



SPECIAL CIRCULAR

No. 17-003
13 June 2017

To the Members

Dear Sirs,

Report on the 594th Meeting of the Board of Directors

The 594th Meeting of the Association's Board of Directors was held at the Kaiun Club, Tokyo on 13 June 2017.

The main decisions of the Meeting are as follows:-

1. The 67th Ordinary General Meeting of the Members

The Board approved the convening of the 67th Ordinary General Meeting of the Members at the Kaiun Club, Tokyo at 11:20 on 19 July 2017.

2. Agenda of the 67th Ordinary General Meeting of the Members

The Board approved the following report and proposals for inclusion in the agenda of the Ordinary General Meeting.

Report: The Business Report for the 67th business year (from 1 April 2016 to 31 March 2017);

Proposals:

1. To approve an Inventory, Balance Sheet, Income and Expenditure Account, and proposals for the treatment of the surplus for the 67th business year (from 1 April 2016 to 31 March 2017);
2. To elect Members to the Board of Directors, and to appoint Auditors;
3. To approve the payment of retirement bonus to retiring directors;
4. To authorise the Board of Directors to implement decisions taken at the General Meeting of the Members;

Further details of the above items can be found in the "Notice of the 67th Ordinary General Meeting of the Members to be held on 19 July 2017", which will be sent to the Members under a separate mail, together with enclosures.

The highlights of the closing accounts for the 2016 business year (this year) are scheduled for inclusion in the agenda at the forthcoming Ordinary General Meeting and are as follows:

This year saw a favourable claims trend for both ocean-going and coastal vessels entered in the Association, and the Association had a good loss record. Consequently, the Board, having taken into consideration our Members' difficult business environment, decided that a supplementary call of 30% should be levied instead of the original estimated figure of 40% for the 2015 policy year, in effect returning the balance of approximately JPY 1,700 million to Members with owners' entries of ocean-going vessels. The Association posted a net surplus of JPY 1,945 million after income taxes, and the amount of reserves climbed to JPY 23,383 million in total, JPY 2,297 million up from last year.

We would sincerely like to thank the Members for their efforts in the safe operation of their vessels and their understanding of and cooperation with the management of the Association.

3. Business/Budget Plan for the 2017 business year

The Board approved the Association's business/budget plan for the 2017 business year, which marked the final year of the Medium-Term Operational Plan (for business years from 2015 to 2017 inclusive), entitled "JPI's CHANGE Phase II".

Under the 2017 business plan, as the final stage of the Medium-Term Operational Plan, we will act strategically and energetically in order to obtain good quality entries even in the difficult circumstances that continued from last year. We shall also respond flexibly to a wave of industry reorganisation, and use this year as a stepping stone to the next Medium-Term Operational Plan.

The Association will strive to achieve our various goals, including "JPI's CHANGE Phase II". We would greatly appreciate the Members' continued support and cooperation.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association