift toward decarbonization is accompanied by a transition from blast furnaces to electric arc furnaces. As a result, demand is expected to grow for the transport of raw materials used in electric arc furnace steelmaking, such as direct reduced iron (DRI) and scrap. We view these changes as new business opportunities and are actively working to build the necessary transport infrastructure.

Future area of focus

[Creating frameworks for transport]

Transporting liquefied CO_2

As steelmaking methods evolve, advances are expected in technologies for capturing and storing CO_2 released during the steelmaking process. These technologies separate CO_2 from exhaust gases and liquefy it. After being transported, the liquefied CO_2 is stored underground. We will also work to establish transport capabilities for liquefied CO_2, for which demand is expected to grow in the future.

Company-wide Framework Supporting Decarbonization and Marine Transportation

We have made “strengthening environmental conservation and climate change initiatives” a material issue and are working company-wide to achieve carbon neutrality under our Medium-Term Business Plan. The following diagram outlines the principal roles of each department.

	Prepare the necessary number of vessels	Decide the type of vessel and its functionality	Secure the seafarers for the vessel and board them	Secure cargo	Deliver cargo	Supply fuel	Maintain vessels
1 NSU departments and organizations	**Corporate Strategy & Planning Group (Project Planning Team)**	**Environmental & Technical Management Group**	**Maritime Human Resources Group**	**Capesize Group, Energy Group, Tramp Chartering Group, Near Sea Group**		**Energy Group (Energy Team-3) Next-Generation Fuel Project Team**	**Ship Management Group (Fleet Team-1) (Fleet Team-2)**
2 Primary role in business operations	Practical work of fleet preparation through new vessel construction and vessel sales	Practical work spanning discussions with shipyards on new ship building specifications and the introduction of new technologies, through to delivery	Training and assignment of deck and engine personnel responsible for safe vessel operation	Building relationships with the owners of chartered vessels and customers, and signing contracts with them	Coordinating with loading and discharge ports/vessels to transport cargo and fulfill contracts with customers	Fuel procurement	Day-to-day maintenance of vessel hulls and machinery Planning and implementation of periodic inspection and maintenance programs
3 Strategy for achieving carbon neutrality as set out in the Medium-Term Business Plan	● Facilitate the introduction of environmentally friendly ships, including vessels powered by next-generation fuels	● Install various fuel-saving equipment on newly constructed and existing vessels ● Promote sophistication of vessel management	● Assign crews to vessels powered by next-generation fuels and expand into liquid cargo transport ● Strengthen ship management capabilities	● Capture demand and win contracts arising from decarbonization ● Facilitate the introduction of environmentally friendly ships, including vessels powered by next-generation fuels ● Support customers’ decarbonization efforts	● Pursue operational efficiency	● Consider the introduction of next-generation fuels ● Establish a stable supply framework for next-generation fuels ● Capture new business opportunities chiefly related to the development of supply infrastructure, etc.	● Strengthen ship management capabilities
4 Initiatives focused on achievement	● Review and discuss the introduction of vessels powered by next-generation fuels (Participating in the Next-Generation Fuel Project Team)	● Introduce safe and practical next-generation fuels and various fuel-saving technologies ● Establish a safe and effective operational framework through ship–shore coordination	● Enhance and clarify seafarer training plans ● Strengthen the training of ship management superintendents ● Assign crews to vessels powered by next-generation fuels and train qualified seafarers capable of managing such vessels as on-board crew	● Respond to demand for liquid cargo transportation ● Capture demand for the transportation of direct reduced iron and scrap ● Discuss the introduction of vessels powered by next-generation fuels with customers	● Improve operational efficiency through slow steaming ● Issue operating instructions compliant with environmental regulations ● Handle the bunkering of new fuels	● Make arrangements during the testing phase for new fuels ● Consult with relevant companies	● Physically oversee and observe the installation of new equipment ● Provide training for the operation and maintenance of new equipment ● Handle irregularities arising from the implementation of new technologies

Collecting environmental information, implementing it across all business activities, and disseminating it internally within the company

1 Environmental & Technical Management Group

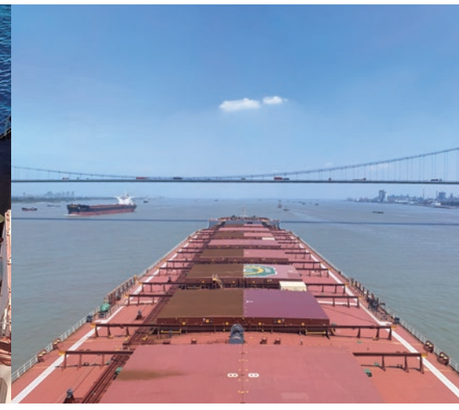
2 Promoting compliance with environmental regulations and improvements in the environmental performance of the fleet

3 Responding promptly to environmental regulations and strengthening the framework for tracking and aggregating GHG emissions

4
- Monitoring GHG emissions and progress toward implementation of the environmental roadmap
- Collecting and disseminating environmental information and providing related education







Strengthening Environmental Conservation and Climate Change Initiatives

As a corporate group that provides maritime transportation services worldwide, we work to help conserve the global environment as a common asset shared by all of humankind. This includes climate change countermeasures, reducing greenhouse gas emissions, preventing oceanic and atmospheric pollution, and protecting biodiversity, all efforts to reduce our impact on the environment and achieve a sustainable society.

Environmental Conservation and Climate Change Governance

Leadership Perspective

Environmental conservation and addressing climate change are as essential to business continuity as safe operations, and they are crucial topics that will determine our ability to remain competitive. In our Medium-Term Business Plan, we established a carbon neutrality roadmap that aims to achieve a 25% reduction in GHG emissions by 2030 from the 2019 level, on the road to achieving full carbon neutrality in 2050. In 2025, total emissions dropped year on year, transportation efficiency was improved, and gradual emissions intensity reductions continued. Meanwhile, we will continue to prepare vessels powered by new fuels, make investments in energy efficiency, and push ahead the use of biodiesel fuels. We view stricter regulations and the changing business environment as key business opportunities as we work to enhance our sustainable corporate value.



Makoto Kawakami
Environmental & Technical Management Group Manager

Strategy/Risk Management

Action on the TCFD Recommendations

We support the TCFD Recommendations and view climate change as a key management issue having a major impact on our business activities. We are committed to disclosures rooted in four key elements: governance, strategy, risk management, and metrics/goals. Visit our website for more information.

https://www.nsuship.co.jp/en/sustainability/environment/tcfd.html

Roadmap toward carbon neutrality

In our Medium-Term Business Plan, we established a carbon neutrality roadmap that is currently being implemented.

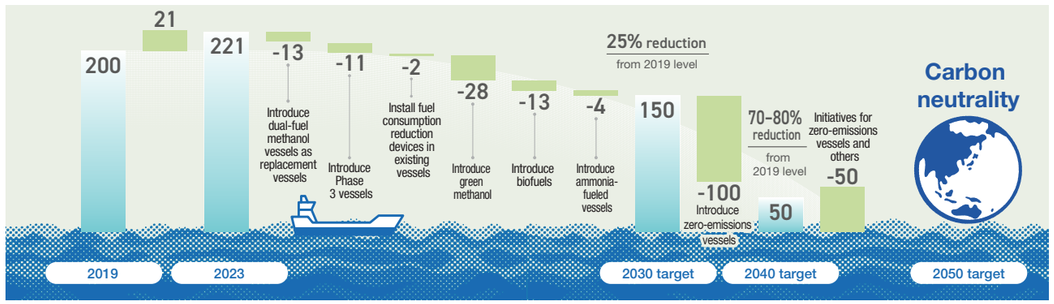
At present, we are focusing on thorough implementation of slow steaming operations, improvements to operational efficiency, and introducing dual-fuel vessels and new fuels. We have dual-fuel methanol-powered vessels scheduled for delivery in fiscal year 2027, and we are also continuing joint research focused on introducing ammonia fuel in the future.

In the long run, we are proceeding with measures focused on the eventual spread of zero-emission technology.

EMS action plans

We have implemented an environmental management system (EMS) in compliance with the international standard ISO 14001. Each year, we establish environmental targets and action plans, and we conduct internal audits and management reviews in an effort to continuously improve our environmental conservation activities.

Environmental RoadMap Toward Realizing Net Zero GHG Emissions by 2050 (Unit: ten thousand tons)



Strategy/risk management initiatives

Climate change countermeasures

- **FuelEU Maritime Regulation and biodiesel fuel utilization**
  We are utilizing biodiesel fuel primarily in European maritime areas, while simultaneously pursuing compliance with regulations and working to reduce GHG emissions. By implementing alternative fuels, we aim to reduce the environmental impact of our shipping activities and furthermore seek to build up operational expertise to support future fuel conversions.
- **Efforts to reduce fuel consumption**
  In addition to slow steaming operations, we are also working to introduce more fuel-efficient devices and operational improvements to further reduce fuel consumption and emissions.

Safe navigation and marine environment protection

- **Oil spill prevention**
  We are committed to preventing oil spills and bolstering rapid first response measures through regular inspections and crew training.
- **Appropriate ballast water management**
  Through appropriate management of water treatment equipment, we aim to prevent the spread of invasive species and continuously work to conserve marine ecosystems.
- **Hull bottom paint**
  We use environmentally friendly paints to prevent marine organisms from attaching to the hull, thereby both improving fuel efficiency and lowering the impact on the marine environment.

Air quality protection

- **Emissions regulations (SOx/NOx)**
  Through regulation-compliant equipment and fuel management, we are steadily lowering the impact of exhaust emissions from our ships on the atmosphere.
- **Slow steaming program**
  We are participants in the U.S. Port of Long Beach Green Flag Program to reduce vessel speeds along the coast, thereby contributing to improvements in the atmospheric environment.

Environmental education

We provide environmental education for all employees and executives on a continuous basis, in addition to regularly sharing information on regulatory trends, the environment, and technology. We gauge understanding through questionnaires and also provide English educational materials for non-Japanese crew. Moving forward, in advance of the introduction of dual-fuel vessels, we hope to further enhance our educational materials based on actual practice.

Metrics and Goals

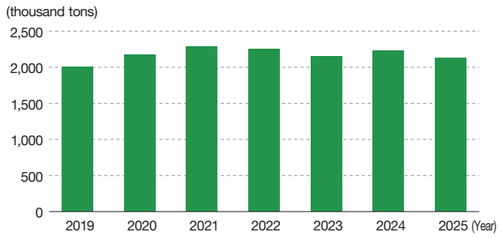
Rated “B” in CDP’s Climate Change Report 2025

We were awarded a “B” score in the Climate Change Report 2025, which is issued by CDP, a global environmental disclosure and assessment organization. We were recognized for our work identifying internal environmental risks and taking the appropriate steps to mitigate them.

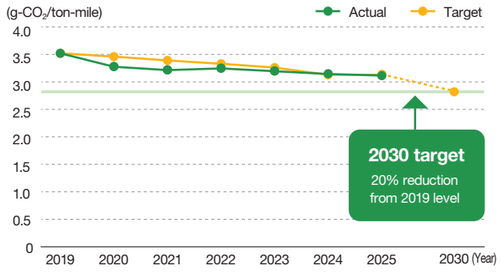
Environmental Data (2025 results)

In 2025, CO_2 emissions from our fleet decreased by approximately 100 thousand tons year on year to 2,133 thousand tons. Emission intensity improved by roughly 1% year on year, and was down roughly 11% since 2019.

GHG emissions (non-consolidated)



CO_2 emissions per ton-mile (non-consolidated)



Giving Top Priority to Ensuring Safe Navigation

Now and in the future ahead, the most important issue to our businesses is to ensure steadfastly reliable and safe navigation. This approach remains unchanged despite ever stricter international regulations and the changing business environment. We believe that safety is the prerequisite to business, and we are working to build a framework to enhance effective safety and make continual improvements.

Safe Navigation Governance

Leadership Perspective



Under our Medium-Term Business Plan, we have set out our sustainable shipping strategy and systematically structured the initiatives that support safe operations. Through education, training, and the improvement of workplace environments, we aim to ensure that personnel can consistently demonstrate high-quality decision-making and behavior at the front lines.

While crews grow by accumulating experience, new personnel are continually joining the workforce. Amidst these changes, it is important to ensure that safety standards and measures to prevent the recurrence of accidents, injuries, and illnesses do not fade over time, but instead become firmly embedded at all levels. In addition to our conventional safety management efforts, we have worked to improve workplace environments with a focus on people, and to develop qualified, certified crews with a view to expanding into new business areas. Building on these initiatives, we will continue working to enhance the effectiveness of safe operations.

Takamasa Takami
Director, Managing Executive Officer/Responsible for Maritime Human Resources Group, Safety Management Group, Ship Management Group, Environmental & Technical Management Group

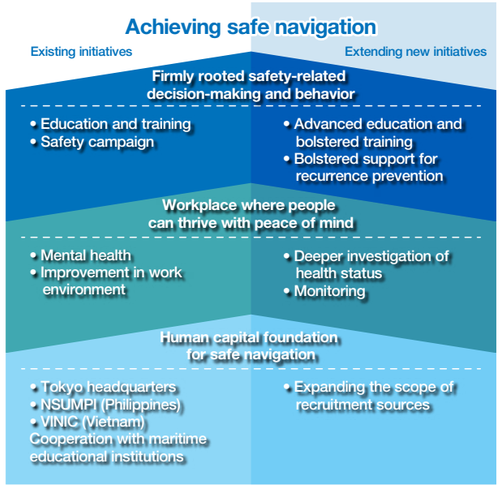
Strategy

Core factors of safe navigation and our approach

We believe that safe navigation starts with having a solid human capital foundation. The very foundation of our businesses' stability and reliability is the hiring and development of crew members, so we continuously invest in human resources through collaborations with Japanese and international educational institutions and diverse hiring practices. Through this, we prioritize building up our safety-related decision-making capabilities and adaptability as an organization.

In order to perform to their fullest potential, personnel require strong mental and physical health and a safe workplace where they can work with peace of mind. Through monitoring employees' health and fostering an environment conducive to communication, we ensure that new insights and concerns are properly shared across the workplace.

With this human capital foundation and workplace environment in place, we aim to ensure that good safety-related decision-making and behaviors take root. Systems and procedures are not enough—they are effective only once they are actually implemented in daily work operations. Human resources, workplace environment, and company systems are mutually interwoven to create a framework for maintaining and improving safe navigation standards regardless of changes in the business environment.



Strategy-based Initiatives

Shared safety awareness across generations

We are currently conducting a safety campaign in which the President and executives visit our ships to speak directly with crew members about safety issues and align awareness on safety matters. By sharing our history and goals across the 15 years since the incident in 2010, the organization as a whole is able to preserve its core safety principles even as the new generation takes the helm.

Fostering a culture of safety through dialogue

We hold an Officers' Meeting in Hai Phong City, Vietnam. In fiscal year 2025, 103 people took part in total: 73 participants (deck officers, engineers, and their families), together with invited guests and others. Our personnel engaged on-site in direct discussion and exchange of opinions on the safety record and other priority topics.

Monitoring engagement and improving workplace environments

Since 2023, we conduct a happiness survey among all non-Japanese crew members twice a year. Our personnel analyze the survey results and identify key issues, using this frontlines feedback to drive improvements to workplace environments to make them comfortable for workers of all nationalities.

Company-wide initiatives

The IMO has established June 25 of each year as the Day of the Seafarer. On this day, we create video messages featuring company directors, operations personnel, and employees at crew deployment offices throughout the world, expressing our respect and gratitude to crew members for their daily work.

Risk Management

Collaboration with ship owners on overall fleet quality and operational risk management

We believe that maintaining a consistent standard of safe and reliable operations across the fleet is of critical importance. Accordingly, the quality and risks associated with chartered vessels, which account for approximately 70% of our operating fleet, are managed under standards equivalent to those applied to company-managed vessels. To our customers, every vessel bearing our funnel mark is an "NSU vessel," so differences in quality are not acceptable regardless of chartering arrangements.

As a general rule, ship management is handled by shipowners and ship management companies. However, as the charterer, we have a responsibility to provide high-quality transportation services by making use of customers' and ports' safety requirements, as well as assessments by PSC* and RightShip*. We therefore believe it is important to work closely with the owners of chartered vessels and to adopt their perspective in order to maintain and improve NSU quality across our entire fleet.

Specifically, in addition to conducting annual inspections of chartered vessels using our own checklist, we work with our sales divisions to hold shipowner safety meetings where we share case studies of past issues on managed vessels, as well as environmental and human rights-related initiatives. We also conduct emergency response drills with shipowners based on scenarios involving serious accidents. Since our stance is to work together closely with shipowners, we aim for these initiatives to prevent problems before they occur, share expertise among maritime professionals, and improve operational quality across the entire NSU fleet.

Note: PSC (Port State Control): Inspections conducted by port states
Note: RightShip: An international third-party organization that evaluates the safety and operational standards of vessels and ship management companies

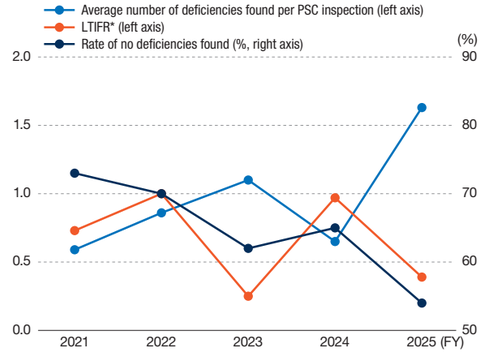
Metrics and Goals

Commendation for "no accidents, no casualties, and no illnesses"

To improve and maintain crew members' awareness of physical and mental health and safety, we have an awards program that aims to recognize vessels under our direct management that, during the target year, have recorded no marine accidents or casualties affecting operations, and no injuries and illnesses requiring that crew members be disembarked for their safety. In fiscal year 2025, a total of 13 vessels were awarded certificates and commemorative gifts. Among them, one vessel was recognized for the sixth consecutive year, one vessel for the fourth consecutive year, three vessels for the third consecutive year, and four vessels for the second consecutive year.

KPIs for safe navigation

We monitor the quality of fleet management and the status of occupational safety through a combination of tracking lost-time injuries and findings raised through external inspections, and use this data to ensure safe operation.



Note: LTIFR (lost-time injury frequency rate) measures the number of lost-time injuries occurring in a workplace per one million hours worked.

Employee Roundtable

Passing on Experience at Sea and Ashore to Future Captains and Chief Engineers

At NSU, seafarers are rotated between shore-based and maritime positions to develop them into specialists with a broad perspective covering both sea and land, and apply their expertise to safe vessel operations. The four participants in this roundtable are currently on this career path. Safety management oversees safe vessel operations, while ship management maintains vessel performance through inspections and repairs. Now that they are working hard in shore-based positions, we asked them about their work and goals.



Masakuni Hamada
Safety Management Group,
Marine Team/Chief Officer
Joined NSU in 2013

Mark Anthony A. Arce
Safety Management Group,
Marine Team/Chief Officer
Joined NSU in 2010

Jerry C. Delos Reyes
Ship Management Group,
Fleet Team-1/Second Engineer
Joined NSU in 2011

Kento Yoshida
Ship Management Group,
Fleet Team-1/Second Engineer
Joined NSU in 2013

New responsibilities on land
Keeping the whole fleet safe, together

Hamada: One distinctive aspect of NSU is that seafarers are rotated between maritime (on-board) and shore-based (office) positions. This is my second office position, but it is Arce's and Jerry's first.

Arce: I have been working at the Tokyo office for the first time since August of last year, and it has been a new experience. I remember when one of my ships called at a port, we were in compliance with international rules but had not satisfied the local rules of that port. Having previously worked as a ship officer and focused solely on resolving operational issues on board, this was naturally an entirely new experience for me. However, each member of the team contributed their own expertise, and we were able to resolve the issue successfully. We then worked together to develop a method of sharing information on local rules that would be easy for shipboard crew to understand, with the aim of preventing similar problems from recurring in the future. This demonstrated both the strong sense of unity within the Marine Team and the robust shore-based system support provided to our vessels.

Jerry: Shortly after I began working in the office, I was called on to deal with hydraulic system issues related to deck equipment on one of my vessels. I sought advice from the team and succeeded in resolving the issue, and this gave me a sense of accomplishment and responsibility that was different from what I had experienced while working at sea.





Yoshida: When working at sea, you are focused solely on your own ship. In the office, you are responsible for two or three vessels, so as Jerry said, the perspective required changes considerably. The wider scope of responsibility is one of the most rewarding aspects of working ashore.

Jerry: Another thing I really felt strongly was the importance of maintaining transparency and open communication between the vessels and the office in order to resolve problems quickly.

Hamada: Indeed. We frequently receive requests for support from vessels at sea. The safe operation of our vessels is maintained through close cooperation among the crews on board and the safety management, ship management, and commercial teams in the office. Safe vessel operations are possible thanks to the professionalism of everyone involved and the mutual trust they share.

Becoming a full-fledged captain
The shipping business seen from the office

Arce: My goal for the future is to become a captain. Working in the Tokyo office is giving me a broad understanding of the shipping business, as well as valuable management experience. At times, it even feels as though what I am learning in the office has twice the breadth and depth of what I learned while working at sea.

My top priority at present is ensuring the safe and smooth operation of our vessels. At sea, we generally respond reactively to problems after they occur. With our shore-based perspective, we try to anticipate potential problems before they occur and make every possible preparation in advance. The experience I am gaining through meticulous work carried out under our safety management systems will be a tremendous asset when I return to sea.

Hamada: I feel the same way. I feel that the experience I am gaining in the office will be invaluable in becoming a full-fledged captain. Seafaring is very much an experience-driven profession: the more situations you have encountered and the more you have accomplished over the course of your career, the better equipped you are to do the job. Working in the office has shown me what is required to operate vessels from the perspective of a shipping company.

For example, if a collision with another vessel occurs, you cannot focus solely on the damage to your own vessel. A wide range of issues must be addressed, including the situation of the other vessel and the commercial contracts involved, and the vessel must work closely with the office in responding to the collision. A captain who is capable of seeing a situation from all of these different perspectives can handle incidents swiftly and with precision. That broader perspective also allows the captain to produce a higher-quality incident report laying out the causes and measures needed to prevent recurrence. This is one of the major advantages that office experience will yield in the future.

Skills and safety from person to person
Passing down unwritten expertise

Jerry: To begin with, I never expected that I would end up working in an office. In Filipino culture, we tend to believe it's important to advance to senior positions on board as quickly as possible. However, as Hamada mentioned, I have come to see office experience as a valuable opportunity to broaden my perspective and I believe it will help me become a better captain or chief engineer.

I am currently overseeing a dry docking* for the first time as a member of the shore-based team. When I went through dry docking as a seafarer, I focused solely on the engine department. Now, I have to coordinate a vast amount of work for the deck department and across the entire vessel in accordance with ship classification society rules.

Note: The process of placing a vessel in dry dock for inspection, maintenance, and repairs.

Yoshida: That will be fantastic experience as you work toward becoming a chief engineer. During dry docking, you have to oversee all of the vessel's maintenance, so just the preparation is a major undertaking. You also need to manage the schedule and budget. I am sure that seeing the project through to the end will help you grow tremendously.

Jerry: Right now, I am dealing with aspects of dry docking that I had never thought about when I was working on board as crew. At the time, I had no real understanding of how budgets were allocated or of the tasks and responsibilities of each team. I want to learn as much as I can here so that, when my shore assignment ends and I return to sea, I can be proud of how much I have grown.

Yoshida: We have talked so far about rotating between sea and onshore assignments, but there are also job rotations between different shore-based roles. During my previous shore assignment, I was part of the Quality Control Team (QC), where I supported the entire fleet by ensuring compliance with international conventions and conducting vessel inspections. I am now with the Fleet Team-1, where I am responsible for specific vessels and support them mainly with respect to machinery and equipment as a technical superintendent. I do not think there are many engineers at NSU who have experience in both QC and ship management, and I believe that will be a distinguishing strength for me in the future.

It has become increasingly evident to me that the knowledge and technical skills I have gained through this unusual career path must be passed on properly to others in the workplace. Even something as simple as removing a bolt involves a certain technique that you will not find in an instruction manual. I want to become the kind of engineer who can properly pass on to my colleagues and junior staff everything from these small practical skills to the right attitude toward ship management and a culture that puts safety first: things that can only be learned by working alongside experienced professionals.

Returning to sea with what we have learned
Preparing for new technologies

Hamada: What I want to focus on next is improving my ability to respond when problems arise. Of course, preventing problems before they happen is the most important thing, but how we respond when something does go wrong is just as critical. I am trying to build up experience by getting involved in as many real-life troubleshooting situations as possible, both at sea and ashore, so that I can help minimize the impact of any problem.

Arce: Working in the office has given me a much clearer sense of how the shipping industry is moving forward toward new technologies and innovation. As these advances continue, I believe work on ships will become more demanding and complex. My goal is to share ideas and practical measures with crew members that will help prevent problems as far as possible and ensure safe, high-quality vessel operations in line with NSU standards, no matter how much things change. At the same time, another important priority is raising awareness on board so that crews are ready to adapt to advancing technologies.

Yoshida: One example of the new technologies that Arce mentioned is the dual-fuel methanol-powered vessel scheduled to enter service in fiscal year 2027. I do not know whether I will be assigned to it, but either way, we need to prepare and be sure we are ready for the introduction of new technologies and new vessels like this.

Jerry: My next challenge will be putting everything I have learned in the office into practice when I return to sea. I want to help younger generations understand the value of working on shore at the office. I plan to tell them: "You do not have to be great to start, but you have to start to become great."





Technology, Innovation

We maintain and enhance the in-house ship management framework we have developed, ensuring that safe vessel operations remain the norm. In addition to continuously working to prevent accidents and their recurrence, we are improving quality by enhancing ship management and promoting digital transformation, which will enable frontline operations to respond reliably to evolving demands, including environmental requirements and crew well-being.

Technology and Innovation Governance

Leadership Perspective



Integrated framework for ship ownership, management, and operations
Toward rapidly achieving safe operations

We have established an integrated in-house framework that encompasses the functions of ship ownership, ship management, and vessel operations. This enables us to respond swiftly to accidents and equipment failures and implement measures tailored to actual conditions on board.

As part of routine operations, employees regularly inspect frontline conditions firsthand. We have also taken swift and proactive steps to improve safety and workability through measures such as predictive monitoring based on the collection and analysis of operational and machinery data and by introducing robotic equipment and inspection cameras, and other technologies. Our employees manage the entire process themselves, from installing this equipment to training crew members in its operation, ensuring that it is put to effective use on board.

We also promptly gather information on international requirements and customer needs through our commercial divisions, including matters related to safety, environmental measures, and improvements in crew well-being, and we incorporate this information into our ship management practices.

Naoto Shibutani
Executive Officer/Ship Management Group Manager

Strategy/Risk Management

Enhancing vessel management and improving well-being through DX

DX improves operational efficiency and contributes to better working environments, supporting human rights and crew well-being.

By establishing ship-to-shore communication using low-earth orbit satellites, we have made it easier to transmit, aggregate, and analyze operational and engine data. This allows for timely technical support from shore, predictive maintenance, and smoother communication for crew members.

We are also upgrading and streamlining operations by remotely monitoring data from various equipment on board, verifying stable transmissions and accumulation of data through ship-to-shore communications, monitoring conditions from shore, and providing advice to vessels.

In addition, we are working to improve the physical and mental well-being of crew members through the introduction and use of food freshness preservation systems, hydroponic vegetable-growing kits, water purifiers, and other equipment, while also striving to achieve more efficient vessel operations.

Risk management initiatives

Enhancing Ship Management Quality through Condition Surveys

Following maintenance delays caused by restrictions on visiting vessels during the COVID-19 pandemic, in 2022 we commissioned an independent third party to conduct condition surveys of the hulls of all vessels under our management. The findings were incorporated into our maintenance and repair plans and used to identify areas of weakness and implement targeted corrective measures.

We conducted another round of condition surveys in 2025. The results of the corrective measures were reflected across our maintenance plans and priorities and standard procedures were updated accordingly. We have now moved to the stage of identifying fleet-wide issues based on vessel inspections and continuously monitoring the improvements made. This process has allowed us to steadily raise the quality of ship management across the entire fleet.

Human Resources Development, Personnel Evaluation, DE&I

The international shipping business environment is in a state of heightened uncertainty due to changing environmental regulations and global affairs. In order to implement business strategy and fulfill our social responsibilities in this context, we need personnel with great expertise, broad perspective, and the ability to think and act for themselves. NSU believes that our human resources are the core of value creation, and we are working to ensure that individual growth in turn drives business effectiveness and company value.

Human Resources Development, Personnel Evaluation, and DE&I Governance

Leadership Perspective



NSU views human resources development as a foundation underlying the effectiveness of our Medium-Term Business Plan. While enhancing our human resources systems, workforce planning, and capability development in an integrated manner, and strengthening the personnel development capabilities of each workplace, we aim to create an organization in which employees grow independently to become capable of driving transformation themselves. Based on the belief that employee development should be led not by the human resources department but by the workplace itself, we are establishing mechanisms for dialogue through which employees and their supervisors review goals and outcomes together, as well as practical training programs unique to the shipping industry. By firmly embedding an approach to development in which learning is transformed into solid professional competence through practice, and by creating a work environment in which people with diverse backgrounds can take on challenges with peace of mind, we will ensure that investment in our people leads to greater corporate value and the creation of value for society and our customers.

Nozomu Ishihara
General Affairs Group Manager

Strategy/Risk Management

Initiatives for shore-based employees

Performance assessments, rooted in ideals, as the engine for personnel development

Our goal is to create an organization in which people can pursue professional development independently as long as they can think for themselves, make decisions, and take action amidst a changing environment. The international shipping industry must be responsive to increasingly complex and unpredictable challenges, including environmental requirements, international regulations, changing customer needs, and geopolitical risks. Our competitive strength depends on the strength of our people: their ability not merely to rely on past experience, but to continually make the most rational decisions possible and drive transformation.

To achieve this goal, we are clarifying the connection between our ideal expectations of personnel and how they are evaluated. We view evaluation not simply as a basis for determining compensation, but as a development mechanism that enables employees to understand where they currently stand and connect that understanding to their next stage of growth. By aligning individual goals with departmental plans, and engaging in dialogue about the difficulty of outcomes and the degree to which they were achieved, we can foster both employee buy-in and their motivation to take on new challenges. We can make employee development more systematic and consistently effective by identifying the size of the gap between each employee's current capabilities and our ideal expectations, and clarifying the learning and experience they need next.

Raising the baseline through systemization of frontlines experience and learning

Human capital does not generate value automatically once the necessary systems are in place. What matters is creating a framework in which employees apply what they learn each day to their work, turn that experience into results, and feed those results back into their next stage of growth. At NSU, we place particular emphasis on hands-on experience unique to the shipping industry and continue to provide programs such as overseas training, onboard training, and port agency training. Being placed in a frontline position and experiencing firsthand the challenges of building relationships and creating value helps employees develop a broader perspective as shipping professionals and can also be a source of job satisfaction.

We are also systematizing learning according to employees' positions and stages of development. Across the three areas of human, conceptual, and technical skills (interpersonal capabilities, the ability to develop and shape ideas, and job-specific knowledge), we are establishing a framework that enables employees to acquire the necessary knowledge, experience, and expertise stage-by-stage. The success of employee development hinges on managers on the front lines. That is why we position employee development as a key workplace responsibility and, through the PDCA (plan, do, check, act) cycle of daily dialogue and reflection, work to embed practices in which people grow on the front lines.

Participation in trainings (people per fiscal year)

	2023	2024	2025
Agency training	10	10	5
Onboard training	4	5	2
Overseas training	3	3	3
Total	17	18	10

- **Agency training**
  Trainees experience attendance services for arriving and departing vessels at ports
- **Onboard training**
  Trainees spend time aboard our managed vessels to learn the voyage workflow and experience onboard operations
- **Overseas training**
  Trainees visit overseas subsidiaries of NSU to gain practical experience

DE&I and well-being for an organization that continually tackles challenges

Taking on new challenges requires energy. Only when people have a secure foundation that enables them to perform at their best can their individual efforts constitute competitive strength for the organization. By integrating our employment categories, we have established a foundation that allows all employees to pursue diverse career paths in career-track positions. Through initiatives such as flexible working arrangements, support for employees returning to work, and the promotion of childcare leave among male employees, we are advancing "work-life integration," a mindset that regards work as one part of life. Through this, each employee can continue to grow, take on challenges, and make full use of their capabilities even as their personal circumstances change.

In recruitment, we value people who bring not just aspirations such as using their language skills or working overseas, but a clear sense of what they ultimately want to achieve. We also look for individuals who identify with the vital role that marine transportation plays in supporting social infrastructure, and who understand our business, our roles, and the rewarding nature of the work, and are willing to apply themselves. We believe that building an environment in which a diverse range of people are evaluated fairly and able to feel the impact of their contributions will not only help reduce employee turnover, but also contribute to the sustainable enhancement of our company's corporate value. Going forward, we will continue working alongside our frontline operations to strengthen the virtuous cycle in which investment in people leads to growth, and that growth in turn creates value for society and our customers.

Initiatives for seafarers

Acquiring diverse maritime staff to support our medium- and long-term personnel needs

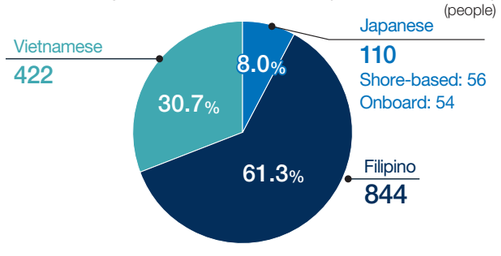
Acquiring seafarers with strong practical capabilities and a high level of safety awareness is a fundamental component of the human capital that underpins our transportation services. In Japan, declining birthrates are expected to result in a shortage of Japanese maritime professionals in the future. We are therefore strengthening our recruitment outreach to attract talent under recruitment plans based on medium- to long-term supply and demand forecasts.

Our recruitment initiatives include expanding hiring activities to a wider range of maritime-related and other educational institutions, promoting a better understanding of NSU through information sessions, and continuing to assess candidates' character and aptitude through preliminary interviews and examinations.

In recent years, seafarers have been expected to assume a broader range of responsibilities beyond conventional vessel operations, including adapting to new equipment and regulatory frameworks. To build a stronger talent base capable of responding to these changes, we are expanding the shore-based assignments and roles made available to foreign seafarers in addition to maritime positions. Specifically, in anticipation of growing demand for shore-based maritime professionals, we are increasing opportunities for them to work as maritime professionals at our Tokyo head office (details on page 44) and to serve in training departments in various countries, including as instructors.

Going forward, onboard and shore-based personnel will continue to work together to support employee retention. We will also develop an integrated framework covering recruitment, initial placement, and subsequent assignments so that people from diverse backgrounds can grow by both applying and sharing the experiences they gain across different roles.

Seafarer composition at NS United Kaiun (as of March 31, 2026) (people)



Human Resources Development, Personnel Evaluation, DE&I

Ongoing development of the expertise and decision-making skills underlying safe operations

The duties performed by seafarers are wide-ranging, and require both knowledge of vessel operations and practical experience. After identifying the knowledge required for each rank and skill category, we continuously review our education and training curricula. In addition, based on the sustainable shipping strategy set out in our Medium-Term Business Plan, we are systematically strengthening the capabilities needed to respond to changes in the business environment.

In terms of experience, we place particular emphasis on developing the awareness needed to recognize hazards and respond properly. We combine training before and after assignments at sea with onboard OJT to provide learning grounded in actual operational practice. We also offer opportunities to examine real case studies from our vessels to learn the specific reasoning behind the decisions made and the most important points of the response. Additionally, when seafarers are promoted, assessments are conducted to confirm that they have reached the required level of expertise, and the assessment results are reflected in their subsequent personnel growth plans.

We also work directly with our training departments in the Philippines and Vietnam each year to review the training framework in place for foreign seafarers. We continue to bolster training for professional certifications and skills development and to improve our training management and education systems. Our aim as an organization is to maintain consistent standards of judgment and conduct required for effective operations, even as worker generations and crew arrangements change.

In-house seminars for the standardization and practical application of professional expertise

At NSU, each department selects themes and produces video content to be distributed to all vessels as part of our in-house seminar program. By sharing timely information on the latest technologies, regulatory changes, accidents, and equipment failures, we promote a common understanding across frontline operations, helping to prevent problems and to maintain and improve the quality of vessel operations. In recent years, the seminars have also addressed subjects that seafarers are expected to incorporate into their daily work, including environmentally friendly equipment, new technologies, and the practical application of respect for human rights and compliance on board. We place particular emphasis on translating these subjects into something that can be put into practice on board. Through feedback on participants' comments, insights and areas for improvement are shared among all seafarers and reflected in subsequent improvements to education and training. In addition to vessels, we have also expanded our learning environments to include the Tokyo head office and our offices in the Philippines and Vietnam. This is an educational platform that enables ongoing learning, including for seafarers between assignments at sea.

Metrics and Goals

Based on our DE&I Code of Conduct, we are working to create a workplace environment in which diverse people can thrive.

Theme	Performance
Promoting the active participation of women	● Female managers: 1 ● Female employees hired in FY2025: 4 (3 in FY2023, 5 in FY2024) ● Female participants in on-site training in FY2025: 4 (7 in FY2023, 7 in FY2024)
Employment of seniors and persons with disabilities	● Newly hired employees with disabilities: 1 ● Conducted a pre-employment orientation session for the assigned department to explain the necessary considerations and accommodations ● Implemented company-wide awareness initiatives to promote understanding of persons with disabilities among all employees
Enhance work fulfillment	● Average hours of statutory overtime worked in FY2025: 9.6 hours ● Average annual vacation days taken in FY2025: 9.4 days of annual paid leave, 5.2 days of seasonal paid leave, and 0.7 days of wellness leave
Respect for diversity	● Conducted harassment prevention training (October 2025, all employees) ● Conducted training for preventing harassment during business banquets (February – March 2025, managers) ● Conducted a lecture on unconscious bias and other topics (April 2026, all employees)
Promoting health	● Rate of employees receiving health exams in FY2025: 100% ● Rate of employees receiving exams based on specific health guidance in FY2025: 100% ● Certification as a Health & Productivity Management Outstanding Organization

TOPIC

Lecture led by a female director

In April 2026, we held a lecture on DE&I led by Director Miyamoto. Building on the initiative held for female employees in the previous year, we expanded participation this time to all employees, including management. This gave employees in different positions and at different stages of their careers an opportunity to learn together about the same subject and to view DE&I not as an issue concerning specific groups, but as a shared theme relevant to organizational management and decision-making.

Drawing on her own career and decision-making experience, Director Miyamoto repeatedly encouraged participants to reconsider values and patterns of behavior that have long been standard practice in the shipping industry. In particular, she emphasized the importance of those in decision-making positions, including management, reflecting on whether work assignments, evaluations, and training decisions supposedly made with good intentions or out of consideration for others might in fact be based on unconscious bias. She also had a message for the whole company that "consciously incorporating diverse perspectives is essential to improving the quality of decision-making."

Following the lecture, volunteer participants, including new employees, took part in a question-and-answer session and an exchange of views. This prompted open dialogue across organizational levels on how the lessons could be applied to day-to-day work and workplace transformation. A survey conducted alongside the event also revealed changes in audience mindsets, with comments including "I realized I had unconscious assumptions of my own" and "I want to pause and reflect more before making decisions." Many participants also expressed a desire to make concrete changes in their behavior, such as ensuring that they understand the wishes of the person concerned and communicating in ways that draw out a broader range of opinions.

Going forward, we will continue to provide opportunities for learning and dialogue of this kind, translating each employee's insights into action and building an organization that makes effective use of diverse perspectives.



Noriko Miyamoto, Director and Senior Managing Executive Officer



She created an opportunity for dialogue and opinion-exchange cutting across rank and position.

Employment initiatives for persons with disabilities

At NSU, we are working to create a workplace where people with diverse backgrounds and characteristics can continue to fully utilize their individual experiences and expertise while still working with peace of mind. Here we present some insight into our workplace environment and day-to-day operations through the perspective of an employee hired through our recruitment program for persons with disabilities.

An employee's story



It is hard to believe that it's been almost a year already since I joined NSU through its recruitment program for persons with disabilities. During my job search, I interviewed with many companies, but I found that I shared more experiences and values with the people who interviewed me here. The feeling that I would be able to be myself at work here was one of the main reasons I decided to join NSU. In my previous position, I was mainly responsible for human resources and labor management duties, including attendance management and employee health management. At NSU, attendance management remains my primary responsibility, while I am also gradually taking on other work to support those around me. I still have a great deal to learn each day, but I intend to tackle my work carefully so that I can contribute to creating an environment where all employees can work with peace of mind.

Hirotake Hasegawa, Secretary and Personnel Team

Respect for Human Rights

The Group regards respect for human rights across all of our business activities and supply chains as a social responsibility that must be fulfilled. Guided by the NS United Kaiun Group Human Rights Policy—formulated in light of relevant international norms, laws, and regulations on respect for human rights, as well as the United Nations Guiding Principles on Business and Human Rights—we will address human rights risks, remediate issues to enhance the effectiveness of our human rights approach, and work to enhance our sustainable corporate value.

Human Rights Governance

Leadership Perspective

Respect for human rights is one of the important themes of our Medium-Term Business Plan and underlies our business foundation and sustainable growth. In fiscal year 2025, we worked to identify human rights risks in our business activities and began initiatives aimed at remediation for the issues identified. At the same time, we are working to instill understanding of respect for human rights within the Company. We will deploy these initiatives to our supply chain in a phased manner. Through the steady accumulation of remediation efforts and enhancing the effectiveness of our respect for human rights, we will continue working to enhance corporate value.

Yoshinori Sato
Director, Managing Executive Officer/Responsible for Tramp Chartering Group/HRDD Promotion Team



Promotion framework

Supervision by the Board of Directors

The status of initiatives to respect human rights is reported to the Board of Directors once every six months through the Sustainability Committee, which is chaired by the President and Executive Officer and composed of all executive officers. The results are then reflected in our initiatives.

HRDD Promotion Team & Secretariat

We have established a cross-departmental Human Rights Due Diligence (HRDD) Promotion Team (“Promotion Team”) composed of relevant directors and executive officers, as well as a HRDD Secretariat, which is centered on the ESG/Internal Control Team and works with each department depending on the matter at hand.

The HRDD Secretariat considers and implements human rights-focused initiatives based on the Human Rights Policy, as well as preventive and corrective measures for human rights risks, and reports the results of these efforts to the Promotion Team. Based on these reports, the Promotion Team monitors the progress of human rights due diligence initiatives and evaluates them, generally once every two months.

Ensuring that initiatives remain objective

We regularly receive advice from external experts with specialized expertise in order to ensure that our initiatives remain objective and legitimate, and thereby to enhance their effectiveness.

HRDD promotion framework diagram



Strategy/Risk Management

Implementation of HRDD

Through HRDD, the Group works to identify and address human rights risks connected to our business activities and supply chain.

Based on our Human Rights Policy, we identify and prioritize risks through surveys and other means, and for the issues identified, we work with relevant departments to consider and implement preventive and remedial measures.

These initiatives are monitored and evaluated regularly under our promotion framework and are used to drive continuous improvement.

In addition to our existing Help Line, which also covers harassment and serves as a whistleblowing system, we established a human rights grievance and consultation mechanism in July 2026 that can also be used by suppliers.

FY2025 HRDD

Time	Measures taken
March and September 2025	Conducted a happiness survey among non-Japanese crew members, with some questions covering human rights issues
From July 2025 onward	Formulated an action plan and began initiatives aimed at remediation based on the results of human rights surveys of Japanese crew and happiness surveys conducted continuously since fiscal year 2023
September 2025	Conducted an employee awareness survey of all employees of the NS United Kaiun Group that included questions on human rights

Improving physical and mental health and well-being

We regard ensuring physical and mental health and improving well-being as the very practice of protecting human rights itself, and to that end, we published a Health Management Declaration in 2025.

At sea, in light of the characteristics of onboard life such as living environment constraints, we emphasize maintaining the physical and mental health of crew in the interest of safe operations as well. We are working to improve the quality of life onboard vessels by ensuring rest periods, improving operational efficiency, and enhancing communication and diets.

On land as well, in addition to initiatives to promote physical and mental health such as identifying and improving health issues through health checkups and establishing various reporting and consultation channels, we are developing workplace environments that enable flexible working styles.

In recognition of these initiatives, we were certified as an Outstanding Organization in the small and medium-sized enterprise category of the Certified Health & Productivity Management Organization (KENKO Investment for Health) Recognition Program 2026. Moving forward, we will continue to apply this health and productivity management approach to our human rights initiatives and make continuous improvements.

Education and training

To deepen understanding of human rights, we hold webinars every year for all employees of the NS United Kaiun Group using video-based training materials on human rights topics.

We also continue to hold similar webinars on business and human rights as part of training for new employees.

Supply chain initiatives

Starting in fiscal year 2023, we have conducted safety meetings with shipowners intended to promote awareness of well-being and human rights.

We are also preparing to conduct a survey of suppliers regarding the NS United Kaiun Group Supplier Procurement Guidelines, which cover human rights as well.

For the results of our review of the value chain and rights holders in the international shipping business, please refer to our website.

▶ https://www.nsuship.co.jp/en/sustainability/social/humanrights.html

Metrics and Goals

We have established employee understanding and human rights training participation rates as key metrics for monitoring progress on human rights issues, and we use these metrics to enhance effectiveness.

Metric	FY2025 results
Percentage of employees who understand the basic concepts of human rights	56.8% (YoY: +2.8%) Based on these results, the President issued a message on the Human Rights Policy in December.
Attendance rate of human rights trainings	100% (Maintained since last fiscal year)

DX Promotion

In light of rapid changes in the business environment, we are promoting company-wide digital transformation (DX) as an important management foundation for steadily executing the business strategies set out in our Medium-Term Business Plan. We position DX as a common foundation that enables us to maximize the value of our human capital, promote sustainable shipping, and strengthen governance, and aim to achieve the sustainable enhancement of corporate value.

DX Promotion Governance

Leadership Perspective

Our management team positions the promotion of DX as an important management issue, and has worked to establish a specialized unit and expand DX personnel. Under the DX Promotion Committee, we are taking agile, company-wide and cross-organizational action on various DX issues. By viewing strategy and operations in an integrated manner, we will steadily advance business transformation and the enhancement of our management foundation, while working to achieve sustainable enhancement of corporate value.

Masanori Ando
DX Promotion/Managing Executive Officer

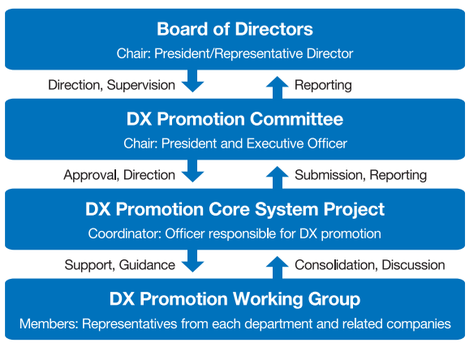


Promotion Framework

Under the DX Promotion Committee, we are working to resolve pending business issues, including the renewal of core systems, through the use of IT and DX on a business area-specific and topic-specific basis.

In addition, the DX team, newly established last year, provides more cross-departmental support and coordination. The team centrally promotes collaboration among departments, progress management, and issue identification, while working closely with relevant departments to steadily advance company-wide DX and continuous improvement in parallel.

DX promotion framework



Enhancing Competitiveness Through DX Promotion

At the core of NSU's DX strategy is the continuous transformation of our operations and organization through the use of digital technologies and data, with the aim of achieving a sustainable competitive advantage in the rapidly changing shipping market. While improving efficiency through digital transformation serves as the starting point, we will steadily advance toward developing higher value-added business by leveraging our accumulated data as a resource and enhancing the quality and responsiveness of our business operations.

For operational issues identified by each department, we combine frontline-led study and implementation of measures with cross-departmental support from the DX Promotion Secretariat to steadily address and resolve the issues. By taking both management-level and frontline issues as our starting points, we aim to achieve practical improvements tailored to actual operations while enhancing business processes from the perspective of company-wide optimization.

Data accumulated through business activities, ship management, and other day-to-day operations is a key resource used to enhance the quality of our business. By creating an environment in which information previously kept separate in individual departments can be used throughout NSU as a whole, we can share knowledge to achieve more streamlined, repeatable, and sustainable business operations.



Moving forward, we will automate the collection, aggregation, and visualization of market data and create an environment in which the latest information can be shared among relevant personnel at all times. We are putting these initiatives into practice by progressively expanding the use of operational dashboards to accelerate decision-making and reduce the workload of employees responsible for these tasks. By pursuing these initiatives, we are working to improve productivity and responsiveness and build a framework that enables us to demonstrate sustainable competitive strength in a rapidly changing business environment.

Enhancing and bolstering our management foundation

As a foundation that supports business transformation, we are progressively renewing and enhancing our core systems. Our core systems are a foundation for our management that supports our Medium-Term Business Plan, and management infrastructure that underpins the stability and agility of our business.

Taking into account both current operations and anticipated future changes, we are defining our target future state in terms of efficiency, standardization, and data utilization. By revising business processes and the allocation of roles in conjunction with system upgrades, we aim to achieve operational stability, scalability, and flexibility simultaneously. This will establish a common information foundation shared by management and the frontlines, creating an environment that enables swift and accurate decision-making.

Advancing and streamlining operation

With the aim of improving operational productivity, we have introduced generative AI company-wide and are promoting its use in day-to-day operations. This has led to the emergence of initiatives that help reduce workloads and improve the quality of operations.

Every month, we publish the DX/IT Newsletter to share these sorts of initiatives throughout the company. By sharing internal and external best practices and expertise, including the use of generative AI, the latest DX-related topics, and security awareness, we promote company-wide use in a sustained way.


DX/IT Newsletter

Outside Director Roundtable



Setsu Onishi Outside Director
Masako Yoshida Outside Director
Keisuke Takegahara Outside Director
Riyo Kano Outside Director

Identifying global trends and bolstering the foundation underlying our business strategies to achieve sustainable growth

It has been two years since the launch of the Medium-Term Business Plan, so it is time for an interim review of plan progress and remaining issues. How do our outside directors evaluate the progress so far, and what do they see as the issues we still face? We organized a roundtable for Setsu Onishi, Masako Yoshida, Keisuke Takegahara, and Riyo Kano to sit down and discuss these issues.

Growth strategy that captures megatrends

Takegahara: Currently, long-term investors are being especially strict with companies, examining whether they have a long-term vision in place based on global megatrends and whether they have a clear position for the company articulated within that vision. Investors are also requiring that companies have a transformation strategy in place to create the business portfolio that will underpin that future company position. In that sense, I think that the current Medium-Term Business Plan has been masterfully created to meet those requirements.
Kano: NSU aims to occupy an irreplaceable position within the clean, sustainable marine transportation space, and we are focusing on pursuing decarbonization for both vessels and energy.
Takegahara: As noted, the most important megatrend of the moment is decarbonization. Beginning first with the question of how the business environment is going to undergo a transformation toward decarbonization, our strategy clearly states how we will expand and deepen our existing and new businesses and how we will direct our financial capacity of 300 billion yen towards growth. Two years in, the Medium-Term Business Plan is progressing well, including financial performance with an ROE exceeding 10%.
Yoshida: I share Takegahara's view. It's also a fact that we face complex risks in the current era. The Medium-Term Business Plan covers a broad range of themes like enhancing the sophistication of safe navigation, risk countermeasures that include cyber space, and DX strategy promotion. I think the plan deserves praise for its progress on measures in areas that do not usually get a lot of attention.
Onishi: Whether we look at the Medium-Term Business Plan or the issues before the Board of Directors, it's apparent that the executive side has clearly identified the management issues before them. The Board of Directors is particularly focused on what weights we assign to each of these issues and the speed of implementation of the initiatives at hand.

However, we must be especially cautious of rising geopolitical risks and associated global economic turmoil. I believe that NSU as an organization has developed a high level of awareness of such risks due to many years of exposure to changing market conditions and foreign exchange rates.

Human capital management

Yoshida: Another Medium-Term Business Plan topic I want to discuss is the promotion of human capital management. The Medium-Term Business Plan is extremely thorough in its consideration and execution of various measures, training programs, HR systems, and diversity measures. This is a focus because we believe that the efforts of each and every staff member will be the engine that drives the company forward in the future.
Onishi: Last fiscal year, NSU launched our workforce development plan. This plan includes in-depth, one-on-one discussions between individuals and HR or their supervisor about their own ideal positioning and what sort of training or education they desire. We have high expectations for this initiative and will be following its outcomes closely.
Yoshida: That's right. NSU has prioritized tackling personnel engagement.
Kano: With respect to our progress on the Medium-Term Business Plan, there tends to be a focus on the fact that quantitative targets have been achieved ahead of schedule, including operating profit and ROE. At the same time, the plan is making steady progress in foundational areas that underlie our business strategies in less easily quantifiable areas, including governance and human resources. In risk management, for example, the Board of Directors held several rounds of discussions on risk categories and made some revisions. As Yoshida stated, we have a clear sense that steady progress is being made on these initiatives in these less visible areas.





The Need to Adapt to Change

Takegahara: At last fiscal year's Board of Directors meetings, we had numerous in-depth discussions on the cost of capital and financial impact. This represents an extremely important step and we will continue to pursue a deeper financial perspective to our discussions moving forward.

Another significant development is the increasing depth of our discussions on sustainability. With the introduction of the standards issued by the International Sustainability Standards Board (ISSB), we have entered an era in which sustainability is directly linked to corporate value. We should strive to disclose information in a way that enables our stakeholders to understand the connections between our sustainability-related and financial information, and I believe that the Board of Directors must continue to have deeper discussions in this area as well.



Yoshida: The number of opportunities to discuss DX strategy have been gradually increasing, and it seems to me that deliberations and initiatives within NSU on this topic are making progress. In addition to improving productivity, we must consider how DX can enhance our ability to use systems effectively when responding to unforeseen events, as well as our capacity to detect risks. This is an ongoing theme and one that the Board of Directors must continue to study.

Kano: One difficult issue facing the Board of Directors will be investment decisions. With rising uncertainty, such as following the IMO's postponement of the adoption of its Net-Zero Framework, we face extremely difficult decisions about how to proceed with our fleet development plans and whether to shift toward new energy sources. One of the roles of outside directors is to provide support for risky decisions when such decisions are required by the circumstances, provided that the issues have been thoroughly examined and debated based on objective data. I intend to further develop my own expertise as needed to fully live up to the expectations placed on me and to contribute to even more substantive Board discussions.

Onishi: The current Medium-Term Business Plan was formulated based on NSU's vision for what it aims to become by 2030. However, the external business environment is changing faster than anticipated. What is being tested is our ability to anticipate those changes and adjust accordingly. In other words, our capacity to continually fine-tune our approach. As outside directors, we must closely monitor how effectively NSU is managing to do this.

A company worth supporting

Kano: I recognize that the role of an outside director is to provide oversight, but I would also like to be one of NSU's strongest supporters. NS United Kaiun is a company that pursues its business with a strong sense of mission and a long-term vision, making it a company truly worth supporting. I hope our stakeholders will continue to expect great things from us moving forward.

Takegahara: I believe one of NSU's strengths is how transparent it is. Through various reports and briefings, NSU presents an open and honest picture of itself as a company. I hope that individual investors and all our other stakeholders will take the opportunity to better understand the identity of NS United Kaiun.

Yoshida: The marine transportation industry is not readily visible to individual shareholders or the general public. News coverage of shipping has increased in recent years amid heightened geopolitical risks, but this only serves to underscore the fact that marine transportation must never be impeded. As an outside director, I have come to appreciate deeply the many interconnected factors that come together to keep our vessels moving, including the strong sense of mission held by each and every employee and every task performed across every department. Both NSU and our employees continue to grow while fulfilling their vital responsibilities in sustaining maritime logistics. I would be delighted if our stakeholders gained a greater understanding of this.

Onishi: I completely agree with Yoshida. I would add only this: please engage in dialogue with NSU as a company. I believe our employees fully recognize the importance of the responsibilities they carry. I hope our stakeholders will also appreciate the importance of our mission in transportation and continue to engage with us in dialogue. I expect that, in the future, such dialogues will contribute to the further growth of both NSU and its employees.



Sound Corporate Governance

NSU views sound corporate governance as the foundation of our business, and we work to ensure management transparency and effectiveness by bolstering the supervisory functions of the Board of Directors and other organizations, developing and improving risk management and business continuity plans, and thoroughly ensuring compliance. Through these initiatives, we aim to achieve sustainable growth and medium- to long-term enhancement of corporate value.

Basic Policy

Based on our corporate philosophy of "Contributing to the development of society by providing trusted and high-quality marine transportation services," and our purpose of "Through marine transportation, we will work together to shape the world today and create a sustainable future," our Group strives for sound and sustainable growth and to improve corporate value over the medium to long term while responding to the expectations and trust of shareholders, customers, and all other stakeholders.

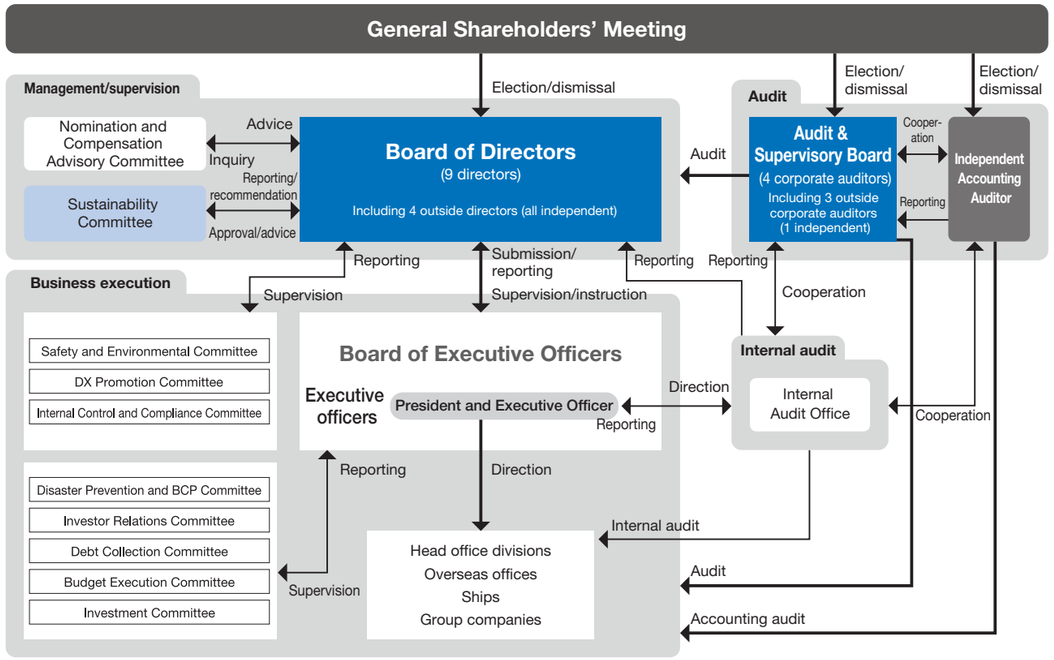
To this end, we develop corporate governance systems suited to the characteristics of our Group's operations. These systems are continuously reviewed and improved, with a focus on enhancing the efficiency, soundness, and transparency of corporate management.

Corporate Governance System

As a company with an Audit & Supervisory Board, the Company ensures effective management oversight by its corporate auditors, thereby enhancing its monitoring and supervisory functions and ensuring the transparency and soundness of management.

An Audit & Supervisory Board has been established, consisting of four corporate auditors (including three outside corporate auditors), two of whom serve full-time (including one outside corporate auditor). The corporate auditors supervise the execution of duties by directors from an independent standpoint and cooperate with the independent Accounting Auditor and the Internal Audit Office. Furthermore, for the purpose of bolstering the independence, objectivity, and accountability of the Board of Directors, more than one third of its members are independent outside directors and the Nomination and Compensation Advisory Committee has been established, consisting of six directors including four outside directors.

Corporate governance schematic diagram (as of June 25, 2026)



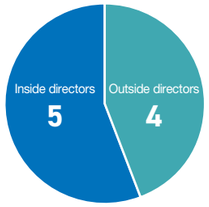
Sound Corporate Governance

Overview of governance bodies

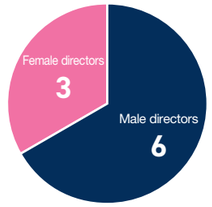
Board of Directors

Number of meetings held	14 (in FY2025)
Chair and composition	Chair: President/Representative Director 5 inside directors (all concurrently serving as executive officers) 4 outside directors (all serving as independent officers)
Roles	● Discusses and decides on basic policy and the most important matters connected with Group management ● Resolves matters prescribed by laws and the articles of incorporation ● Decides on important management matters defined in the Board of Directors' agenda standards ● Supervises business execution

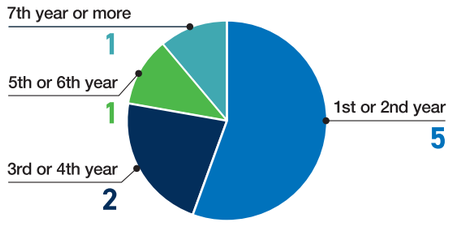
Proportion of independent outside directors



Proportion of female directors



Director tenure



Audit & Supervisory Board

Number of meetings held	17 (in FY2025)
Chair and composition	Chair: Full-time corporate auditor 1 inside corporate auditor 3 outside corporate auditors (1 serving as an independent officer)
Roles	● Wields the authority required by law ● Organizes Audit & Supervisory Board meetings, defines auditing standards, and performs effective audits of the legality and the reasonableness of operations by directors, executive officers, and employees ● Members attend meetings of the Board of Directors and the Board of Executive Officers, as well as important meetings and committee sessions. The Audit & Supervisory Board strives to identify management issues, to gain an understanding of business operations, to prevent violations of laws and the articles of incorporation, and performs accurate and effective audits.

Board of Executive Officers

Number of meetings held	Once a week
Chair and composition	Chair: President and Executive Officer 15 executive officers
Roles	● Deliberates and decides on important matters related to business execution and management in accordance with the basic policy decided on the Board of Directors ● Coordinates in advance the matters to be discussed by the Board of Directors

Nomination and Compensation Advisory Committee

Number of meetings held	3 (in FY2025)
Chair and composition	Chair: Outside directors 2 inside directors (including President/Representative Director) 4 outside directors (all serving as independent officers)
Roles	● Improves independence, objectivity, and accountability of the functions of the Board of Directors when making decisions on nominations and compensation for the Directors ● Serves as an advisory body for the Board of Directors

Initiatives for Enhancing Governance

Initiatives carried out over the past ten years

2016	● Appointed the first independent outside director (14.3% of all directors)
2017	● Increased the number of independent outside directors to two (25% of all directors) ● Established the Nomination and Compensation Advisory Committee
2020	● Increased the number of independent outside directors to three (37.5% of all directors)
2021	● Resolved a policy for determining executive compensation
2022	● Disclosed skills matrix for the first time
2023	● Appointed the first female directors (three, 33.3% of all directors)
2024	● Revised the policy for determining executive compensation
2025	● Established Independence Criteria for Outside Directors and Auditors ● Engaged external organization to evaluate the effectiveness of the Board of Directors ● Increased the number of independent outside directors to four (44.4% of all directors)

Evaluating the Effectiveness of the Board of Directors

Every year since fiscal year 2015, the Company has conducted a questionnaire administered to all directors and corporate auditors in order to evaluate the effectiveness of the Board of Directors.

In fiscal year 2025, as in the previous fiscal year, a third-party advisor conducted a 28-item questionnaire survey covering the Board of Directors as a whole, including its roles and functions, size and composition, operation, internal controls, the effective utilization of outside directors, and relations with shareholders and investors.

FY2025 primary improvements

In fiscal year 2025, we worked to address issues (1) through (4) that had been identified in the previous fiscal year, and made a certain degree of progress in terms of operational improvements.

(1) Further expansion of discussions on medium- to long-term management strategies and risk management
We formulated an annual risk management plan, revised the risk categories, and held several rounds of discussion at the Board of Directors.

(2) Follow-up on matters resolved or reported at Board of Directors meetings
We prepared a list of agenda items and reports, and established a system that enables each officer to check the status of actions taken as needed.

(3) Providing more opportunities for outside directors and outside corporate auditors to deepen their understanding of the Company and the industry
As in the previous fiscal year, we arranged opportunities for outside directors and outside corporate auditors to visit operational sites.

(4) Continuing and further strengthening supervision of internal controls and the whistle-blowing system
We produced a training video to further deepen understanding of the internal whistleblowing system and promoted greater awareness of the system.

FY2025 evaluation results

The fiscal year 2025 effectiveness evaluation questionnaire confirmed the general effectiveness of the Board of Directors of the Company as a whole, including its composition, roles, and operation.

The identified strengths of the NSU Board include its composition, vigorous discussions, the efficient conduct of proceedings, and its commitment to continually improving effectiveness.

FY2026 issues

The following four issues were identified for fiscal year 2026:

a. Finding opportunities for more expansive discussions on medium- to long-term management strategy
b. Further enhancing the Board of Directors' operational planning
c. Continuing to provide outside directors and outside corporate auditors with opportunities to deepen their understanding of the Company and the industry
d. Expanding dialogue with shareholders and investors

We will continue to address identified issues on an ongoing basis to further enhance the effectiveness of the Board of Directors.

Perspective of the Chair of the Board of Directors



Board of Directors operations

The shipping industry operates in a rapidly changing business environment shaped by fluctuations in international markets, geopolitical risks, and developments in environmental regulations. As President/Representative Director and Chair of the Board of Directors, I believe it is essential for outside directors and outside corporate auditors to fully exercise their sophisticated oversight and advisory functions. Accordingly, I am working to enhance the provision of information and the support frameworks available to them.

Specifically, an annual agenda plan is prepared in advance to ensure sufficient time for discussion. For important matters submitted to the Board, we also provide ample opportunities for prior briefings, carefully sharing the relevant business environment, key points for consideration, and associated risks in order to improve the quality of decision-making. In addition, we arrange visits to operational sites to deepen officers' understanding of our business so that they can provide more effective advice and oversight.

NSU will continue to improve this environment to ensure outside directors and outside corporate auditors can fully exercise their expertise and independence, thereby enhancing the effectiveness of the Board of Directors as a whole and contributing to the long-term growth of our corporate value. We appreciate the continued understanding and support of our stakeholders.

Kazuma Yamanaka
President/Representative Director, Chair of the Board of Directors

Directors, Audit & Supervisory Board Members, and Executive Officers



From the left in the back row: Tomomi Mohri, Shohei Yamamoto, Soichi Miyazawa, Setsu Onishi, Masako Yoshida, Keisuke Takegahara, and Riyo Kano
From the left in the front row: Toru Kihira, Yoshinori Sato, Noriko Miyamoto, Kazuma Yamanaka, Takamasa Takami, Kyo Sonoda

Skills matrix

Skills required for the Board of Directors		Skills expected of directors								
		Inside directors					Outside directors			
		Kazuma Yamanaka	Noriko Miyamoto	Takamasa Takami	Yoshinori Sato	Kyo Sonoda	Setsu Onishi (Independent)	Masako Yoshida (Independent)	Keisuke Takegahara (Independent)	Riyo Kano (Independent)
Management	Corporate management	●	●				●	●		
	Market & business	●	●		●		●	●	●	
	Operations & technology (including ICT)		●	●	●	●				
Individual expertise	Finance		●				●		●	
	Governance, risk management & compliance	●				●	●	●	●	●
	Talent management	●		●		●		●		
	Sustainability	●		●		●	●	●	●	●
	Customer relations	●		●	●					
Experience	Overseas assignments (global)		●		●	●	●		●	
	Experience at other companies (inside directors)	●	●							
	Management experience (outside directors)						●	●		

	Name	Position	Meeting attendance	Tenure	Shares owned (hundreds)	Responsibilities and important concurrent roles
Directors	Kazuma Yamanaka	President/ Representative Director President and Executive Officer	Board of Directors (14 of 14 times) Nomination and Compensation Advisory Committee (3 of 3 times)	6 years	64	–
	Noriko Miyamoto	Director Senior Managing Executive Officer	Board of Directors (14 of 14 times)	3 years	24	● Responsible for Finance and Accounting Group, Corporate Strategy & Planning Group
	Takamasa Takami	Director Managing Executive Officer	Board of Directors (New appointment)	New appointment	40	● Responsible for Maritime Human Resources Group, Safety Management Group, Ship Management Group, Environmental & Technical Management Group
	Yoshinori Sato	Director Managing Executive Officer	Board of Directors (New appointment)	New appointment	23	● Responsible for Tramp Chartering Group
	Kyo Sonoda	Director Managing Executive Officer	Board of Directors (New appointment) Nomination and Compensation Advisory Committee (New appointment)	New appointment	62	● Responsible for General Affairs Group
	Setsu Onishi	Director	Board of Directors (14 of 14 times) Nomination and Compensation Advisory Committee (3 of 3 times)	9 years	11	–
	Masako Yoshida	Director	Board of Directors (14 of 14 times) Nomination and Compensation Advisory Committee (3 of 3 times)	3 years	7	● Outside Director (Audit and Supervisory Committee Member) of Matsuya Co., Ltd. ● Audit & Supervisory Board Member of Tokio Marine Millea SAST Insurance Co., Ltd. ● Audit & Supervisory Board Member of Tokio Marine West SAST Insurance Co., Ltd. ● Audit & Supervisory Board Member of Tokio Marine Trust SAST Insurance Co., Ltd.
	Keisuke Takegahara	Director	Board of Directors (14 of 14 times) Nomination and Compensation Advisory Committee (2 of 2 times*)	1 year	–	● Professor at the National Graduate Institute for Policy Studies
	Riyo Kano	Director	Board of Directors (9 of 10 times*) Nomination and Compensation Advisory Committee (1 of 2 times*)	1 year	–	● Partner at Tanabe & Partners ● Outside Director of The Yamanashi Chuo Bank, Ltd.
Audit & Supervisory Board members	Toru Kihira	Corporate Auditor (full-time)	Board of Directors (14 of 14 times) Audit & Supervisory Board (17 of 17 times)	2 years	30	–
	Soichi Miyazawa	Corporate Auditor (full-time)	Board of Directors (10 of 10 times*) Audit & Supervisory Board (12 of 12 times*)	1 year	–	–
	Shohei Yamamoto	Corporate Auditor (part-time)	Board of Directors (14 of 14 times) Audit & Supervisory Board (17 of 17 times)	5 years	–	● Full-time Advisor of Nippon Yusen Kabushiki Kaisha
	Tomomi Mohri	Corporate Auditor (part-time)	Board of Directors (14 of 14 times) Audit & Supervisory Board (17 of 17 times)	2 years	–	● General Manager of Raw Materials Business Development Division at Nippon Steel Corporation

Note: Meeting attendance is shown for the period since assuming office on June 25, 2025.

Executive Compensation

Policy for determining executive compensation

(a) Basic composition of compensation, etc.

Compensation is provided to Directors in a way that is designed to be consistent with management strategies so as incentivize efforts to enhance corporate value.

- Fixed compensation
- Performance-based compensation
  Executive bonuses:
  Reflect business performance for the fiscal year
  Stock purchase compensation:
  Reflects medium- and long-term increases in corporate value
- Ratio of performance-based compensation to total compensation: Up to roughly 40%

(b) Fixed compensation

- Capabilities and responsibilities required of Directors in the shipping industry are taken into account
- Standard amount established based on the Director's position paid in cash each month

(c) Performance-based executive bonuses

- Payment of this compensation is based on dividend policies and the precondition that employees receive bonuses above a certain level
- Executive bonuses are linked to dividends per share for each term as well as evaluation of safe navigation performance, and are paid in cash as short-term performance-linked compensation

(d) Stock purchase compensation

- Stock purchase compensation is paid as compensation linked to medium- and long-term performance. This compensation is linked to the degree of achievement of the Medium-Term Business Plan and the amount of increase in corporate value (stock value).
- Calculated based on the degree of achievement of the Medium-Term Business Plan, such as operating profit and return on equity (ROE), as well as overall evaluation that reflects the Company's market capitalization, ESG indicators, etc.
- This compensation is intended to align directors' interests with the interests of shareholders. Directors provide amounts equivalent to the stock purchase compensation they receive to the directors' shareholding association and purchase stocks through the association

(e) Compensation for outside directors and corporate auditors

Outside directors and corporate auditors are only paid fixed compensation considering their responsibility for performing audits and providing advice regarding the Company and the entire Group's management from a position independent of business operations.

Compensation for outside directors is decided based on resolution of the Board of Directors, and that for corporate auditors is decided through deliberation by corporate auditors.

Important matters regarding the determination of individual compensation for directors

In the event of inappropriate accounting, including corrections to financial statements, or in cases where a director has committed a serious violation of laws or engaged in misconduct, the Board of Directors may, in accordance with the prescribed system, request the return of all or part of the performance-linked compensation received by the director.

Procedures for determining compensation

The amount of compensation paid to directors is determined by the Board of Directors based on consultation with and advice from the Nomination and Compensation Advisory Committee.

The Nomination and Compensation Advisory Committee examines the appropriateness of calculated amounts of executive compensation, and reports its findings to the Board of Directors.

At the same time, the Board of Directors determines the amount of compensation for each individual director based on the report of the Nomination and Compensation Advisory Committee by confirming that the method and content of the decision are consistent with the determination policy resolved by the Board of Directors.

Total executive compensation for FY2025

Directors	Total fixed compensation	213 million yen	10 people
	(for outside directors)	(41 million yen)	5 people
	Total performance-based compensation	85 million yen	5 people
Audit & Supervisory Board members	Total fixed compensation	54 million yen	4 people
	(for outside corporate auditors)	(30 million yen)	3 people

The total amount of fixed compensation for directors and corporate auditors indicated above includes the amount paid to one director and one corporate auditor who retired on June 25, 2025, at the close of the 99th Ordinary General Shareholders' Meeting held on the same day. In addition, one unpaid corporate auditor currently in office was not included in these figures.

Risk Management

Approach to risk management

As the Company conducts its business globally, it is exposed to a wide array of geopolitical and economic risks associated with different countries around the world. To address this issue, we have established the Risk Management Regulations for dealing with various potential risks that could arise in the course of our business activities. In accordance with the Regulations and based on the above-described governance system, relevant departments and committees analyze specific risks and study countermeasures, and the Board of Directors and Board of Executive Officers make decisions based on their recommendations.

At the end of each fiscal year, the Internal Control and Compliance Committee, chaired by the President and Executive Officer, updates the Risk Item List and reports to the Board of Directors. With respect to major investment plans with a value exceeding a certain level or accompanied by large uncertainties, the Investment Committee engages in cross-divisional deliberations to clarify impacts or risks that may affect the Company as an outcome of executing such plans, and submits recommendations based on its deliberations to the Board of Directors and Board of Executive Officers.

Primary risks facing the Company

- Compliance risk
- Risk associated with human rights
- Risk associated with securing human resources
- Information security risk
- Marine accident risk
- Risk associated with government regulations and environmental conservation
- Climate change risk
- Shipping market fluctuation risk
- Foreign currency risk
- Interest-rate risk
- Fuel oil price fluctuation risk
- Investment risk
- Risk of losses from selling vessels, etc.
- Risk related to the recognition of impairment losses on fixed assets
- Risk associated with geopolitical and global economic factors as well as natural disasters

Business continuity planning (BCP)

NSU has established the Business Continuity Plan (BCP) Regulations based on the fundamental policy of placing the highest priority on safeguarding the lives and safety of our officers, employees, and their families, as well as on fulfilling our social responsibility to maintain marine transportation services and restore them promptly following a disruption. Under the direction of the Disaster Prevention and BCP Committee, we engage in continuous management including identifying and addressing business continuity issues and planning and conducting education and training.

In fiscal year 2025, we took the relocation of our head office as an opportunity to strengthen our disaster preparedness and BCP framework. We installed emergency power supplies and satellite communications equipment within our office space and expanded our emergency stockpiles, including support kits for people unable to return home. We also revised the relevant manuals to reflect these initiatives and enhanced our operational arrangements. In addition, we distributed videos on disaster preparedness and BCP internally to deepen understanding among officers and employees and firmly embed awareness throughout the organization.

With regard to BCP measures for cyber incidents, we are working to strengthen our response capabilities not only through technical information security measures, including ransomware countermeasures, but also through organizational and operational measures. During the fiscal year, we conducted a cyber BCP exercise based on a simulated cyberattack, an issue that has attracted growing public attention in recent years. The exercise enabled us to confirm the response process in the event of an incident and assess the effectiveness of our decision-making procedures. We also continue to conduct targeted phishing email exercises and provide e-learning on information security to embed effective security responses both throughout the organization and at the individual level.

In the area of disaster preparedness, we regularly conduct training on the use of our employee safety confirmation system, participate in comprehensive fire and disaster preparedness drills organized by the building management, including evacuation drills, and attend lifesaving skills courses. Through these initiatives, we strive to maintain and enhance our readiness to respond in the event of a disaster.

Compliance

Compliance promotion system

We recognize that maintaining trust-based relationships with stakeholders is the foundation of our sustainable growth together with the communities. To reinforce this concept, we

created a Group Corporate Philosophy, along with a Corporate Code of Conduct, designed for putting the spirit of our philosophy into practice.

Moreover, an Internal Control and Compliance Committee chaired by the President and Executive Officer strives to raise awareness of compliance so that all employees and officers obey all laws and regulations, as well as internal rules, social norms, and business ethics while performing their everyday work.

Help Line (whistleblowing system)

We have established three Help Line contact points: an internal desk, an outside lawyer, and an external third-party organization.

These are used in order to stop harassment and other compliance violations as early as possible, such as when a legal violation, misconduct, or similar act is committed by executives or other employees in the Group.

To make the system easier to use with peace of mind, we renamed the existing reporting channel the “Help Line” in April 2026. In accordance with the Whistleblower Protection Act, we also guarantee that whistleblowers will not be subjected to any disadvantageous treatment as a result of making a report and that their identity and other information will be kept confidential. Personnel who handle whistleblowing reports receive mandatory training to ensure that whistleblowers are thoroughly protected.

Compliance Awareness Month

Every October, we provide all officers and employees across the Group with compliance-related knowledge and information and work to raise their awareness of compliance.

During Compliance Awareness Month in fiscal year 2025, a compliance message from the President was delivered to all officers and employees, and e-learning on harassment prevention was also conducted.

Questionnaire survey on employee awareness

Every year, we conduct employee surveys on internal control and compliance issues across the entire Group. We use the survey results to assess the effectiveness of our initiatives and to identify and address areas for improvement.

Internal control activities

The Company organizes the Internal Control and Compliance Committee, chaired by the President and Executive Officer under the supervision of the Board of Directors, as a structure for promoting internal control systems for the Group as a whole. The Committee engages in various tasks to improve the quality of the Company’s management and compliance, principally by approving draft basic internal control policies, formulating company-wide internal control plans, and confirming the progress of plans already implemented as well as monitoring the internal control situation related to financial reporting, fleet management, Group companies operations, and other issues and conducting improvement measures.

Group governance

Our Group is pursuing integrated management. We dispatch directors or corporate auditors from NSU to various Group companies. We also require prior approval from NSU for large-scale investments such as vessels. To enhance operational effectiveness, we conduct regular information exchanges across sales and vessel-related departments.

Additionally, executives from major Group companies also attend our Internal Control and Compliance Committee meetings, where they report on the status of their respective company initiatives.

Anti-corruption

The Company engages in company-wide efforts to prevent corruption.

In January 2023, we established the Basic Anti-Corruption Policy with the objective of ensuring compliance with anti-corruption laws and regulations in each country and region where we operate as well as with local social norms and expectations regarding ethical behavior.

As part of our anti-corruption and legal compliance initiatives, we have established the NS United Kaiun Group Supplier Procurement Guidelines requesting the cooperation of our suppliers. We are also monitoring risks, including corruption, across the entire Group using a Risk Item List based on our Risk Management Regulations. The results are reported to the Internal Control and Compliance Committee and the Board of Directors.

Meanwhile, we joined the Maritime Anti-Corruption Network (MACN) in 2024. MACN is a global business network dedicated to working toward a corruption-free shipping industry through fair trade for the benefit of society as a whole. Established in 2011, the network has more than 200 members worldwide and works with stakeholders, including government officials, NGOs, and civil society, to identify and mitigate the root causes of corruption in the shipping industry.

Corporate Profile (As of March 31, 2026)

Company name	NS United Kaiun Kaisha, Ltd.
Head office	Otemachi Place East Tower 5F, 3-2 Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8108
Established	April 1, 1950
Business	International marine transportation services and related businesses
Capital	10.3 billion yen
Stock exchange listing	Tokyo Stock Exchange (Prime Market)
Number of employees	Non-consolidated 262, Consolidated 669
Fleet	International: 130 vessels (13,069,000 DWT) Coastal: 81 vessels (243,000 DWT)

Major consolidated Group companies

Company	Main business
NS United Naiko Kaiun Kaisha, Ltd.	Coastal shipping business
NS United Coastal Tanker Kaisha, Ltd.	Coastal shipping business
NS United Marine Service Corporation	Seafarer dispatching business, safety supervising, and supervising construction of new vessels
NS United Business Co., Ltd.	General affairs and accounting agents
NS United Systems Co., Ltd.	Development/maintenance of information systems business

Principal overseas subsidiaries & representative offices

Overseas subsidiaries	United Kingdom, United States, Hong Kong, Singapore, The Philippines
Representative offices	Thailand, Shanghai, Vietnam

External evaluation

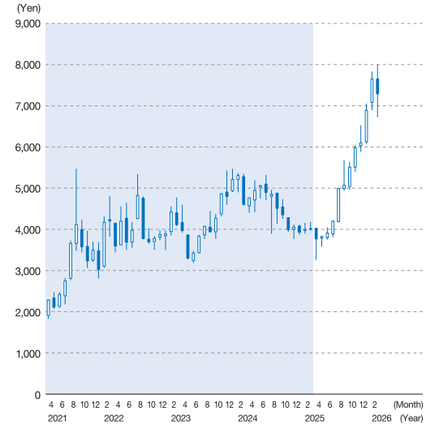
- FTSE JPX Blossom Japan Index — FTSE JPX Blossom Japan Index
- FTSE JPX Blossom Japan Sector Relative Index — FTSE JPX Blossom Japan Sector Relative Index
- JPX-NIKKEI 400 — JPX Nikkei Index 400
- JPX-NIKKEI Mid Small — JPX-Nikkei Mid and Small Cap Index
- S&P/JPX カーボン エフィシェント 指数 — S&P/JPX Carbon Efficient Index
- 健康経営優良法人 2026 — Health & Productivity Management Outstanding Organization 2026 (small and medium-sized enterprise category)

Stock Information (As of March 31, 2026)

As announced on July 31, 2026, if the tender offer by Nippon Yusen Kabushiki Kaisha is successfully completed and the prescribed procedures are completed, the Company is scheduled to become a consolidated subsidiary of Nippon Yusen, and the Company’s shares are scheduled to be delisted. For the latest information, please check our website.

Shares authorized	60,000,000
Shares issued	23,970,679
Number of shareholders	11,040

Share price trend



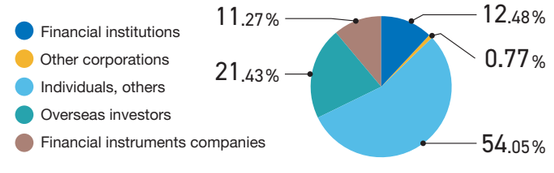
Note: The opening price refers to the opening price on the first trading day of the month, and the closing price refers to the closing price on the last trading day of the month. The difference between the amounts is shown in white if the closing price was higher than the opening price, and in blue if the closing price was lower than the opening price.

Major shareholders (10 largest shareholders)

Name of shareholder	Number of shares held (thousands)	Shareholding ratio (%)
Nippon Steel Corporation	7,861	33.36
Nippon Yusen Kabushiki Kaisha	4,324	18.35
The Master Trust Bank of Japan, Ltd. (Trust account)	1,871	7.94
CEPLUX - THE INDEPENDENT UCITS PLATFORM 2	785	3.33
BNYM AS AGT / CLTS 10 PERCENT	518	2.20
Hsin Chien Marine Co., Ltd.	504	2.14
Custody Bank of Japan, Ltd. (Trust account)	467	1.98
BNYMSANV RE BNYMIL RE WS ZENNOR JAPAN EQUITY INCOME FUND	403	1.71
Mizuho Bank, Ltd.	400	1.70
STATE STREET BANK AND TRUST COMPANY 505223	386	1.64

Notes: Number of shares held is rounded down to the nearest thousand.
The above list of major shareholders excludes NS United Kaiun Kaisha, Ltd., which holds 405,192 shares of treasury stock.
Percentage of shares held has been calculated excluding the treasury stock.

Shareholder composition



NS United Kaiun Kaisha, Ltd.

NS UNITED REPORT 2026 Editorial Team
Otemachi Place East Tower 5F, 3-2 Otemachi 2-chome,
Chiyoda-ku, Tokyo 100-8108

https://www.nsuship.co.jp/en/

Thank you for reading the NS UNITED REPORT 2026. We welcome your comments and feedback through the Contact Us page on our website.

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