

**J A P A N P & I C L U B**  
**A N N U A L R E P O R T**  
**2 0 1 7**



The Japan Ship Owners' Mutual Protection & Indemnity Association

# The Association is always with you. We are your “neighbour” P&I Club.

## Reliability

Thanks to Members’ kind attention to safe navigation, the number of claims has remained relatively low for the past 5 years. The Association aims to support Members in their endeavours by continuing to provide further Loss Prevention programmes.

## Competitiveness

As a result of our sound operation, the Association was able to reduce the percentage of the supplementary call payable for the 2015 policy year to 30% from the scheduled 40%. This represents a refund of approximately JPY1,700 million to Members with owners’ entries of ocean-going vessels.

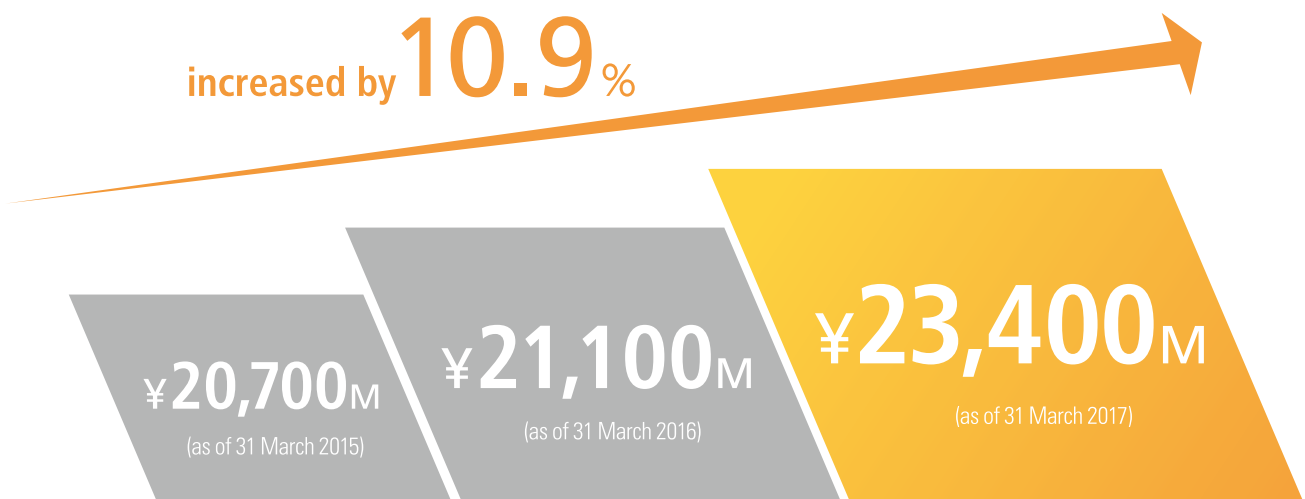
## Soundness

Establishing a preliminary framework for an Enterprise Risk Management System, the Association has increased the reserve amount to JPY23,400 million.

## Highlights

1. The Reserve amount increased by 10.9% compared with the 2015 financial year.

The Association faces many risks, and keeping an appropriate Reserve amount enables us to maintain our insurance serves at a stable and competitive premium level. For the 2016 financial year, the Association has reduces the percentage of the supplementary call payable for the 2015 policy year to 30% from the scheduled 40%. This represents a refund of approximately JPY1,700 million to Members. In spite of such reduction, the Reserve amount increased by 10.9%, or JPY23,390 million.

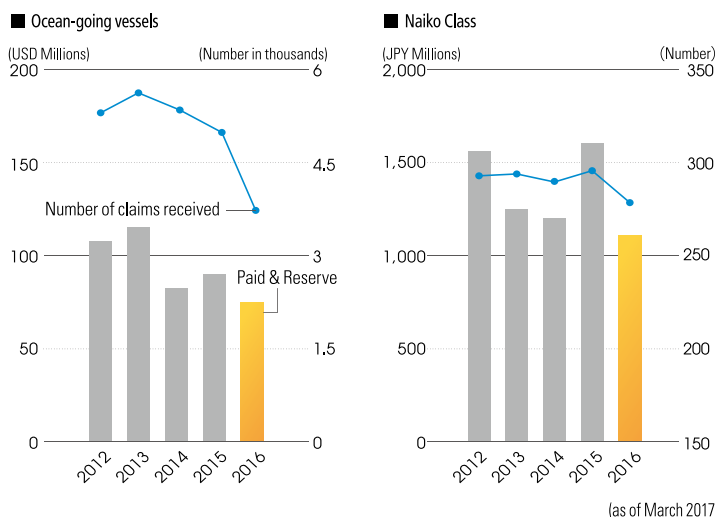


# ANNUAL REPORT 2017 CONTENTS

Highlights .....	01
Greetings from the Chairman of the Association .....	03
Statement of Director General .....	04
Business Report .....	06
Financial Statements .....	19
Directors and Auditors, General Managers, Chiefs of Division and Chief Executive .....	35
Organisation .....	37
Offices .....	38

## 2. Trends of claims for both ocean-going vessels and Naiko Class gradually decreasing.

The number of claims has gradually decreased for ocean-going vessels, along with the Paid & Reserve amount. For Naiko Class, although the number of claims has been stable, no major incidents costing more than JPY300 million occurred in the 2016 policy year and total Paid & Reserve has greatly reduced compared with the 2015 policy year.



## 3. Rating and Entered Tonnage keep firm.

The credit rating for the Association given by S&P is maintained at "BBB+ (Outlook: Stable)".

Entered tonnage for the 2017 policy year has also remained at about the same level as the 2016 policy year.

S&P Rating **BBB+**

Outlook: Stable (published in July 2017)

Entered vessels **4,364** vessels

Entered Tonnage **91.5** million gt



## Greetings from the Chairman of the Association

Eizo Murakami, Chairman

### Towards the next Medium-Term Operational Plan

I am Eizo Murakami, newly elected as Chairman of the Association at the Ordinary General Meeting of Members of the Association and the Meeting of the Board of Directors held on 19 July 2017.

It is my great pleasure to welcome readers to the Association's Annual Report 2017.

The global economy of the business year 2016 saw big changes. The U.S. economy improved steadily with growth in personal consumption and an increase in business investment driven by expectations for the new administration. The EU economy was for a while thrown into turmoil by the Brexit referendum result, but gradually settled down and maintained a modest recovery. As for China, the economic growth rate slackened off, although the decelerating trend has shown signs of slowing down. In Japan, the economy overall managed a slow recovery, supported by robust personal consumption and the weak yen after the establishment of the new administration in the U.S.

The shipping industry was faced with a difficult situation when the freight market fell to a notable low during the first half of the 2016 business year. The freight market for the container sector slowed down due to continued over-supply of tonnage and, in the dry bulk business, market conditions were weighed down for a rather long period. The freight situation has been recovering since the second half of the 2016 business year, even though the difficult situation still persists. The spot container freight market has started to show some recovery and dry bulk shipping also started to recover after hitting rock bottom.

With regard to the P&I insurance industry, the number of claims has generally been on the decline in recent years. On the other hand, shipowners bear extra burdens as some new maritime conventions have recently come into force and some existing conventions have been amended. The 2014 amendments to the Maritime Labour Convention,

2006 (MLC) entered into force on 18 January 2016. The International Group of P&I Clubs including the Association decided to issue MLC Certificates for Members to meet the financial security requirements under the MLC. With further environmental regulations on the horizon, shipowners' responsibilities are increasing all the time and P&I insurance will play a more important rôle than ever.

As of the end of March 2017, we had 3,195 Members. There were 4,364 vessels entered, and the total amount of entered tonnage was 91.5 million gt. We greatly appreciate our Members' understanding and continued cooperation, without which the Association could not have developed to such an extent in the increasingly competitive P&I insurance market.

The business year 2017 marks the final year of the three-year Medium-Term Operational Plan: "JPI's CHANGE Phase II", which began in 2015. Bearing in mind the Association's management philosophy, which is "to protect the interests of our Members, to promote the sound development of the Association, and to contribute to a more secure and stable management of the shipping and related maritime industries by providing shipowners' liability insurance to our Members", we will exert further efforts towards the next Medium-Term Operational Plan.

Thank you again for your continued support and cooperation.

19 July 2017

  
Eizo Murakami, Chairman





## Statement of Director General

Hiroshi Sugiura, Director General

### To be a more credible Club

I am Hiroshi Sugiura, appointed to serve as Director General of the Association at the 67th Ordinary General Meeting of the Members of the Association and the 595th Meeting of the Board of Directors on 19th July 2017.

I am delighted that the issuing of this, our Annual Report 2017, gives me the opportunity of delivering my first statement as Director General.

First, I would like to record my gratitude to our Members for their good cooperation with and understanding of the Association.

I promise to devote myself to achieving the Association's management philosophy goal, which is to contribute to the stable development of the marine transportation industry and Members' business by providing P&I insurance, the absolutely essential product for supporting the safe navigation of vessels, and I will appreciate Member's guidance and encouragement in this.

As I hope you know, the Association has a Medium-Term Operational Plan, "JPI's CHANGE Phase II", on which former Director-General Minagawa worked so diligently. I would like to review our achievements of the 2016 business year, the second year of the plan, by reference to its three management strategies - "Reliability", "Soundness", and "Competitiveness".

The first of these is "Reliability". The Association focused on our loss prevention activities during this year, such as improving the "Japan P&I PEME Package", the Association's own Pre-Employment Medical Examination scheme for Filipino seafarers. In addition, the Association sought to enhance the activities introduced in previous years, such as holding our various well-regarded seminars in Asia and using our website, circulars and bulletins to provide more and more information to support the safe navigation of the vessels entered with us.

In the 2016 business year, our loss ratio was relatively favourable for both ocean-going vessels and Japanese coastal vessels (Naiko Class, fixed premium). The Association believes this is the fruit of our Members' continuous loss prevention activities. We will also continue our own various loss-prevention initiatives and do what we can contribute to the safe navigation of our entered vessels.

Moreover, the Association strove to improve our FD&D claims handling service by employing an English-qualified lawyer and holding internal study workshops. By raising the quality of our claims-handling skills, the Association seeks to grow and advance as a Club in whom Members have complete trust.

Secondly, as regards "Soundness", the Association worked further on its Enterprise Risk Management (ERM) system. Under the system, which we started using in the 2015 financial year, the Association has been monitoring the balance of risk and capital in order to check the Association's financial soundness, and has been taking necessary measures to maintain this at the appropriate level.

As to the last of the three strategies, "Competitiveness", the Association declared a nil general increase in all classes of entries to support Members in the severe business conditions they are facing, and having taken the moderate claim trends of the Association into account. The Association also reduced the percentage of the supplementary call payable for the 2015 policy year to 30% from the scheduled 40% for ocean going vessels, which actually meant returning the balance 10% (equivalent to JPY1,700 million) to Members with the owner's entries in this class. The P&I insurance market has been getting more and more competitive year by year, yet this will not stop the Association endeavouring to be the Club most in step with Members in the future.



The Association's financial situation for this 2016 business year is summarised as follows. "Ordinary Income" increased by JPY405 million from last year to a total of JPY20,095 million. This was underpinned by an increase of "Investment income", with high stock markets prevailing and despite a decrease in the "Net premium written" brought about by continued sale and scrapping of vessels. "Ordinary expenses" decreased by JPY2,472 million this year to JPY17,396 million, with a decline of "Net claims paid" reflecting the Association's good loss record. As a result, the "Ordinary surplus" was JPY2,700 million, an increase of JPY2,877 million compared to last year's deficit, and the "Surplus after income taxes" was JPY1,945 million this year.

Consequently, the amount of reserves increased to JPY23,383 million in total, JPY2,297 million up from last year. The Association maintained a BBB+ credit rating with a stable outlook as earned from Standard & Poor's in previous years.

In the 2017 business year, which is the final year of "JPI's CHANGE Phase II" three year plan, the Association will turn our plans of improving our service to Members into reality.

As to "Reliability", the Association will reinforce our FD&D claims handling service with the employment of another English-qualified lawyer and the enhancement of our internal study workshops. The Association will also improve the Japan P&I PEME Package and encourage more Members to utilize the scheme to prevent claims. Additionally, the Association will continue to hold seminars in Asian countries and provide useful information through our user-friendly website.

As to "Soundness", the Association will, not only monitor its risk and capital balance but engage in improving the ERM system to strengthen the Association's financial soundness.

Finally, "Competitiveness". The Association will continue to provide insurance products appealing to Members by accurately assessing Members' needs and reviewing our current insurance products and rating schemes. We shall also enhance our business activities worldwide, especially in Asian countries.

By responding flexibly to changing circumstances, the Association shall work hard to satisfy Member's need and maintain and grow their confidence in us. I would ask Members please to ensure that they operate their vessels with loss prevention firmly in mind, and to continue to support us in our further growth.

I deeply appreciate the attention and co-operation provided by Members.

19 July 2017

杉浦 哲

Hiroshi Sugiura, Director General

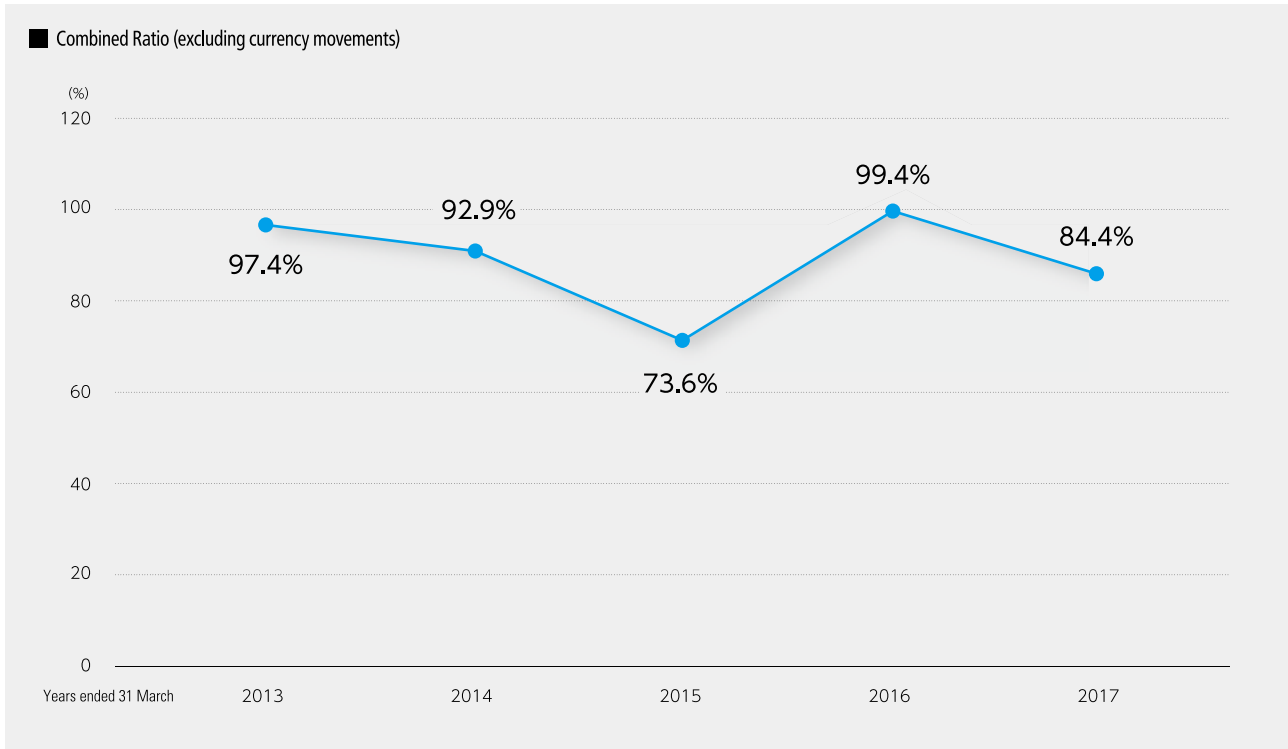
# Business Report

---

- ▶ Combined Ratio
- ▶ Entered Tonnage
- ▶ Calls / Premiums
- ▶ Trend of Claims
- ▶ Trend of Pool Claims
- ▶ Reinsurance
- ▶ Loss Prevention
- ▶ Investments
- ▶ International Group's Topics
- ▶ Enterprise Risk Management System



## Combined Ratio



	2017	2016
Combined Ratio (Excluding currency movements in reserve for outstanding claims)	84.4%	99.4%
(Impact on the ratio currency)	(-0.7%)	(-11.6%)
Combined Ratio (Including currency movements in reserve for outstanding claims)	83.7%	87.8%

(for the years ended 31 March 2017 and 2016)

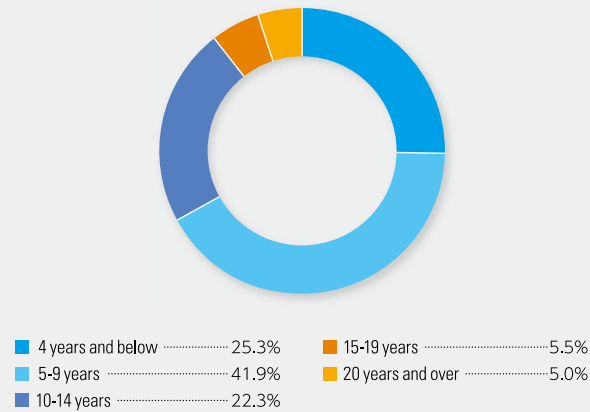
The Association holds an appropriate amount of investment assets to offset with foreign currency exchange risk caused by liabilities in foreign currency (reserve for outstanding claims).

The table above shows the combined ratios in both including and excluding currency movements.

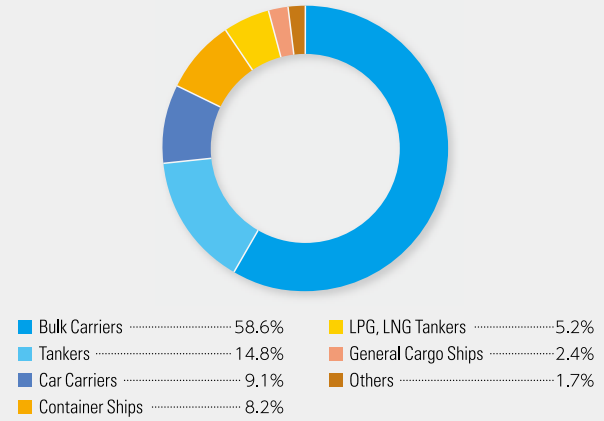


# Entered Tonnage

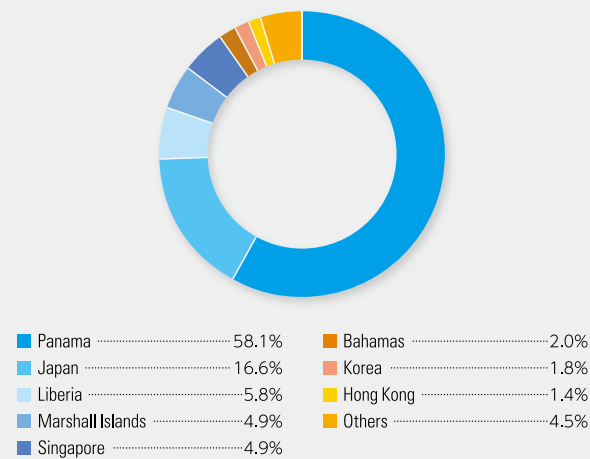
■ Entered Tonnage by Age (as of commencement of the 2017 policy year)



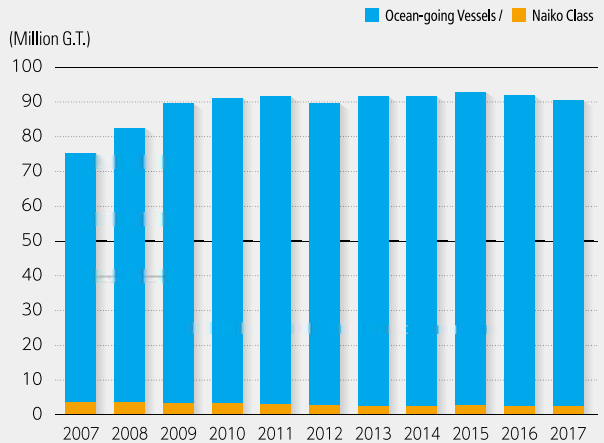
■ Entered Tonnage by Type (as of commencement of the 2017 policy year)



■ Entered Tonnage by Ship's Registry (as of commencement of the 2017 policy year)



■ Entered Tonnage (as of commencement of each policy year)



During the course of the 2016 policy year, the Association had new entries of approximately 170 vessels / 6 million gt for owners' entries and approximately 90 vessels / 85 thousand gt of Naiko Class entries (Japanese coastal vessels), although the Association faced a large number of cancellations due to the selling and scrapping of vessels in a stagnant shipping market. The new entries were contributed mainly by the existing Members, who received the delivery of new buildings and purchased second hand vessels.

At renewal on 20 February 2017, the Association's entered tonnage amounted to approximately 88.2 million gt for owners' entries and 2.5 million gt for Naiko Class entries, like last year, a stable volume of tonnage. The chartered tonnage reduced slightly by 0.3 million gt to 12.2 million gt. For achieving this result, the Association was supported by the Members in Japan and other Asian countries, while the business conditions surrounding them were severe.

As to the composition of the Association's entered tonnage by age, around 67% is less than 10 years old. In the light of 61% of the world fleet being less than 10 years old, it can be said that the Association keeps benefitting more from having younger vessels entered. As to the entered tonnage by type, bulk carriers accounted for the largest proportion, at nearly 60%, followed by tankers and car carriers. Though the fact of bulk carriers constituting the majority of our entries has not changed for many years, the percentages of other types of vessel are gradually increasing.

At the end of the 2016 business year (31 March 2017), there were 4,364 vessels entered, comprised of 2,326 owners' entries and 2,038 for Naiko Class entries. The total amount of entered tonnage was 91.5 million gt, consisting of 89.0 million gt for owners' entries and 2.5 million gt for Naiko Class entries.





## Renewal at 20 February 2017

The 2017 renewal came during the stable claims trend of recent years. Having considered various factors such as the Members' difficult business environment, as well as ensuring the soundness of the Association's income and expenditure, the Association decided to apply a nil general increase in all classes of entries, i.e., owners' entries, charterers' entries, Naiko Class entries and FD&D cover.

Furthermore, for owners' entries, the supplementary call for the 2015 policy year was reduced to 30% from the scheduled 40%, which means returning the balance of 10% (equivalent to JPY1,700 million) to the Members.

In addition, the International Group (IG)'s reinsurance costs decreased mainly as a result of a very limited number of large claims in excess of the IG's pool limit. Please also refer to the section on "Reinsurance" (p.12) for further information regarding the IG reinsurance programme.

### Change in General Increase / Supplementary Calls over the last 10 years

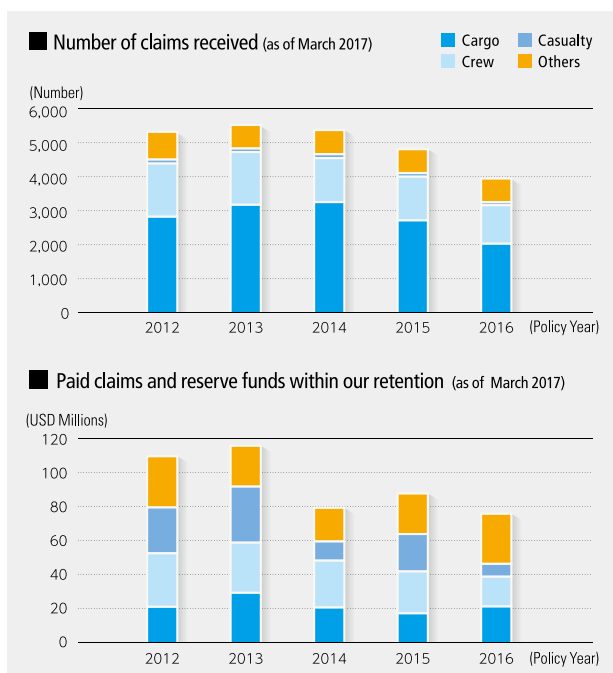
Policy Year		2008 / 09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 / 18
General Increase	Mutual Entries	20	12.5	12.5	10	3	5	7.5	3	3	0
	Fixed Premium Entries	0	10	0	20	0	0	0	0	0	0
Supplementary Call	Original Estimate	30	40	40	40	40	40	40	40	40	40
	Amount Called	30	40	50	40	40	40	20	30		
	Current Estimate	Closed	Closed	Closed	Closed	Closed	Closed	0	10	40	40



The number of claims has decreased in the past several years, along with the total amount of paid claims and reserve funds within our retention (Paid & Reserve). The total number of claims for ocean-going vessels and Naiko Class for the 2016 policy year was about 4,200. Paid & Reserve was about USD76 million for ocean-going vessels and JPY1,100 million for Naiko Class. In the 2016 policy year, the Association had 1 claim costing more than USD9 million for ocean-going vessels and no major incidents (costing more than JPY300 million) in our Naiko Class entries. In the 2015 policy year, the Association had 1 claim costing more than USD9 million for ocean-going vessels and 2 Naiko Class claims which each cost more than JPY300 million.

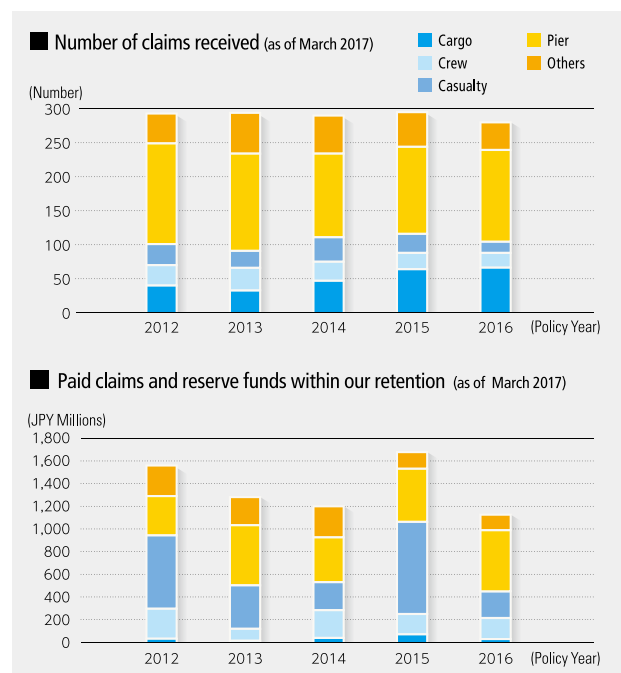
## Ocean-going vessels

The number of claims has gradually decreased in the past 5 years. The most frequently occurring types of claim have been "Cargo" followed by "Crew". Cargo matters account for between 51% and 60% of claims for the past 5 years, although the number varies each year. Crew claims account for between 24% and 29%, their number gradually decreasing in the past 5 years. The average number of "Marine Casualties" (collision, sinking, fire, stranding, oil pollution) was about 110 per annum, about 2% of total claims. Although the number of marine casualties is limited, the Paid & Reserve per case can be substantial. Marine casualties significantly affect a Member's loss record, and account for between 9% and 29% of the total Paid & Reserve.



## Naiko Class

The number of claims has been stable for the past 5 years. The most frequently occurring types of claim have been "FFO" (damage to Fixed & Floating Objects), which account for between 42% and 51% for the past 5 years. Although the average number of "Marine Casualties" was 28 per annum, or about 9% of total claims, a serious marine casualty has a significant effect on a Member's loss record. In the 2015 policy year, the Association experienced 2 cases costing more than JPY300 million each and the Paid & Reserve for marine casualties accounted for about 50% of total amount of all Naiko class payments. On the other hand, there were no major incidents (costing more than JPY300 million) for Naiko Class entries in the 2016 policy year and the total Paid & Reserve was about JPY1,100 million.



\* Both the number of claims and total amount of paid claims and reserve funds relate to claims which have been reported and do not include IBNR's (claim which have been incurred but not reported).

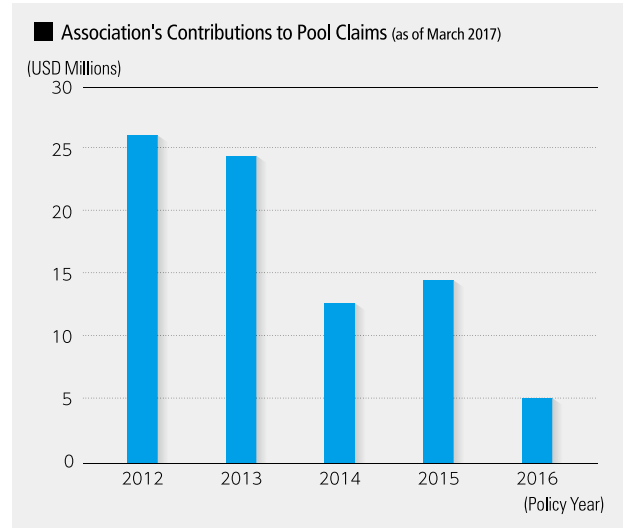
\* "Ocean-going vessels" are entries for vessels engaged in international navigation, entries which include "Ocean-going vessels (mutual entries)," "special cover for charterers," "special cover for Freight, Demurrage and Defense (FD&D)" and others. "Naiko Class" consists of entries for vessels which navigate waters, lakes and rivers in Japan (fixed premium entries)."



## Trend of Pool Claims

Amongst the International Group Clubs, the loss record for the 2015 policy year is quite significant because of the impact of a couple of large claims. However, the Association's contributions in the said policy year as of March 2017 is relatively low, being approximately USD14.3 million, because of the low pooling percentage applicable to our contributions.

There are very good signs for the 2016 policy year in terms of both the number and amount of claims notified to the IG Clubs. No individual claim has yet reached the pool limit of USD80 million. The Association's contribution as of March 2017 is about USD5 million, which is less than half the amount contributed in the 2015 policy year as of March 2016 (about USD12.1 million), and which makes the 2016 policy year the most benign of recent years.





Effective reinsurance arrangements play a key role in stabilising the insurance risk exposure which the Association may face as a result of huge losses and in providing the insurance cover necessary for Members at a fair and reasonable cost. The Association's reinsurance arrangements consist of the International Group (IG) Pool and Reinsurance Programme and the Association's own reinsurance programme.

### IG Pool and Reinsurance Programme

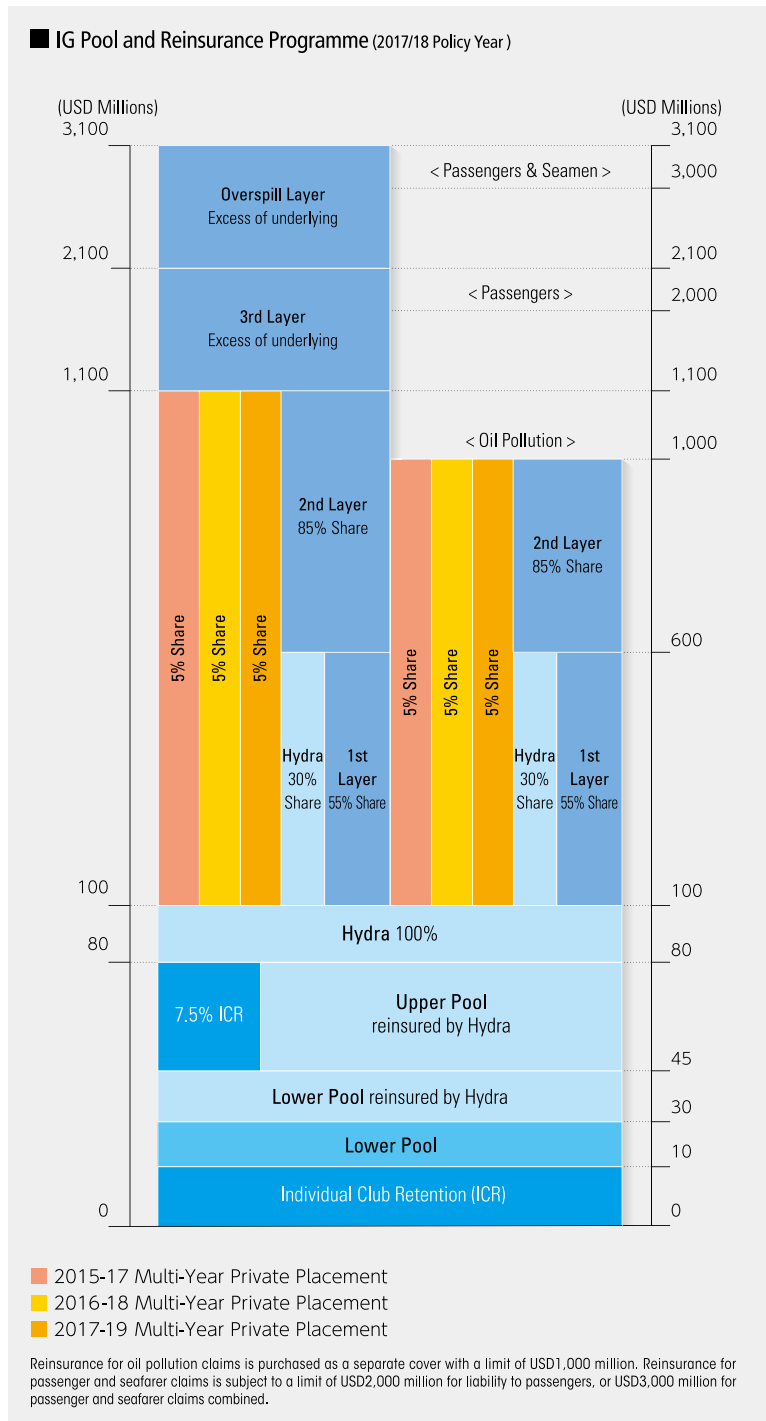
The 2016 policy year was a benign claims year in terms of both number and amount. In particular, as of 20 February 2017, no claim had reached the Group's market reinsurance (general excess loss) attachment point of USD80 million. This, combined with increased market capacity, resulted in reductions in reinsurance rates for all kinds of vessels.

#### General Structure

Please see the diagram on the right for further details of the programme. Commercial reinsurance cover of just over USD3 billion is provided to the Members of all Clubs in the International Group.

### The Association's own reinsurance arrangements

The Association has arranged our own reinsurance programme for Naiko Class, charterers, FD&D and claims within the club retention of USD10 million etc., in order to achieve and maintain stable risk management. Since over the last few years including the 2016 policy year, very few new claims have been made on the Association's own reinsurance, and as a result of the soft reinsurance market, we were able to renew the overall programme on improved terms with premium reduction.





Hand in hand with an increase in the size of vessels has come much more expensive claims when accidents occur. Environmental damage claims have grown more and more serious, with significant impacts both on the claim amount but on the Members' business itself. The Association is enhancing its loss prevention activities to contribute to the prevention not only of P&I losses but of any sort of maritime accidents. JPI staff includes those who have excellent experience as a master mariner or a chief engineer, and they provide lots of valuable safe voyage information.

Here, the Association will introduce the following loss prevention activities.

1. **Loss Prevention Seminars.**
2. **Condition Surveys** to confirm the current status of Members' vessels.
3. **Loss Prevention Bulletins** reflecting the concerns of our Members.

### 1. Loss Prevention Seminars

In the Association, an experienced master mariner and colleagues conduct Loss Prevention Seminars in Japan and in other Asian countries. Thanks to regular favorable responses from Members, the Association has held the seminar about 100 times in 2016. There are two types of seminar. One is an "open seminar" which is advertised to the public by way of our website. The other is an "individual seminar", tailored according to Members' requests.

In Japan we have held open seminars in Hakodate, Nagoya, Onomichi, Kure, Tokushima, Takamatsu, Hakatajima, Yawatahama, Saeki and Okinawa, as we are not limited to Tokyo, Kobe, Fukuoka and Imabari where the headquarters and branches of our Association are located. We have also held open seminars in Korea (Seoul, Busan), Taiwan (Taipei, Kaohsiung), Hong Kong and Philippines (Manila), as well as in Singapore where we have a branch office. Fortunately, we have heard high evaluations for both.

Also, in order to make our seminars more useful, the Association actively incorporates into the seminar discussions of recent trends in the topic and requests from participants.

For individual seminars, the Association will meet Members' needs by following their requests flexibly on matters such as theme/time/place and so on. We hold individual seminars not only in Japan, but in other Asian countries as well. We plan to hold individual seminars in Indonesia and Vietnam in 2017. We will seek to continue to improve our seminars by listening to our Members' feedback on them.

We can provide our individual seminars as part of an internal study group or safety committee put together by Members. As far as possible, we will follow Members' requests as regards subject matter and time, so please do not hesitate to contact us.







## 2. Condition Surveys

One of the major pillars of our loss prevention activities is condition surveys, which the Association conducts on vessels which meet certain criteria.

In condition surveys, the surveyors are sent from survey firms commissioned by the Association to examine not only the seaworthiness and cargoworthiness of the vessel, but certificates on board, the maintenance status of each department, life-saving/fire-fighting appliances, safety equipment and so on. We conduct condition surveys using the common inspection form of the International Group. The Association instructs Members to take necessary corrective action if any defects are found during the survey. The survey is aimed to prevent accidents and so lead to reduced insurance payments. In order to prevent future accidents, the Association may recommend such action to Members even if the defect has not been pointed out by previous Class or other industry inspections.

Through condition surveys, it is possible to assess the state of the ship, and the ship inspection know-how can be shared. The Association would ask Members to think of the condition survey as "a tool" to assist their superintendent and ship management company in their daily business, and to recognise how useful it is in assisting safe navigation and preventing accidents.

## 3. Loss Prevention Bulletins (information provision)

The Association finds out from Members what information Members need, and issues "Loss Prevention Bulletins (LPB)" dealing with these topics. In particular, all Members are interested in preventing accidents. In recent years, the Association's LPB have dealt with environmental subjects, new equipment, and safe navigation. With respect to LPB No.39, which covered "ECDIS", we received many inquiries not only from the shipping industry but from government agencies and educational institutions as well. The Association is keen to issue Bulletins on topical subjects, so please let us know if there is anything in particular you would like us to deal with.

In addition, the Association sends Members printed versions of our Bulletins, which can be distributed to Members' vessels. The Bulletins can also be downloaded from our website. The Association is grateful to Members for reading our Bulletins, however they do so.

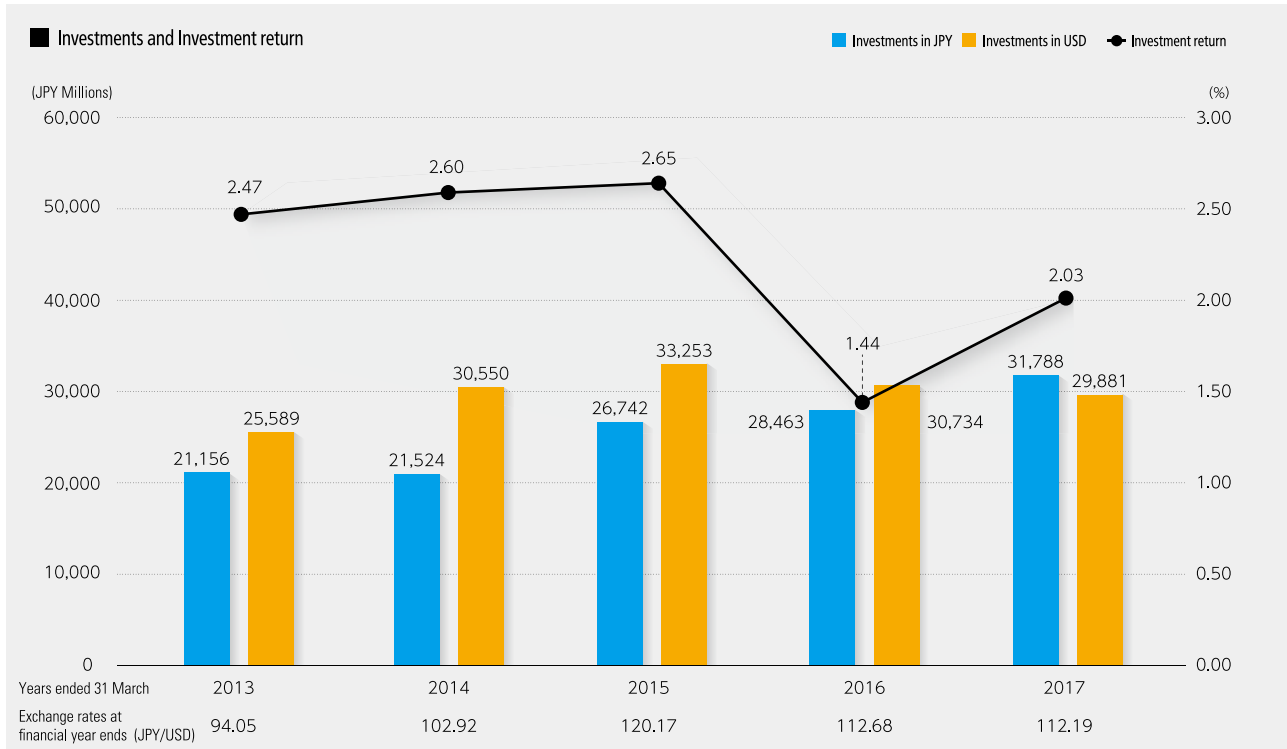
We have recently issued LPB No. 39.

Other recent back numbers are as follows.

LPB	Theme	Issued
No.37	Preventing Cargo Shortage	April 2016
No.38	Thinking Prevention of Engine Trouble	September 2016
No.39	ECDIS (Electronic Chart Display and Information System )	April 2017



# Investments



## Investments

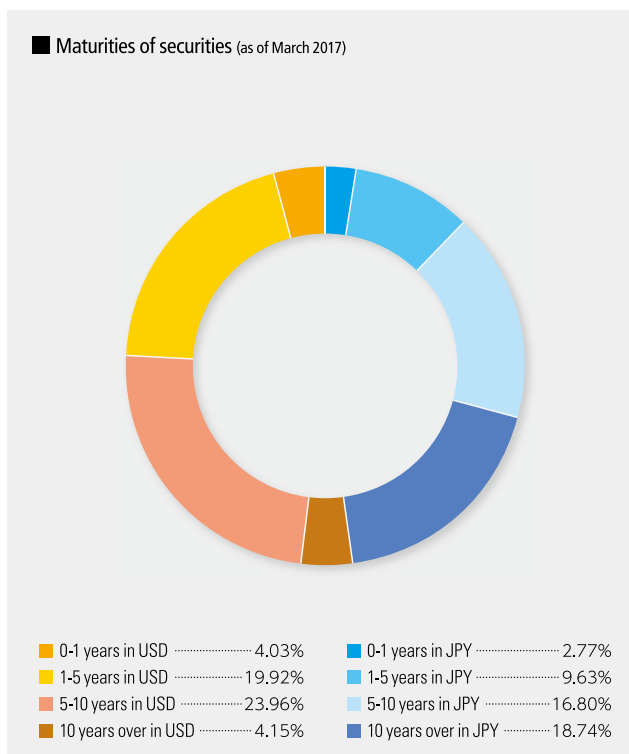
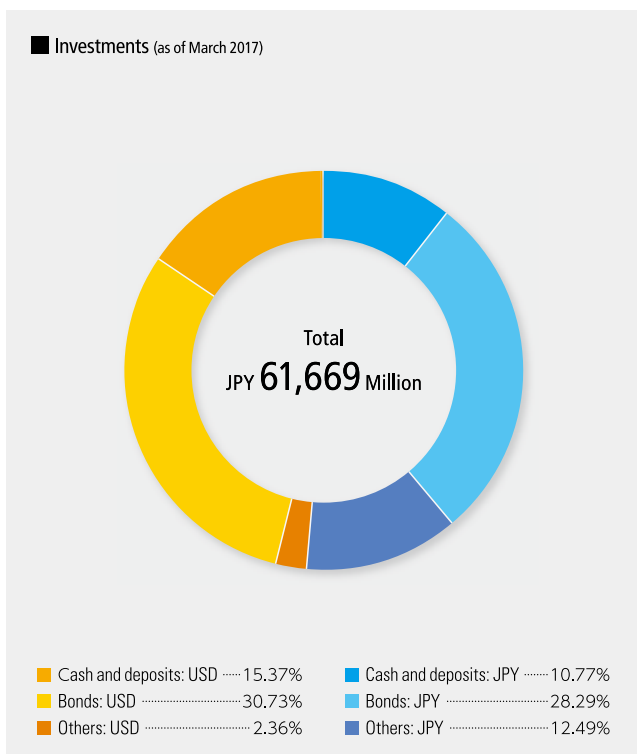
The Japanese economy is beginning to expand, although at a moderate pace, supported by the increasing trend of exports and capital investment. The Nikkei 225 Stock Average, which was JPY16,000 at the beginning of the financial year (which means the year ended of 31 March 2017; hereinafter “the FY”), plummeted temporarily after the Brexit referendum, but it rose after the presidential election of the United States, and the Average finally ended the FY at a high of JPY18,000. Japanese long term interest rates began ▲0.06% at the beginning of the FY due to the negative interest rate policy introduced by the Bank of Japan (hereinafter “the BOJ”) in the previous FY, and declined to ▲0.29%. The rates began to rise as no decision to decrease them further was made by the BOJ at the July monetary policy meeting and were back above 0% when the BOJ announced at their meeting in September an interest policy to target the 10-year government bond yield to about 0%. The rates continued to be slightly above 0% as the period drew to a close.

Long term interest rates in the US declined from 1.7% at the beginning of the year to 1.6% in July, but after the presidential election in November the long-term interest rate rose to 2.4% at the end of the FY.

Interest and dividends received during the year increased by JPY311 million to JPY1,094 million. The investment return increased to 2.03%, higher than in the previous FY.

Bonds are another area of our investments. The average yield of bonds in USD has risen due to additional bond purchases after a rise in long term interest rates in the US. The average yield of bonds in JPY has decreased as Japanese long term interest rates continued at the low level mentioned above. Investment trusts including domestic equities made a loss in the previous FY but this turned to a large profit in the FY, which contributed to the improvement of asset management results overall.

The total value of investments held by the Association increased by JPY2,472 million or 4.2% to JPY61,669 million. Total assets also increased, so that the proportion of investments to total assets decreased by 2.2 percent point to 87.7%. In addition, the decrease in USD investments was JPY130 million. This was due to a fall in the exchange rate from JPY112.68/USD to JPY112.19/USD, which actually means an increase of JPY2,602 million.



### Average Expense Ratio

There was no change in the basic plan for low risk investments during the FY. However, the proportion of assets other than bonds increased. This was due mainly to additional investment in investment trusts insulated from the influence of stock market prices.

The Association’s investments are managed in accordance with the Plan of Business Operations approved by the Japanese Financial Services Agency. As regards asset management, the regulations require that priority is given to sound investments. Hence, most of the Association’s investments, other than liquid deposits, are fixed-rate bonds. These include Japanese government and corporate and foreign bonds rated “A” or higher. The Plan helps reduce the Association’s risks to a minimum.

There is a risk that the Association’s liabilities in foreign currencies may deteriorate as a result of currency fluctuations. The Association holds funds in USD to meet such liabilities and assist in the minimisation of any future adverse currency variations.

The Association’s average expense ratio for the five years ended 20 February 2017 was 5.46%. The ratio has been calculated in accordance with the Schedule and the guideline issued by the International Group and is consistent with the relevant Financial Statements.



### 1. Adoption of “York Antwerp Rules (YAR) 2016”

The YAR 2016 were adopted by the Comité Maritime International (CMI) Assembly at its conference in New York in early May 2016. YAR, not being conventions or laws, but an international agreement, stipulate the scope of losses or expenses which are allowable as general average. The Rules are effective when incorporated into bills of lading, charter parties and other contracts of carriage. YAR 2004 were adopted in 2004 but were not in favour of shipowners as they narrowed what was allowable as GA. The Rules did not therefore achieve broad support from shipowners, and were very rarely used in contracts of carriage. Instead, the well-established and well understood YAR 1994 continued to be accepted. The development and finalisation of the YAR 2016 is the product of extensive co-operation between the International Group, the international average adjusting community, National Maritime Law Associations, the International Chamber of Shipping, BIMCO and IUMI aimed at resolving the contentious areas of YAR 2004.

The main changes in YAR 2016 are as follows :

- 1) Rule VI - Treatment for adjusting purposes of salvage remuneration,
- 2) Rule X - Expenses at ports of refuge,
- 3) Rule XI - Crew wages at ports of refuge,
- 4) Rule XIV - Treatment of temporary repairs,
- 5) Rule XVII - Exclusion of low value cargo,
- 6) Rules XX and XXI - Provisions relating to Commission and Interest.

The above 1), 2), 3) and 4) were amended to almost the equivalent of the YAR 1994 provisions. 5) is a new provision included to permit the possibility for exclusion from contribution of cargo where the adjuster considers that the cost of including it would be disproportionate to its eventual contribution.

Though there are a number of other edits and amendments to the YAR 2004 Rules, overall the YAR 2016 satisfactorily address the shipowners' concerns. In the circumstances, the Group clubs welcome and support the adoption of the YAR 2016 and recommend the incorporation of the YAR 2016 in Members' future shipping contracts.

### 2. Amendments to STOPIA 2006 and TOPIA 2006

The International Group reviewed and amended the Small Tanker Oil Pollution Indemnification Agreement (STOPIA 2006) and the Tanker Oil Pollution Indemnification Agreement (TOPIA 2006) agreed in 2006. Both Agreements contained identical review clauses providing for a review of 1992 CLC and 1992 Fund claims data from the period of 20 February 2006 (when both Agreements became effective) to 20 February 2016 in terms of efficiency, operation and performance. The amended points are as follows:

- a) The first period of review had been from 20 February 2006 to 20 February 2016 and such a review should have been repeated every five years thereafter under both Agreements. However, future reviews are aligned with the original review period of ten years. Thus, the next review will be carried out in 2026. The reason for changing the review period is that pollution claims data over just a five year period are insufficient to consider the approximate proportions in which the overall cost of such pollution claims under the Liability Convention and/or the 1992 Fund Convention and/or the Protocol has been borne respectively by shipowners and oil receivers.
- b) The cumulative claims data collected over all review periods since 20 February 2006 when both Agreements came into effect will be considered in future reviews, not just the claims data in that future review period. Though both Agreements contain clauses to adjust the financial burden where an imbalance arises between shipowners and oil receivers, if there is an imbalance and if that imbalance is adjusted based only on the pollution claim data over just a ten year period, where there is maldistribution of the number of claims and the amount of claims, there might not be a fair adjustment between shipowners and oil receivers.
- c) The following articles are newly inserted responding to the circumstances where no indemnification shall be payable to the 1992 Fund:
  - (i) where payment by the Participating Owner of Indemnification to the 1992 Fund, or payment by his Club to indemnify him in respect thereof, would expose either the Participating Owner or his Club to Sanctions Risks; or
  - (ii) The Participating Owner is or would be unable to recover an indemnity from his Club due to terms of cover which exclude or limit the liability of the Club where payment would expose the Club to Sanctions Risks, or where by reason of such risks there is or would be a shortfall in recovery from the International Group Pool and/or Hydra and/or under any other reinsurance/s.

The amended Agreements took effect on 20 February 2017 having been re-titled STOPIA 2006 (as amended 2017) and TOPIA 2006 (as amended 2017).



## Enterprise Risk Management System

---

P&I insurance covers the liabilities to third parties that Members may incur as an owner or a charterer in navigating of their vessels. Because of the broad nature of P&I coverage and the possibility of very high claims, it is clear that the Association as the provider of the insurance bears big and highly volatile risks.

The Association has taken various measures down the years in order to hedge these risks, such as arranging several reinsurances, including the International Group's reinsurance scheme, so that we can be certain of providing Members with sufficient P&I coverage whenever it is needed.

In addition to reinsurance, we have recently introduced the Enterprise Risk Management (ERM) system into our planning. Through monitoring a balance of risk and capital the Association holds on a regular basis, the system enables us to assess our financial soundness and to take proper measures depending on particular situations. The Risk Management

Committee, established under our internal ERM rules, periodically monitors the balance of risk and capital to make sure that the Association has adequate capital to cover the risk to which the Association is exposed, and any changes in this since the last monitoring.

As shown by the EU's Solvency II regime, which came into force in January 2016, there has been a global escalation of capital-related regulatory requirements, and entities in the financial industry including the insurance sector are working eagerly to make their ERM system more accurate and so help them comply with the increasing regulations.

As it seems that Japan will follow such global stream in the not too distant future, the Association is ensuring that its ERM system will remain relevant and accurate over the long term, in order to continue to offer our high-quality service to Members on a firm financial basis.





# Financial Statements

- ▶ Report of the Independent Auditors
- ▶ Income and Expenditure Accounts
- ▶ Balance Sheets
- ▶ Statements of Cash Flows
- ▶ Notes to the Financial Statements
- ▶ Reserves
- ▶ Policy Year Statements



## **Independent Auditor's Report**

To Mr. Yoshikazu Minagawa  
Director General, Representing Director  
The Japan Ship Owners' Mutual Protection & Indemnity Association

We have audited the accompanying financial statements of The Japan Ship Owners' Mutual Protection & Indemnity Association ("the Association"), which comprise Balance Sheets as at 31 March 2017 and 2016, and Income and Expenditure Accounts, Statements of Cash Flows for the fiscal years then ended, and Notes to the Financial Statements. The financial statements have been prepared by management of the Association in accordance with the basis set out in the Notes A and B to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements in accordance with the basis set out in the Notes A and B to the financial statements, for determining that the basis of preparation is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above are prepared, in all material respects, in accordance with the basis set out in the Notes A and B to the financial statements.

### *Basis of accounting*

Without modifying our opinion, we draw attention to the Notes A and B to the financial statements, which describes the basis of accounting. The financial statements are prepared to be used for parties related to the Association. As a result, the financial statements may not be suitable for another purpose.

### *Convenience translation*

The U.S. dollar amounts in the accompanying financial statements with respect to the year ended 31 March 2017 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in the Note A-2 to the financial statements.

*PricewaterhouseCoopers Aarata LLC*

14 July 2017

### *Notice to Readers:*

The presentation of "Note C Other Notes to Financial Statements" is not required by accounting principles generally accepted in Japan, and has not been audited by the independent auditor.

### **PricewaterhouseCoopers Aarata LLC**

Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan  
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, [www.pwc.com/jp/assurance](http://www.pwc.com/jp/assurance)



## Income and Expenditure Accounts

for the years ended 31 March 2017 and 2016

	Notes	Unit:JPY Millions		Unit:US\$000s
		2017	2016	2017
				Note A-2
<b>Operating income</b>				
Calls and premiums written	B-3,C-1	¥23,461	¥25,198	\$209,115
Reinsurance premiums ceded	B-3,C-2	5,512	6,674	49,132
Net premiums written	B-3	17,949	18,524	159,983
Change in unearned premium reserve	B-3	1,348	299	12,011
Exchange losses from underwriting activities		(26)	(228)	(237)
Interest and dividends income	B-3,C-3	824	827	7,344
Gains (losses) on money trusts	B-3	262	(48)	2,338
Profit on sales of securities		8	4	72
Foreign currency exchange losses from investing activities		(565)	(2,110)	(5,040)
Other ordinary income		52	124	465
<b>Total operating income</b>		<b>19,852</b>	<b>17,392</b>	<b>176,936</b>
<b>Operating costs and expenses</b>				
Claims paid	B-3,C-4	13,691	18,451	122,032
Reinsurance claims recovered	B-3,C-5	1,464	4,940	13,045
Net claims paid	B-3	12,227	13,511	108,987
Change in reserve for outstanding claims	B-3	1,528	621	13,617
Change in catastrophe reserve		542	557	4,828
Operating expenses	B-3	2,708	2,737	24,134
Other ordinary expenses		147	143	1,307
<b>Total operating costs and expenses</b>		<b>17,152</b>	<b>17,569</b>	<b>152,873</b>
<b>Ordinary surplus (deficit)</b>		<b>2,700</b>	<b>(177)</b>	<b>24,063</b>
<b>Special losses</b>				
Other special losses		2	0	18
<b>Surplus (deficit) before income taxes</b>		<b>2,698</b>	<b>(177)</b>	<b>24,045</b>
Current income taxes		2,171	233	19,348
Deferred income taxes	B-20,21	(1,418)	(277)	(12,635)
<b>Total income taxes</b>	B-4	<b>753</b>	<b>(44)</b>	<b>6,713</b>
<b>Surplus (deficit) after income taxes</b>		<b>1,945</b>	<b>(133)</b>	<b>17,332</b>
Surplus balance after appropriation	B-5	6	10	60
<b>Unappropriated surplus (deficit), ending balance</b>		<b>¥1,951</b>	<b>¥(123)</b>	<b>\$17,392</b>
				¥112.19=US\$1.00

The accompanying notes are an integral part of these financial statements.



## Balance Sheets

as of 31 March 2017 and 2016

	Notes	Unit:JPY Millions		Unit:US\$000s
		2017	2016	2017
				Note A-2
<b>Assets</b>				
Cash and deposits at banks	B-10,C-6	¥16,132	¥20,781	\$143,792
Money trusts	B-7,10,C-7	4,599	3,035	40,994
Securities	B-6,10,23,C-8	40,954	35,467	365,040
Property, plant and equipment	B-8,18,19,C-9	1,091	1,097	9,725
Intangible assets	B-9,C-10	155	229	1,383
Other assets	B-10,14,C-11	2,784	2,039	24,811
Deferred tax assets	B-20,21	4,687	3,227	41,778
Reserve for bad debts	B-10,12	(77)	(39)	(689)
<b>Total assets</b>		<b>70,325</b>	<b>65,836</b>	<b>626,834</b>
<b>Liabilities</b>				
Technical provisions				
Reserve for outstanding claims	B-24,C-12	32,904	31,377	293,292
Unearned premium reserve	B-24,C-13	9,891	11,238	88,157
Catastrophe reserve	B-16	15,471	14,929	137,900
Other liabilities				
Reserve for bonuses	B-13	93	101	828
Reserve for directors' retirement benefits	B-15	115	112	1,021
<b>Total liabilities</b>		<b>62,413</b>	<b>59,680</b>	<b>556,311</b>
<b>Net assets</b>				
Capital contribution fund		119	121	1,055
Retaining earnings	B-3	7,336	5,392	65,393
Net unrealized gains on securities	C-15	457	643	4,075
<b>Total net assets</b>		<b>7,912</b>	<b>6,156</b>	<b>70,523</b>
<b>Total liabilities and net assets</b>		<b>¥70,325</b>	<b>¥65,836</b>	<b>\$626,834</b>
				¥112.19=US\$1.00

The accompanying notes are an integral part of these financial statements.



# Statements of Cash Flows

for the years ended 31 March 2017 and 2016

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
Note			Note A-2
<b>Cash flows from operating activities</b>			
Surplus (deficit) before income taxes	¥2,698	¥(177)	\$24,045
Depreciation	104	110	928
Increase in reserve for outstanding claims	1,528	621	13,617
Decrease in unearned premium reserve	(1,348)	(299)	(12,011)
Increase in catastrophe reserve	542	558	4,828
Increase (decrease) in reserve for bad debts	39	(74)	345
(Decrease) increase in reserve for bonuses	(8)	6	(70)
Increase in reserve for directors' retirement benefits	3	32	25
Interest and dividend income	(824)	(827)	(7,344)
Foreign currency exchange losses	565	2,110	5,040
(Gains) losses on specified money trust	(264)	47	(2,350)
Gains on securities	(8)	(4)	(72)
Losses on property, plant and equipment	2	0	18
(Increase) decrease in other assets	(747)	885	(6,662)
Increase (decrease) in other liabilities	51	(531)	456
Sub-total	2,333	2,457	20,793
Interest and dividends received	846	851	7,540
Income taxes paid	(205)	(1,574)	(1,827)
<b>Net cash provided by operating activities</b>	<b>2,974</b>	<b>1,734</b>	<b>26,506</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(22)	(33)	(194)
Purchases of intangible assets	(5)	(173)	(44)
Purchases of time deposits	(5,528)	(2,440)	(49,270)
Proceeds from maturity of time deposits	5,251	2,948	46,803
Purchases of specified money trust	(1,300)	(300)	(11,587)
Purchases of securities	(8,267)	(5,886)	(73,689)
Proceeds from sales or maturity of securities	2,187	2,616	19,491
<b>Net cash used in investing activities</b>	<b>(7,684)</b>	<b>(3,268)</b>	<b>(68,490)</b>
<b>Cash flows from financing activities</b>			
Proceeds of capital contribution fund from members	4	4	32
Refund of capital contribution fund to members	(7)	(8)	(66)
<b>Net cash used in financing activities</b>	<b>(3)</b>	<b>(4)</b>	<b>(34)</b>
Effect of foreign currency exchange rate changes on cash and cash equivalents	(212)	(564)	(1,881)
Net decrease in cash and cash equivalents	(4,925)	(2,102)	(43,899)
Cash and cash equivalents at beginning of year	19,767	21,869	176,191
<b>Cash and cash equivalents at end of year</b>	<b>¥14,842</b>	<b>¥19,767</b>	<b>\$132,292</b>
B-25			¥112.19=US\$1.00

The accompanying notes are an integral part of these financial statements.





# Notes to the Financial Statements

## A. Basis of Presentation

1: In accordance with the Insurance Business Act, the financial year for an insurance company in Japan is from 1 April to 31 March. The financial year of the Japan Ship Owners' Mutual Protection & Indemnity Association (the "Association") conforms with this requirement. The accompanying financial statements have been prepared from the financial statements disclosed for domestic reporting purposes by the Association in accordance with the provisions of Japanese Companies Act, the Ship Owners' Mutual Insurance Association Law of Japan, and related regulations which are different in certain respects with regards to application and disclosure requirements of International Financial Reporting Standards. The supplementary schedules required by the above-mentioned laws in Japan are omitted. However, the statement of cash flows, though not required, is voluntarily disclosed to provide information to readers. The statement of cash flows has been prepared based on "Standard of preparing the Consolidated Statement of Cash Flows, etc. (Japanese Business Accounting Council statement, 13 March 1998)" and "Practical Guideline in Preparing the Statement of Cash Flows for the Consolidated Financial Statements, etc. (Accounting Practice Committee No.8, 12 January 2011)". For the convenience of readers outside of Japan, certain reclassifications have been made in the accompanying financial statements. Amounts of less than one million yen and one thousand dollars are rounded.

### 2: Translation to U.S. Dollars

The accompanying financial statements are expressed in Japanese Yen and, solely for the convenience of readers, the statements for the year ended 31 March 2017 have been translated into U.S. Dollars at the rate of ¥112.19 = U.S.\$1, the middle rate prevailing on the Tokyo foreign exchange market on 31 March 2017. The functional currency of the Association is Japanese Yen, and the translation to the US Dollars is only for the convenience of readers.

## B. Notes prescribed by the laws and regulations

- 1: For foreign currency bonds, the Association records unrealized foreign exchange gains and losses with respect to the amortized cost denominated in foreign currency to the income and expenditure account in each respective period.
- 2: For the years ended 31 March 2017 and 2016, the aggregate revenue of business transacted with the subsidiary companies amounted to ¥28 million (\$251 thousand) and ¥37 million, respectively, and the aggregate expenses amounted to ¥36 million (\$324 thousand) and ¥45 million, respectively.

### 3: ① Net premiums written consist of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Calls and premiums written	¥23,461	¥25,198	\$209,115
Reinsurance premiums ceded	5,512	6,674	49,132
Net premiums written	¥17,949	¥18,524	\$159,983

The year ended 31 March 2017 includes 30% Supplementary Call for Policy Year 2015 in the amount of ¥5,157 million (\$45,964 thousand).

The year ended 31 March 2016 includes 20% Supplementary Call for Policy Year 2014 in the amount of ¥3,669 million.

### ② Net claims paid consist of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Claims paid	¥13,691	¥18,451	\$122,032
Reinsurance claims recovered	1,464	4,940	13,045
Net claims paid	¥12,227	¥13,511	\$108,987

### ③ Change in reserve for outstanding claims consists of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Change in reserve for outstanding claims, gross of reinsurance	(¥619)	¥124	(\$5,516)
Change in reserve for ceded outstanding claims	(2,147)	(497)	(19,133)
Change in reserve for outstanding claims	¥1,528	¥621	\$13,617

④ Change in unearned premium reserve consists of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Change in unearned premium reserve, gross of reinsurance	¥1,348	¥299	\$12,011
Change in ceded unearned premium reserve	-	-	-
Change in unearned premium reserve	¥1,348	¥299	\$12,011

⑤ Operating expenses consist of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Personnel expenditure	¥1,623	¥1,610	\$14,463
Cost of supplies	833	828	7,430
Brokerage	342	400	3,046
Reinsurance commission	(194)	(211)	(1,733)
Depreciation	104	110	928
Total	¥2,708	¥2,737	\$24,134

⑥ Interest and dividends income consist of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Interest on deposits and savings	¥84	¥72	\$745
Interest on securities	740	755	6,599
Total	¥824	¥827	\$7,344

⑦ For the years ended 31 March 2017 and 2016 valuation gains/(losses) of ¥264 million (\$2,350 thousand) and (¥47million) are included in "Gains on money trusts", respectively.

⑧ Retaining earnings consist of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Reserve for offsetting losses	¥175	¥175	\$1,562
Other retaining earnings	7,161	5,217	63,831
Special Reserve	5,210	5,340	46,439
Unappropriated surplus(deficit)	1,951	(123)	17,392
Total	¥7,336	¥5,392	\$65,393

4: Reconciliations between the effective statutory tax rate and the actual effective tax rate after application of deferred tax accounting for the year ended 31 March 2017 and 2016 are as follows:

	2017	2016
Effective statutory tax rate	27.92%	27.92%
Increase of deferred tax assets at the balance sheet date caused by change in effective statutory tax rate	△ 0.07%	0.56%
Entertainment and other expenses not deductible for tax purposes	0.26%	△ 2.72%
Taxation on per capita basis	0.06%	△ 0.84%
Others	△ 0.25%	△ 0.05%
Actual effective tax rate	27.92%	24.86%

5: Movement of unappropriated surplus (deficit) consists of the following:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
Beginning unappropriated (deficit) surplus balance	(¥123)	¥3,770	(\$1,099)
Transferred to special reserves	130	(3,760)	1,159
Surplus balance after appropriation	6	10	60
Surplus (deficit) after income taxes	1,945	(133)	17,332
Ending unappropriated surplus (deficit) balance	¥1,951	(¥123)	\$17,392

On July 19 2017, the amount of ¥1,950 million (\$17,381 thousand) out of ¥1,951 million (\$17,392 thousand) of unappropriated surplus as of 31 March 2017 will be transferred to special reserves.

**6:** The standards for valuation of securities are as follows:

- ① Shares of subsidiaries are stated at cost pursuant to the moving average method.
- ② Securities held to maturity are stated at amortized cost (straight line method) pursuant to the moving average method.
- ③ Marketable securities held as available for sale are stated at market price as of the balance sheet date. The unrealized gains/losses on the marketable securities are recognized directly within “Net assets” and the cost of securities sold is pursuant to the moving average method.
- ④ Non-marketable securities held as available for sale are stated at cost using the moving average method where the fair value is extremely difficult to determine.

**7:** Money trusts held for trading purposes are stated at the fair value.

**8:** Depreciation of property, plant and equipment is calculated using the declining–balance method. Fixtures attached to buildings and structures acquired on or after 1 April 2016 are calculated using the straight-line method.

**9:** The Association records software for internal use as an intangible asset. Depreciation on such assets is calculated using the straight line method based on an estimated useful life of 5 years.

**10:** Conditions of financial instruments and fair values are as follows:

- ① The Association’s investments policy is in accordance with its Business Operations Plan, as approved by the Financial Service Agency, and gives higher priority to investments which are considered stable. Financial instruments the Association holds are mainly cash and deposits at banks, money trusts, Japanese government bonds, Japanese local government bonds, corporate bonds and foreign securities. Holding these financial instruments exposes the Association to credit risk, foreign currency exchange risk, liquidity risk and other market risk factors. As for exposure to credit risk, investments in corporate bonds (including foreign securities) are limited to those with ratings of “A” or higher in principle. If an investment’s rating is downgraded below “A”, the Association would likely sell the investment after timely research of the issuer’s financial condition.

The Association’s exposure to foreign exchange risk exists mainly in holding foreign currency denominated bonds. Some foreign currency cash deposits are also held by the Association. Conversely, certain outstanding claim liabilities are denominated in foreign currencies which are also impacted by foreign currency exchange fluctuations. As such, the Association manages its exposure to fluctuations in foreign currency exchange rates by actively managing the proportion of the amounts of foreign assets and liabilities that it holds. As to liquidity risk, the Association considers its exposure to be low as most securities held would be expected to be readily sold in the open market when necessary. Regarding other market risk factors, as the Association mainly invests in bonds with high credit ratings and generally holds them until their maturity date, the Association considers the possibility that other market risks would have a significant impact on the Income and Expenditure Accounts to be remote. Regarding premiums receivables, although there is a risk of uncollectible accounts, the Association’s Underwriting Department strives to collect outstanding premiums in a timely manner and the section in charge in the head office continuously monitors the status of outstanding premiums receivable.

② Fair value of financial instruments

The amounts recorded in the balance sheet, fair value and the difference as of 31 March 2017 and 2016 are as follows:

	Unit:JPY Millions						Unit:US\$000s		
	2017			2016			2017		
	Balance Sheet amounts	Fair value	Difference	Balance Sheet amounts	Fair value	Difference	Balance Sheet amounts	Fair value	Difference
(a) Cash and deposits at bank	¥16,132	¥16,132	¥-	¥20,781	¥20,781	¥-	\$143,792	\$143,792	\$-
(b) Money trusts	4,599	4,599	-	3,035	3,035	-	40,994	40,994	-
(c) Securities									
Securities held to maturity	15,851	16,369	518	13,532	14,439	907	141,288	145,904	4,616
Marketable securities held as available for sale	23,891	23,891	-	20,723	20,723	-	212,953	212,953	-
(d) Premiums receivables	1,747			958			15,572		
Reserve for bad debts (*1)	△ 77			△ 39			△ 689		
	1,670	1,670	-	919	919	-	14,883	14,883	-
<b>Total financial assets</b>	<b>¥62,143</b>	<b>¥62,661</b>	<b>¥518</b>	<b>¥58,990</b>	<b>¥59,897</b>	<b>¥907</b>	<b>\$553,910</b>	<b>\$558,526</b>	<b>\$4,616</b>
(a) Foreign reinsurance payable	¥774	¥774	¥-	¥978	¥978	¥-	\$6,901	\$6,901	\$-
<b>Total financial liabilities</b>	<b>¥774</b>	<b>¥774</b>	<b>¥-</b>	<b>¥978</b>	<b>¥978</b>	<b>¥-</b>	<b>\$6,901</b>	<b>\$6,901</b>	<b>\$-</b>

(\*1) Net of general and individual reserve for bad debts on premiums receivables

(Remark 1) [ Assets ] (a) **Cash and deposits at banks**, (d) **Premiums receivables**...Cash and deposits at banks and premiums receivables are stated at the carrying amount as these are settled in the short term and those fair values are approximately equal to the carrying amount.

(b) **Money trusts**...The fair value of money trusts individually managed primarily for investments in securities are stated at the price provided by the trustee bank.

(c) **Securities**...Bonds and investment funds are mainly stated at the price presented by the financial institution.

[ Liabilities ] (a) **Foreign reinsurance payables**...Foreign reinsurance payables are stated at the carrying amount as these are settled in the short term and their fair values are approximately equal to the carrying amount.

(Remark 2) Unlisted stocks of ¥1,211 million (\$10,798 thousand) are excluded from (c) "Marketable securities held as available for sale" as no market prices exist and future cash flows are not estimable and therefore it is extremely difficult to determine the fair value.

11: The translation of foreign currencies to Japanese yen is carried out pursuant to the Accounting Standards for Foreign Currency Transactions.

12: A reserve for bad debts is estimated on the basis of past experience.

13: A reserve for bonuses is provided for at the amount estimated at the balance sheet date for future payments.

14: A reserve for retirement benefits is stated at the amount which would become liable to be paid should all of the staff employment contracts be voluntarily terminated at the balance sheet date after deduction of the fair value of the funded plan assets. At 31 March 2017 and 2016, prepaid pension cost of ¥109 million (\$967 thousand) and ¥83 million are included in Other assets, respectively.

15: A reserve for directors' retirement benefit is stated at the amount which has been incurred at the balance sheet date based on the bylaws of the Association.

16: A catastrophe reserve is established to ensure the continued solvency of the insurer in case of catastrophic losses beyond the scope of the insurer's general reserve assumptions and is accumulated over time based on the premiums written for each year. If the gross claims paid for a year exceed 80 percent of net premiums written of the year, the insurer may reverse a portion of the catastrophe reserve equal to the excess amount.

17: Consumption taxes are accounted for under the "tax inclusive" method.

18: Pursuant to revisions made to Corporation Tax Act, the Association applies "Practical Treatment on Changes to Depreciation Method

Pursuant to FY 2016 Tax Reform" (Practical Issues Task Force No. 32, 17 June 2016) from the beginning of this fiscal year and changes the method of depreciation from the declining-balance method to the straight-line method for fixtures attached to buildings and structures acquired on or after 1 April 2016. The effect of this change on profit and loss is immaterial.

- 19: Accumulated depreciation for property, plant and equipment amounts to ¥373 million (\$3,323 thousand) and ¥374 million at 31 March 2017 and 2016, respectively. Advanced depreciation amounts to ¥417 million (\$3,717 thousand) and ¥417 million at 31 March 2017 and 2016, respectively.
- 20: The total amounts of deferred tax assets and liabilities at 31 March 2017 and 2016 are as follows:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
<b>Deferred tax assets</b>	¥5,496	¥4,048	\$48,991
<b>Breakdown for major items</b>			
Underwriting reserve	¥2,747	¥2,747	\$24,489
Reserve for outstanding claims	1,960	669	17,469
Business tax	99	11	883
Special local corporation tax	41	4	364
Reserve for directors' retirement benefits	32	31	285
Reserve for bonuses	26	28	233
Deducted valuation reserve	(¥565)	(¥543)	(\$5,032)
<b>Deferred tax liabilities</b>	¥245	¥278	\$2,181
<b>Breakdown for major items</b>			
Unrealized gains on Marketable securities held as available for sale	¥214	¥255	\$1,911

- 21: Pursuant to the "Act on Partial Amendment to the Local Tax Act, etc." (Act No.13, 2016) enacted in the Diet session on 29 March 2016, the effective statutory tax rate was increased from 27.92% to 27.93% for the fiscal year ended 31 March 2018 and thereafter. The impact of this change in the effective statutory tax rate on deferred tax assets (net of deferred tax liabilities), net unrealized gain on securities, deferred income taxes and surplus after income

taxes was immaterial.

- 22: In addition to the property, plant and equipment recorded on the balance sheet, lease contracts are in place for copying machines.
- 23: Investment in subsidiaries amounts to ¥12 million (\$103 thousand) and ¥12 million at 31 March 2017 and 2016, respectively.
- 24: ① Reserve for outstanding claims with respect to reinsurance stipulated in Article 51 of the Enforcement Regulations of the Ship Owners' Mutual Insurance Association Law of Japan (the "Regulations") which is referred in Article 53.2 of the Regulations amounts to ¥8,326 million (\$74,209 thousand) and ¥10,472 million at 31 March 2017 and 2016, respectively.
- ② There is no unearned premium reserve with respect to reinsurance stipulated in Article 51 of the Regulations at 31 March 2017 and 2016.
- ③ There is no amount deducted relating to the distribution of surplus stipulated in Article 28 of the Regulations at 31 March 2017 and 2016.
- 25: Cash equivalents in the statement of cash flows are cash in hand, deposits at banks which can be withdrawn at any time and highly liquid short-term investments with an original maturity of three months or less, and are subject to insignificant risk of changes in value. The reconciliation of cash and cash equivalents on the statement of cash flows to cash and deposits at banks on the balance sheet is as follows:

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
			Note A-2
<b>Cash and deposits at banks</b>	¥16,132	¥20,781	\$143,792
<b>MMF, Short-term government bonds and Certificate of deposit included in securities</b>	0	0	0
<b>Deposits at banks of which contract is more than 3 months</b>	(1,290)	(1,014)	(11,500)
<b>Cash and cash equivalents</b>	¥14,842	¥19,767	\$132,292

There is no significant non-cash transaction entered into by the Association during the years ended 31 March 2017 and 2016.

Cash flows from investing activities include cash flows arising from asset management relating to the insurance business during the years ended 31 March 2017 and 2016.

## C. Other Notes to Financial Statements

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
<b>1: Calls and premiums written</b>			
Mutual			
Mutual premiums	¥14,832	¥17,829	\$132,201
Supplementary calls charged	5,157	3,669	45,964
Release calls	196	229	1,748
FD&D	174	198	1,550
Sub-total	20,359	21,925	181,463
Fixed premiums			
Coastal vessels entries	2,123	2,216	18,923
Charterers' entries	783	892	6,981
Others	196	165	1,748
Sub-total	3,102	3,273	27,652
<b>Total</b>	<b>¥23,461</b>	<b>¥25,198</b>	<b>\$209,115</b>
<b>2: Reinsurance premiums ceded</b>			
Group excess of loss	¥2,465	¥2,880	\$21,968
Others	3,047	3,794	27,164
	<b>¥5,512</b>	<b>¥6,674</b>	<b>\$49,132</b>
<b>3: Interest and dividends</b>			
Bank deposits	¥84	¥72	\$745
Japanese bonds	242	238	2,155
Foreign securities	433	475	3,865
Other securities	65	42	579
	<b>¥824</b>	<b>¥827</b>	<b>\$7,344</b>
<b>4: Claims paid</b>			
P&I	¥11,036	¥15,438	\$98,369
<i>Mutual</i>	<i>8,886</i>	<i>13,505</i>	<i>79,211</i>
<i>Coastal vessels entries</i>	<i>1,373</i>	<i>1,257</i>	<i>12,235</i>
<i>Charterers' entries</i>	<i>573</i>	<i>627</i>	<i>5,109</i>
<i>Others</i>	<i>204</i>	<i>49</i>	<i>1,814</i>
Other Associations' pool claims	2,507	2,914	22,345
FD&D	148	99	1,318
	<b>¥13,691</b>	<b>¥18,451</b>	<b>\$122,032</b>
<b>5: Reinsurance claims recovered</b>			
Group's pooling agreement	¥1,275	¥4,725	\$11,360
Group's excess loss reinsurance	-	-	-
Other reinsurers	189	215	1,685
	<b>¥1,464</b>	<b>¥4,940</b>	<b>\$13,045</b>

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
<b>6: Cash and deposits at banks</b>			
Cash	¥1	¥2	\$12
Deposits at banks	16,131	20,779	143,780
	<b>¥16,132</b>	<b>¥20,781</b>	<b>\$143,792</b>
<b>7: Money trusts</b>			
Funds of domestic stock	¥1,970	¥1,754	\$17,557
Funds of foreign security	2,629	1,281	23,437
	<b>¥4,599</b>	<b>¥3,035</b>	<b>\$40,994</b>
<b>8: Securities</b>			
Japanese government bonds	¥718	¥724	\$6,400
Japanese local government bonds	3,372	3,169	30,058
Corporate bonds	14,490	11,063	129,158
Stocks	10	10	89
Foreign securities	19,014	17,796	169,477
Other securities	3,350	2,705	29,858
	<b>¥40,954</b>	<b>¥35,467</b>	<b>\$365,040</b>
<b>9: Property, plant and equipment</b>			
Estate on book	¥990	¥990	\$8,820
Buildings	64	65	571
Lease assets	9	2	81
Equipment and others	28	40	253
	<b>¥1,091</b>	<b>¥1,097</b>	<b>\$9,725</b>
<b>10: Intangible assets</b>			
Software	¥151	¥225	\$1,348
Other intangible assets	4	4	35
	<b>¥155</b>	<b>¥229</b>	<b>\$1,383</b>
<b>11: Other assets</b>			
Premiums receivables	¥1,747	¥958	\$15,572
Foreign reinsurance recoveries	518	683	4,614
<i>Pool recoveries</i>	412	359	3,667
<i>Recoveries from other reinsurers</i>	106	324	947
Accounts receivable	47	34	422
Accrued revenue	174	176	1,550
Advance deposits	98	98	871
Suspense payments	92	7	815
Prepaid pension cost	108	83	967
	<b>¥2,784</b>	<b>¥2,039</b>	<b>\$24,811</b>



	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
<b>12: Reserve for outstanding claims</b>			
Gross reserve for outstanding claims	¥41,230	¥41,849	\$367,501
<i>Members' claims</i>	34,656	35,473	308,900
<i>Other Associations' pool claims</i>	6,574	6,376	58,601
Reinsurers' share	8,326	10,472	74,209
<i>Pool recoveries</i>	7,442	9,366	66,334
<i>Excess loss R/I recoveries</i>	-	-	-
<i>Recoveries from other reinsurers</i>	884	1,106	7,875
<b>Net reserve for outstanding claims</b>	<b>¥32,904</b>	<b>¥31,377</b>	<b>\$293,292</b>
<i>IBNR amounts are included in the above figure</i>			
<i>IBNR amounts</i>	¥10,549	¥7,411	\$94,028
<b>13: Unearned premium reserve</b>			
Gross unearned premium reserve	¥9,891	¥11,238	\$88,157
Reinsurers' share	-	-	-
<b>Net unearned premium reserve</b>	<b>¥9,891</b>	<b>¥11,238</b>	<b>\$88,157</b>
<b>14: Other liabilities</b>			
Foreign reinsurance payable	¥774	¥978	\$6,901
Accounts payable	244	197	2,181
Unpaid tax	2,063	97	18,385
Suspense payable	849	649	7,565
Lease liability	9	2	81
	<b>¥3,939</b>	<b>¥1,923</b>	<b>\$35,113</b>
<b>15: Net unrealized gains on securities</b>			
Unrealized gains on securities is net of deferred tax caused by the valuation of securities.	<b>¥457</b>	<b>¥643</b>	<b>\$4,075</b>



## Reserves

	Unit:JPY Millions		Unit:US\$000s
	2017	2016	2017
Catastrophe reserve	¥15,471	¥14,929	\$137,900
Reserve for offsetting losses	175	175	1,562
Other retaining earnings	7,161	5,217	63,831
Sub-total	22,807	20,321	203,293
Capital contribution fund	118	121	1,055
Net unrealized gains on securities	457	643	4,075
<b>Total</b>	<b>¥23,382</b>	<b>¥21,085</b>	<b>\$208,423</b>

The "Sub-total" represents the reserves that have been built up out of surpluses in open and closed years.  
Please see the "Policy Year Statements" described in pages 33 and 34.



# Policy Year Statements

as of 31 March 2017

	2017/18		2016/17		2015/16	
	(2017/2/20-2017/3/31)		(2016/2/20-2017/2/20)		(2015/2/20-2016/2/20)	
	JPY Millions	US\$000s	JPY Millions	US\$000s	JPY Millions	US\$000s
<b>Calls and premiums written</b>						
Prior years	¥ -	\$ -	¥2,192	\$19,540	¥21,812	\$194,421
During year	1,922	17,129	17,623	157,083	64	566
Supplementary calls	-	-	-	-	5,157	45,964
	1,922	17,129	19,815	176,623	27,033	240,951
Reinsurance premiums ceded	(567)	(5,054)	(5,591)	(49,833)	(6,592)	(58,754)
	1,355	12,075	14,224	126,790	20,441	182,197
<b>Claims paid</b>						
Gross claims paid	(2)	(17)	(3,957)	(35,270)	(8,316)	(74,126)
Reinsurance claims recovered	-	-	1	5	1,035	9,228
[Pool recoveries]	[ - ]	[ - ]	[ - ]	[ - ]	[921]	[8,206]
[Excess loss R/I recoveries]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]
[Other reinsurance recoveries]	[ - ]	[ - ]	[1]	[5]	[115]	[1,022]
Net claims paid	(2)	(17)	(3,956)	(35,265)	(7,281)	(64,898)
[Other Associations' pool claims]	[ - ]	[ - ]	[120]	[1,071]	[609]	[5,429]
<b>Investment income</b>	321	2,861	757	6,750	1,018	9,074
<b>Operating expenses</b>	(304)	(2,707)	(2,801)	(24,963)	(2,510)	(22,377)
<b>Others</b>	(359)	(3,196)	(1,355)	(12,073)	(261)	(2,329)
<b>Balance available for estimated outstanding claims</b>	<b>¥1,011</b>	<b>\$9,016</b>	<b>¥6,869</b>	<b>\$61,239</b>	<b>¥11,407</b>	<b>\$101,667</b>
<b>Estimated outstanding claims</b>						
Gross estimated outstanding claims	¥(1,680)	\$(14,976)	¥(10,836)	\$(96,583)	¥(10,229)	\$(91,178)
Reinsurers' share	1	6	186	1,658	2,267	20,208
[Pool recoveries]	[ - ]	[ - ]	[186]	[1,658]	[1,702]	[15,172]
[Excess loss R/I recoveries]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]	[ - ]
[Other reinsurance recoveries]	[1]	[6]	[ - ]	[ - ]	[565]	[5,036]
Net estimated outstanding claims	(1,679)	(14,970)	(10,650)	(94,925)	(7,962)	(70,970)
[Other Associations' pool claims]	[210]	[1,872]	[1,104]	[9,841]	[1,100]	[9,808]
<b>Surplus/(deficit)</b>	<b>(¥668)</b>	<b>(\$5,954)</b>	<b>¥(3,781)</b>	<b>\$(33,686)</b>	<b>¥3,445</b>	<b>\$30,697</b>
Estimated product of 10% supplementary calls	-	-	1,545	13,771	1,719	15,321

1. The estimated outstanding claims includes provision for incurred but not reported claims (IBNR's).
2. Calls and premiums written, claims paid and estimated outstanding claims are allocated to the policy years to which they relate. All other amounts, such as "Investment income" and "Operating expenses" are allocated to policy years in a systematic and reasonable manner.
3. For the 2017/18 policy year which is covered the period from 20 February 2017 to 31 March 2017, calls and premiums are stated on an earned basis to 31 March 2017.
4. The translation rate in this Policy Year Statement is ¥112.19 = US\$1, the middle rate prevailing on the Tokyo foreign exchange market as of 31 March 2017.

2014/15		Closed years		Total	
(2014/2/20-2015/2/20)					
JPY Millions	US\$000s	JPY Millions	US\$000s	JPY Millions	US\$000s
¥20,250	\$180,495				
38	341				
3,669	32,702				
23,957	213,538				
(6,476)	(57,727)				
17,481	155,811				
(9,739)	(86,807)				
620	5,528				
[598]	[5,334]				
[ - ]	[ - ]				
[22]	[194]				
(9,119)	(81,279)				
[1,089]	[9,704]				
1,100	9,801				
(2,481)	(22,113)				
(607)	(5,408)				
<b>¥6,374</b>	<b>\$56,812</b>	<b>¥30,050</b>	<b>\$267,850</b>	<b>¥55,711</b>	<b>\$496,584</b>
¥(3,453)	\$(30,778)	¥(15,032)	\$(133,986)	¥(41,230)	\$(367,501)
252	2,246	5,620	50,092	8,326	74,210
[51]	[452]	[2,920]	[26,024]	[4,859]	[43,306]
[ - ]	[ - ]	[2,584]	[23,029]	[2,584]	[23,029]
[201]	[1,794]	[116]	[1,039]	[883]	[7,875]
(3,201)	(28,532)	(9,412)	(83,894)	(32,904)	(293,291)
[449]	[4,006]	[3,711]	[33,074]	[6,574]	[58,601]
<b>¥3,173</b>	<b>\$28,280</b>	<b>¥20,638</b>	<b>\$183,956</b>	<b>¥22,807</b>	<b>\$203,293</b>
1,835	16,356				



## Directors and Auditors

### Directors

Chairman, Representing Director		
Eizo Murakami	President	Kawasaki Kisen Kaisha, Ltd.
Deputy Chairmen, Representing Directors		
Junichiro Ikeda	President	Mitsui O.S.K. Lines, Ltd.
Tadaaki Naito	President	Nippon Yusen Kabushiki Kaisha
Directors		
Atsushi Igaki	President	Ferry Sunflower Limited
Takao Ito	President	Hachiuma Steamship Co., Ltd.
Masaru Iijima	President	Idemitsu Tanker Co., Ltd.
Hiromi Toshia	President	Iino Kaiun Kaisha, Ltd.
Michiyasu Kobayashi	President	JX Ocean Co., Ltd.
Yasushi Takada	President	Kyoei Tanker Co., Ltd.

Directors		
Hiroyuki Nakamura	President	Mitsubishi Ore Transport Co., Ltd.
Toru Obata	President	NS United Kaiun Kaisha, Ltd.
Yoichiro Seno	President	Seno Kisen Co., Ltd.
Yukito Higaki	President	Shoei Kisen Kaisha, Ltd.
Kenichi Nagata	President	Mitsui O.S.K. Kinkai, Ltd.
Norio Tabuchi	President	Tabuchi Kaiun Co., Ltd.
Shunichi Arisaka	President	Taiyo Nippon Kisen Co., Ltd.
Nobuo Sano	President	Tamai Steamship Co., Ltd.
Tsuneo Watanabe	Managing Director	MOL Chemical Tankers Pte. Ltd.
Takashi Uyeno	President & CEO	Uyeno Transtech Ltd.



## General Managers, Chiefs of Division and Chief Executive

### General Managers and Chiefs of Division in Principal Office

Takaaki Irikin	Planning Dept.
Minoru Naito	
Tetsu Kato	Human Resources & General Affairs Dept.
Hiroaki Akasaka	Investment Management and Accounting Dept.
Eiji Tomioka	
Keisuke Kobayashi	Underwriting Administration Dept.
Royston Deitch	

Yasuyuki Nakamura	Tokyo Underwriting Dept.
Noriyuki Take	
Hiroshi Kikegawa	Claims Dept.
Takuzo Okada	Loss Prevention and Ship Inspection Dept.
Tetsuo Ishii	Information Systems Dept.
Yuichi Tanaka	Public Relations Division
Shu Sato	Internal Audit Division



## In-House Directors

### Director General, Representing Director

Hiroshi Sugiura

### Executive Directors, Representing Directors

Tsutomu Kawakami

Masaru Ogawa

Hiroaki Sawabe

### Directors

Takaaki Irikin

Shunsei Miyake

Keisuke Kobayashi

## Auditors

Hiroshi Akanuma      President      Kawasaki Kinkai Kisen Kaisha, Ltd.

Masaaki Nemoto      President      MOL Ocean Expert Co., Ltd.

Shunsuke Tsurumaru      President      Tsurumaru Shipping Co., Ltd.

(as of 19 July, 2017)

## General Managers and Chief Executive in Branch and Other Offices

Shigeru Yamada	Kobe Branch
Riki Yamamoto	Fukuoka Branch
Naoyuki Moriya	Imabari Branch
Norihiro Matsui	
Yoji Tanaka	Singapore Branch
Masatoshi Fukushima	London Liaison Office

(as of 19 July, 2017)



R. Deitch



N. Matsui



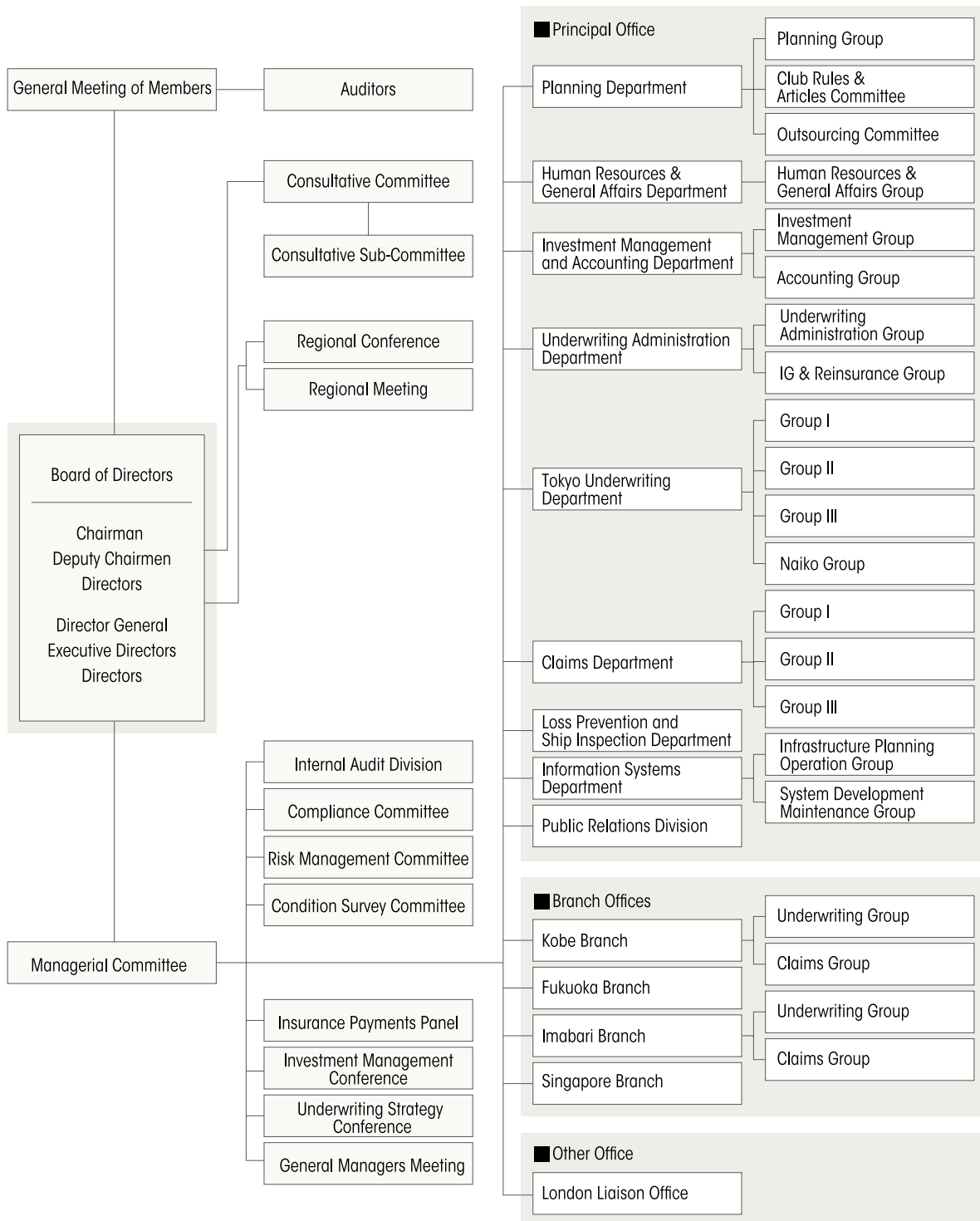
M. Fukushima

Standing left to right: Yuichi Tanaka, H. Kikagawa, E. Tomioka, N. Moriya, T. Kato, Y. Nakamura, S. Yamada, Yoji Tanaka, R. Yamamoto  
Seated left to right: M. Naito, N. Take, T. Okada, K. Kobayashi, T. Irikin, M. Ogawa, T. Kawakami, H. Sawabe, S. Miyake, T. Ishii, H. Akasaka, S. Sato





# Organisation



(as of 14 July, 2017)





## Offices

[Website] <https://www.piclub.or.jp>

### ■ Principal Office 2-15-14, Nihonbashi-Ningyocho, Chuoh-ku, Tokyo 103-0013, Japan

		Telephone	Facsimile	E-mail
Underwriting Administration Dept.	Underwriting Administration Group	+81 3 3662 7213	+81 3 3662 7107	underwrite-dpt@piclub.or.jp
	IG & Reinsurance Group	+81 3 3662 7214		ri-dpt@piclub.or.jp
Tokyo Underwriting Dept.	Group I	+81 3 3662 6649	+81 3 3662 7400	ocean-sect@piclub.or.jp
	Group II and III	+81 3 3662 7211	+81 3 3662 7225	
	Naiko Group	+81 3 3662 7212	+81 3 3662 7400	naiko-keiyaku@piclub.or.jp
Claims Dept.	Group I	+81 3 3662 7221	+81 3 3662 7225	claims-dpt@piclub.or.jp
	Group II	+81 3 3662 7222		
	Group III	+81 3 3662 7226		
Loss Prevention and Ship Inspection Dept.		+81 3 3662 7229	+81 3 3662 7107	lossprevention-dpt@piclub.or.jp
Public Relations Division		+81 3 3662 7272		public-relations@piclub.or.jp

### ■ Kobe Branch 6th Floor Shosen-Mitsui Building, 5, Kaigandori Chuoh-ku, Kobe, Hyogo 650-0024, Japan

Telephone	Facsimile	E-mail
+81 78 321 6886	+81 78 332 6519	kobe@piclub.or.jp

### ■ Fukuoka Branch 6th Floor Meiji-Dori Business Center, 1-1, Shimokawabata-machi, Hakata-ku, Fukuoka 812-0027, Japan

Telephone	Facsimile	E-mail
+81 92 272 1215	+81 92 281 3317	fukuoka@piclub.or.jp

### ■ Imabari Branch 2-2-1, Kitahorai-cho, Imabari, Ehime 794-0028, Japan

Telephone	Facsimile	E-mail
+81 898 33 1117	+81 898 33 1251	imabari@piclub.or.jp

### ■ Singapore Branch 80 Robinson Road #14-01B, Singapore 068898

Telephone	Facsimile	E-mail
+65 6224 6451	+65 6224 1476	singapore@piclub.or.jp

### ■ London Liaison Office 38 Lombard Street, London, U.K., EC3V 9BS

Telephone	Facsimile	E-mail
+44 20 7929 4844	+44 20 7929 7557	llo@japia.co.uk

### ■ Japan P&I Club (UK) Services Ltd (Claim contact point in UK) 38 Lombard Street, London, U.K., EC3V 9BS

Telephone	Facsimile	E-mail
+44 20 7929 3633	+44 20 7929 7557	ukservices@piclub.com



The Japan Ship Owners' Mutual Protection & Indemnity Association