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September 4, 2019

Kyowa Shipping - Notice on new IMO SOx regulation

Dear Valued Customer,

Firstly, we would like to thank you all for your constant support to our service.

Please note that due to new regulation on the vessel's fuel oil required by International Maritime Organization(IMO), we will start implementation of new surcharge most likely from November this year.

SOx regulation, which requires the vessel's operators to burn low sulphur(0.5% sulphur content) fuel oil(LSFO) from January, 2020, must affect much on our operation as it is widely believed the price of LSFO should be significantly higher than the conventional fuel(HSFO – high sulphur(3.5%) fuel oil). We need to cover some part of increased cost from our customers to keep our service sustainable.

We will inform you of how much the new surcharge will be and from which vessel to start once it is official.

While this regulation is quite a burden to our business, it must be necessary action in the shipping industry considering our activity making impact on global air pollution, human health issues and environmental problems. In light of those factors, we are definitely positive about the new regulation and its direction, and we believe understanding from our valued customers likewise.

We appreciate your kind understanding and cooperation. Should you have any questions, please do not hesitate to contact us or our local office/agents.

Yours Faithfully
Kyowa Shipping Co., Ltd.