

To whom it may concern:

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Announcement on Differences Between Consolidated Business Forecast and Actual Business Performance for Full Fiscal Year 2020, Recording of Non-Operating Expenses (Provision for Doubtful Accounts), and Year-End Dividend from Retained Earnings

TOKYO—Mitsui O.S.K. Lines, Ltd. (the Company; President & CEO: Takeshi Hashimoto) today announced the differences between the actual business performance for full fiscal year 2020 (April 1st, 2020 to March 31st, 2021) released today and previously announced consolidated business forecast which was released on January 29th, 2021 and April 2nd, 2021, along with recording of non-operating expenses. The Company also recorded non-operating expenses in non-consolidated financial statements. In addition, at the meeting of the Board of Directors held today, it was resolved to propose the year-end dividend for the fiscal year 2020 as details below at the Annual General Meeting of Shareholders scheduled to be held on June 22nd, 2021.

- 1. Differences between consolidated business forecast and actual business performance
- (1) Differences between consolidated business forecast and actual business performance for full fiscal year 2020 (April 1st, 2020 to March 31st, 2021)

	Revenue	Operating profit	Ordinary profit	Net income*	Net income per share
Previous forecast (A) (Ordinary profit announced on April 2nd, 2021,	¥ million	¥ million	¥ million	¥ million	¥
others announced on January 29th, 2021)	985,000	(2,000)	120,000	60,000	501.70
Actual business performance (B)	991,426	(5,303)	133,604	90,052	752.98
Change (B-A)	6,426	(3,303)	13,604	30,052	251.28
Change (%)	0.7%	-%	11.3%	50.1%	50.1%
(Ref) Previous fiscal year's full year results (Year ended in March 31st, 2020)	1,155,404	23,779	55,090	32,623	272.79

*Profit attributable to owners of parent

(2) Reason for revision

While there were some changes in the recording of operating expenses, the ordinary income and net income has exceeded the Company's assumptions, due to strong transportation demand and robust freight rates at our equity-method affiliate company, OCEAN NETWORK EXPRESS PTE. LTD., recording upward results from previous forecasts.

2. Recording of non-operating expenses (provision for doubtful accounts)

MOL Bridge Finance S.A., a consolidated subsidiary of our company, recorded a provision of 73 million USD (7.6 billion yen *1) for doubtful accounts under non-operating expenses due to the possibility of delayed recovery of a loan from Gearbulk Holding AG, an equity method affiliate that operates bulk carriers.

In the non-consolidated financial statements for the Company, a provision for loss on guarantee of 54 million USD (6.0 billion yen *2) was recorded as non-operating expenses due to the provision for a joint guarantee on the liabilities of the said consolidated subsidiary. However, the provision for loss on guarantee was eliminated in the consolidated financial statements.

- *1 As the consolidated subsidiary is closing its accounts in December, converted by 103.50 yen/USD, exchange rate as of December 30th, 2020.
- *2 Converted by 110.71 yen/USD, exchange rate as of March 31st, 2021.

3. Year-end dividend from retained earnings

(1) Year-end dividend

	Decided amount	Latest dividend Forecast (January 29th, 2021)	Previous fiscal year's results
Record date	March 31st, 2021	March 31st, 2021	March 31st, 2020
Amount of dividend per share	¥135.00	¥85.00	¥35.00
Total amount of dividend	¥16,149 million	-	¥4,185 million
Effective date	June 23rd, 2021	-	June 24th, 2020
Dividend resource	Retained earnings	-	Retained earnings

(2) Reason for revision

The Company's policy is to pay dividends in line with its consolidated business performance with a target dividend payout ratio of 20%. Based on the consolidated business results for full fiscal year 2020 (April 1st, 2020 to March 31st, 2021), comprehensively taking the return of profits to shareholders and internal reserves in the Company into consideration, the Company resolved to revise the year-end dividend to ¥135.00 per share from previously announced ¥85.00 per share. As a result, combined with the already paid interim dividend of ¥15.00 per share, the annual dividend is expected to be ¥150.00 per share.

This matter will be submitted to the Annual General Meeting of Shareholders for fiscal year 2020, scheduled to be held in June 22nd, 2021, and will be officially decided upon approval.

END

[REFERENCE PURPOSE ONLY]

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