

6th April, 1962.

To: Lloyd's Register of Shipping,
KOBE.

M.S. "KOEI MARU"

With reference to the "Koei Maru", every possible endeavour has been made by the parties concerned to carry out the necessary repairs with a view to continuing operation. However, as previously informed to you, and as the results of subsequent consultation with the shipyards involved showed no technical confidence as to repairs, it is concluded that further operation of this ship becomes financially impossible, and that it has been obliged to decide to lay up the ship, and then to scrap.

It has also been decided that matters relating this ship are to be placed outside the jurisdiction of the Supervisory Committee, and consequently Hukuyo Kisen were requested to deal with these directly with Nippon Kogyo Bank, and other three Banks, and Daido Kaiun K.K.

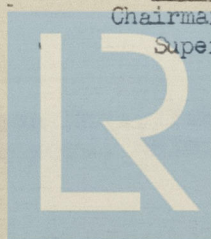
As the term of repayment for the "Koei Maru" amounting to ¥333,410,000 due to the four Banks became due 31st January, Daido Kaiun, as joint surety, paid the sum to the Banks on behalf of Hukuyo Kisen on the 31st March, and as the result Daido Kaiun now became, in place of the Banks, the creditor and mortgagee of Hukuyo Kisen, the Owners of the above named vessel.

However, as explained in the foregoing paragraph, the ship is no longer an economical proposition, and if this situation continues Hukuyo Kisen will have further expenses of about ¥250,000 per day for the ship and crews. After consultation with Daido Kaiun, it has been decided to sell this ship to them at a cost of ¥150 million, and Daido Kaiun will subsequently arrange for scrapping of this ship.

Yours faithfully,

M. Shirai
Managing Director & Representative,
Hukuyo Kisen K.K.

Y. Sekishi
Chairman, Creditors
Supervisory Committee.



Lloyd's Register
Foundation

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