

CIRCULAR

To the Members

Report on the 603rd Meeting of the Board of Directors

The 603rd Meeting of the Association's Board of Directors was held in Tokyo on 15 June 2020. The main decisions of the Meeting are as follows:-

1. The 70th Ordinary General Meeting of the Members

The Board approved the convening of the 70th Ordinary General Meeting of the Members at the principal office of the Association, Tokyo at 14:30 on 27 July 2020.

2. Agenda of the 69th 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 70th business year (from 1 April 2019 to 31 March 2020);

Proposals:

1. To approve an Inventory, Balance Sheet, Income and Expenditure Account, and proposals for the treatment of the deficit for the 70th business year (from 1 April 2019 to 31 March 2020);
2. To elect Members to the Board of Directors, and to appoint Auditors;
3. To approve the payment of retirement bonus to a retiring director; and
4. To authorise the Board of Directors to handle decisions made at the General Meeting of the Members.

Details of the above items can be found in the "Notice of the 70th Ordinary General Meeting of the Members to be held on 27 July 2020", which will be sent to Members under a separate mail, together with enclosures.

The outline of the financial results for the 2019 business year (the above Proposal 1) is as follows:

With regard to the insurance premium rate for the 2020 policy year, in order to balance the insurance income and expenditure and ensure the financial soundness of the Club, the Association applied a general increase of 7.5% for ocean-going vessels where claims had increased and insurance performance deteriorated significantly. Insurance payments increased due to the occurrence of multiple large claims and investment income decreased due to the impact of COVID-19. As a result, the net surplus became a deficit of JPY 1.23 billion and the reserve amount decreased by JPY 730 million from business year 2018 to JPY 25.68 billion.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association