

Independent Auditors' Report
(English Translation*)

19 May 2015

To The Japan Ship Owners' Mutual Protection
& Indemnity Association
Yoshikazu Minagawa
Director General

PricewaterhouseCoopers Aarata
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Designated and Engagement Partner
Masahiko Nara, CPA
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We have audited, pursuant to the request from The Japan Ship Owners' Mutual Protection & Indemnity Association (hereinafter referred to as the "Association"), the accompanying financial statements, which consist of the balance sheet, income and expenditure account, proposal for appropriation of surplus, summary of significant accounting policies and other notes to the financial statements, and the supplementary schedules of the Association for the 64th fiscal year from 1 April 2014 to 31 March 2015.

Management's Responsibility for the financial statements and the supplementary schedules

Management is responsible for the preparation and fair presentation of the financial statements, and the supplementary schedules in accordance with the Ship Owners' Mutual Insurance Association Law and the Enforcement Regulations of the Ship Owners' Mutual Insurance Association Law of Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements, and the supplementary schedules 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 and the supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and supplementary schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedule in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express 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 examining the overall presentation of the financial statements and the supplementary schedules.

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 and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in conformity with the Ship Owners' Mutual Insurance Association Law and the Enforcement Regulations of the Ship Owners' Mutual Insurance Association Law of Japan.

Conflict of Interest

We have no interest in or relationship with the Association which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.