



CIRCULAR

To the Members

Report on the 611th Meeting of the Board of Directors

The 611th Meeting of the Association's Board of Directors was held on 23 June 2022. The main decisions of the Meeting are as follows;

1. The 72nd Ordinary General Meeting of the Members

The Board approved the convening of the 72nd Ordinary General Meeting of the Members at the principal office of the Association, Tokyo at 16:00 on 21 July 2022.

2. Agenda of the 72nd 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 72nd business year (from 1 April 2021 to 31 March 2022);

Proposals:

1. To approve an Inventory, Balance Sheet, Income and Expenditure Account, and proposals for the treatment of the deficit for the 72nd business year (from 1 April 2020 to 31 March 2021);
2. To elect Members to the Board of Directors, and to appoint Auditors;
3. To amend the Article of Association;
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 72nd Ordinary General Meeting of the Members to be held on 21 July 2022", which will be sent to the Members under a separate mail, together with enclosures.

The outline of the financial results for the 2021 business year (the above Proposal 1) is as follows:

The 2021 business year saw large claims in both ocean-going vessels and Naiko Class vessels insurance. We had a claim of the highest amount in the history of the Association's Naiko Class insurance. Since the insurance balance deteriorated significantly mainly due to a considerable increase in the claims payments related to the COVID-19 pandemic from the previous year, we applied a general increase of 10% for Naiko Class (5% for

Naiko Class harbour tugs) and ocean-going vessels, Charterers' entries and FD&D covers.

As a result, net premium income increased by JPY1.84 billion from the previous year to JPY16.81 billion. Even though the investment return decreased from the previous year due to the impact of Russia's invasion of Ukraine, the overall investment income increased by JPY70 million from the previous year to JPY3.39 billion. However, the net claims paid increased by JPY4.39 billion from the previous year to JPY17.64 billion. Due to the large claim to Naiko Class vessels insurance mentioned above, an additional contribution under the reinsurance contract was incurred to the Association, and we recorded the additional contribution to the loss reserves.

As a result, the deficit of JPY410 million was recorded, and the reserve amount decreased by JPY4.87 billion from the previous year to JPY22.11.

We have developed a new management plan consisting of long-term, medium-term, short-term plans for the current year, and set a long-term mission to protect the interests of the Members and to promote the sound development of the Association. We keep working on current priorities and urgent issues to achieve stable profitability and always to be your first choice Association.

We thank you for your continued support and cooperation, and sincerely wish the Members' safety for their vessels and continued business prosperity.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association