

Mitsui O.S.K. Lines, Ltd.



Financial Highlights: The First Quarter Ended June 30, 2021

1. Consolidated Financial Highlights (from April 1, 2021 to June 30, 2021)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Operating Results

	(¥Million)	
	Q1/FY2021	Q1/FY2020
Revenues	288,874	251,471
Operating profit (loss)	8,042	(5,126)
Ordinary profit	104,268	7,358
Profit attributable to owners of parent	104,147	5,491
	(¥)	
Net income per share	870.21	45.92
Diluted net income per share	867.75	45.13

* As the Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first Quarter of the fiscal year, the figures for the first Quarter of the fiscal year ending March 31, 2022 are the ones after the adoption of the accounting standard, etc.

(2) Financial Position

	(¥Million)	
	Q1/FY2021	FY2020
Total assets	2,217,926	2,095,559
Total net assets	827,625	699,150
Shareholders' equity / Total assets	31.7%	27.6%

* Shareholders' Equity is defined as follows.

Shareholders' Equity = Total Net Assets - (Share subscription rights + Share option + Non-controlling interests)

* As the Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first Quarter of the fiscal year, the figures for the first Quarter of the fiscal year ending March 31, 2022 are the ones after the adoption of the accounting standard, etc.

2. Dividends

	Dividend per share				
	Q1	Q2	Q3	Year -end	Total
FY2020	—	15.00	—	135.00	150.00
FY2021	—	—	—	—	—
FY2021 (Forecast)	—	300.00	—	250.00	550.00

3. Forecast for the Fiscal Year Ending March 31, 2022

(¥Million)

	1H/FY2021	FY2021
Revenues	570,000	1,100,000
Operating profit	16,000	35,000
Ordinary profit	232,000	350,000
Profit attributable to owners of parent	225,000	335,000

(¥)

	1H/FY2021	FY2021
Net income per share	1,878.68	2,797.15

4. Business Performance

(1) Analysis of Operating Results

(¥ Billion)

	Three months		Year-on-year comparison / Variance
	From April 1, 2020 to June 30, 2020	From April 1, 2021 to June 30, 2021	
Revenue	251.4	288.8	37.4 / 14.9%
Operating profit (loss)	(5.1)	8.0	13.1 / - %
Ordinary profit	7.3	104.2	96.9 / - %
Profit attributable to owners of parent	5.4	104.1	98.6 / - %
Exchange rate	¥108.11/US\$	¥108.77/US\$	¥0.66/US\$
Bunker price*	US\$255/MT	US\$497/MT	US\$242/MT

*Average purchase price for all the major fuel grades

We recorded revenue of ¥288.8 billion, operating profit of ¥8.0 billion, ordinary profit of ¥104.2 billion and profit attributable to owners of parent of ¥104.1 billion in the first three months of the fiscal year 2021. We recorded ¥91.2 billion of equity in net earnings of affiliated companies in non-operating income, mainly due to improved earnings at OCEAN NETWORK EXPRESS PTE. LTD (ONE), an equity method affiliate. The amount of equity in net earnings of affiliated companies we recorded which was attributable to ONE was ¥87.7 billion.

The following is a summary of business conditions including revenue and ordinary profit/loss per business segment.

Upper: Segment Revenue, Lower: Segment Ordinary Profit (Loss)

(¥ Billion)

	Three months		Year-on-year comparison / Variance
	From April 1, 2020 to June 30, 2020	From April 1, 2021 to June 30, 2021	
Dry Bulk Business	57.6	78.3	20.7 / 35.9%
	0.4	6.5	6.1 / 1,452.2%
Energy and Offshore Business	79.6	71.1	(8.5) / (10.7%)
	8.4	4.3	(4.0) / (48.0%)
Product Transport Business	92.9	118.2	25.2 / 27.2%
	(3.3)	90.1	93.5 / - %
Containership Segment	51.2	64.6	13.3 / 26.1%
	5.9	90.6	84.7 / 1,422.7%
Associated Businesses	23.8	25.4	1.6 / 6.7%
	2.6	2.3	(0.2) / (11.1%)
Others	5.0	6.2	1.1 / 23.5%
	0.6	0.8	0.2 / 43.4%

Note: Revenue includes internal sales or transfers among segments

(A) Dry Bulk Business

In the Capesize bulker market during the first three months of the fiscal year, the charter rate rose to more than US\$40,000 per day in early May, the highest since 2013, due to growing demand for the transportation of raw materials driven by brisk exports of major mining companies and steel manufacturers reflecting rising prices of iron ore and steel products. While the charter rate entered the correction phase after that, it turned up again in early June on the back of the strong market for small- and medium-sized bulkers and iron ore shipments from Australia. In the Panamax bulker market during the first three months of the fiscal year, the charter rate rose from mid-April due to solid demand for the transportation of grain and coal bound for China and continued to rise subsequently, driven by grain shipments from the Atlantic Ocean region to the Far East. Under these market conditions, we secured new time charter contracts and contracts of affreightment by capturing customer demand. We also took steps to improve the efficiency of vessel allocation and profitability by consolidating sales and vessel operations for dry bulkers other than those for the steel mill industry and domestic electric power companies into MOL Drybulk Ltd., which was established in April 2021 through a business and structural integration with Mitsui O.S.K. Kinkai, Ltd. Thanks to the contribution of these initiatives, the dry bulk business posted a year-on-year increase in profit in the first three months of the fiscal year.

(B) Energy and Offshore Business**<Tankers>**

In the very large crude oil carrier (VLCC) market, the charter rate was exposed to harsh market conditions rarely seen in recent years due to the continuation of coordinated output cuts by the OPEC Plus and the prolonged sluggish oil demand due to COVID-19. The product tanker market also saw the challenging market conditions continue, given reasons such as periodic repairs at refineries and a fall in exports and imports of China due to tax reform for certain petroleum products in the country, in addition to weak demand for petroleum products due to the continued COVID-19 pandemic. The cargo volume of chemical tankers continued to be low due to problems occurring at petrochemical plants caused by the cold wave in the Gulf region of North America. Under these market conditions, the tanker division as a whole suffered a year-on-year decline in profit, despite its efforts in cost reduction and the stable fulfillment of long-term contracts.

<LNG Carriers/Offshore business>

The LNG carrier division continued to generate stable profit mainly through existing long-term charter contracts.

For the offshore business division, existing FPSO projects and subsea support vessel businesses, etc. were generally operating steadily. In the FSRU business, one new vessel was put into a long-term contract after delivery. However, the time charter contract for an existing vessel was renewed, and this resulted in a deterioration of profitability year on year.

(C) Product Transport Business**<Containerships>**

ONE, the Company's equity-method affiliate, saw cargo volume increase markedly from the same period of the previous year when the COVID-19 had made an impact, but encountered supply constraints mainly due to port congestion at major ports in North America and Europe and railway congestion inland in North America. These developments helped tighten the supply-demand balance, and spot freight rates remained considerably higher than the year-ago level. As a result, the containerships business recorded a significant year-on-year increase in profit.

<Car Carriers>

Transportation volume of completed cars increased significantly from the same period of the previous year when it had been affected by the global decrease in automobile production amid the COVID-19 pandemic, although semiconductor supply shortages also had an impact. Profitability improved significantly year on year due to the recovery of cargo movements combined with the effect of the rationalization of vessel allocation.

<Ferries and Coastal RoRo Ships>

The business of ferries and coastal RoRo ships secured more shipments than a year ago by capturing solid cargo transportation demand. Although number of passengers were generally recovering, the results were sluggish due to the strong impact of people refraining from going out and traveling due to the declaration of a state of emergency by the Japanese government. Profit deteriorated year on year due to the factors above combined with an increase in ship operation costs caused by rising bunker prices.

(D) Associated Businesses

The real estate business generated stable profit on par with the year-ago level, despite a fall in sales associated with the reconstruction of some buildings held by Daibiru Corporation, the core company in the Group's real estate

business. In the cruise ship business, although cruise ship was in operation at the beginning of the fiscal year, the total number of days in operation were short, since it was forced to suspend its service due to the resurgence of COVID-19 infection, resulting in year-on-year decrease in profit. The tugboat business posted a year-on-year increase in profit, reflecting the recovery in the number of vessels requiring tugboat services entering/leaving port.

(E) Others

Other businesses, which are mainly cost centers, such as ship operations, ship management, ship chartering and financing posted a year-on-year increase in profit.

(2) Outlook for FY2021

(For consolidated cumulative second quarter of the fiscal year 2021)

(¥ Billion)

	Previous outlook (As announced on June 21, 2021)	Current outlook (As of announcement of Q1 financial results)	Year-on-year comparison / Variance
Revenue	560.0	570.0	10.0 / 1.8%
Operating profit	15.0	16.0	1.0 / 6.7%
Ordinary profit	185.0	232.0	47.0 / 25.4%
Profit attributable to owners of parent	170.0	225.0	55.0 / 32.4%

Exchange rate	-	¥110.00/US\$	-
Bunker price*1	-	US\$430/MT	-
Compliant fuel price*2	-	US\$540/MT	-
		(Assumption for the Q2)	

(For consolidated full fiscal year 2021)

(¥ Billion)

	Previous outlook (As announced on June 21, 2021)	Current outlook (As of announcement of Q1 financial results)	Year-on-year comparison / Variance
Revenue	1,080.0	1,100.0	20.0 / 1.9%
Operating profit	28.0	35.0	7.0 / 25.0%
Ordinary profit	220.0	350.0	130.0 / 59.1%
Profit attributable to owners of parent	210.0	335.0	125.0 / 59.5%

Exchange rate	-	¥110.00/US\$	-
Bunker price*1	-	\$US390/MT	-
Compliant fuel price*2	-	\$US500/MT	-
		(Assumption for the 2nd half)	

*1 HSFO (High Sulfur Fuel Oil) average purchase price

*2 VLSFO (Very Low Sulfur Fuel Oil) average purchase price

(A) Dry Bulk Business

The Capesize bulker market is expected to remain firm as shipments from Brazil are expected to increase going forward, in addition to solid shipments of iron ore from Australia. However, we believe that attention needs to be paid to declining demand for raw materials for steel production in China, given the environmental measures of the Chinese government and its moves to reduce excess capacity of crude steel production. The Panamax bulker market is expected to remain robust, underpinned by tight vessel supply in the Atlantic basin and firm grain demand in and after the second quarter, although it is possible for the vessel supply-and-demand conditions to slacken temporarily in the Pacific region, given the concentration of vessel allocation from the Atlantic Ocean region to the Far East. Under these market conditions, the dry bulk business as a whole is expected to post higher profit year on year.

(B) Energy and Offshore Business

The VLCC market is expected to remain weak even in and after the second quarter due to the continuation of crude oil production cuts by oil producing countries and a delay in the recovery of oil demand, but is anticipated to recover gradually in the second half as economic activities resume with further progress in vaccinations and the expected reduction of crude oil production cuts. In the product tanker market, we expect that cargo movements of jet fuel and diesel oil will recover gradually as vaccination progresses. While we expect market conditions and cargo movements to recover, profit is expected to decrease year on year in the tanker division as a whole.

In the LNG carrier division, one LNG carrier and one LNG-bunkering vessel are scheduled to be delivered, and

the division expects to continue generating stable profit mainly from existing long-term contracts. In the offshore business, profitability is expected to deteriorate year on year chiefly due to the renewal of a time charter contract for an FSRU, although two FPSOs are scheduled to be delivered.

(C) Product Transport Business

In the containerships business, although we expect that the strong cargo movements seen at present will continue for the time being at ONE, we anticipate that space shortages will ease, and freight rates will settle down in association with the normalization of ports and inland logistics.

In the car carrier business, while there are still concerns over the effects of COVID-19 and the shortage of semiconductors, the tendency towards a recovery in shipments volumes is expected to continue. We will keep focusing on rationalizing vessel allocation and operating more efficiently whilst maintaining an appropriate level of fleet size.

In the business of ferries and coastal RoRo ships, the impact of a resurgence of COVID-19 infections on business performance is a concern, but we expect that the progress of vaccination will help change the sentiment and produce a rebound in the number of passengers.

(D) Associated Businesses

The impact of COVID-19 on the real estate business is expected to be limited, but is likely to affect the performance of the cruise ship business and the travel business depending on the continuation of the COVID-19 situation, although the scale of their businesses is not large.

5. Financial Position

Total assets as of June 30, 2021 increased by ¥ 122.3 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,217.9 billion. This was primarily due to the increase in Investment securities.

Total liabilities as of June 30, 2021 decreased by ¥ 6.1 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,390.3 billion. This was primarily due to the decrease in Short-term bank loans.

Total net assets as of June 30, 2021 increased by ¥ 128.4 billion compared to the balance as of the end of the previous fiscal year, to ¥ 827.6 billion. This was primarily due to the increase in Retained earnings.

As a result, shareholders' equity ratio increased by 4.1% compared to the ratio as of the end of the previous fiscal year, to 31.7%.

6. Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Consolidated Balance Sheets

	(¥Million)	
	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	86,238	99,462
Trade receivables	86,828	—
Trade receivables and contract assets	—	107,825
Marketable securities	500	500
Inventories	29,615	32,922
Deferred and prepaid expenses	49,866	21,439
Other current assets	74,505	76,469
Allowance for doubtful accounts	(553)	(650)
Total current assets	327,000	337,968
Fixed assets		
Tangible fixed assets		
Vessels	625,896	625,776
Buildings and structures	145,171	145,079
Equipment and others	26,861	26,645
Furniture and fixtures	5,477	6,110
Land	252,794	253,836
Construction in progress	40,704	45,988
Other tangible fixed assets	2,551	3,621
Total tangible fixed assets	1,099,458	1,107,057
Intangible fixed assets	31,364	32,947
Investments and other assets		
Investment securities	459,357	553,687
Long-term loans receivable	83,258	87,650
Long-term prepaid expenses	9,926	9,657
Net defined benefit assets	24,172	24,353
Deferred tax assets	2,369	2,183
Other investments and other assets	79,184	83,845
Allowance for doubtful accounts	(20,533)	(21,423)
Total investments and other assets	637,736	739,953
Total fixed assets	1,768,559	1,879,958
Total assets	2,095,559	2,217,926

(¥Million)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Trade payables	73,019	77,095
Short-term bonds	17,800	5,000
Short-term bank loans	166,879	153,182
Commercial papers	40,000	30,000
Accrued income taxes	4,119	2,955
Advances received	31,762	—
Contract liabilities	—	19,701
Allowance for bonuses	4,962	3,415
Other current liabilities	79,030	72,093
Total current liabilities	417,574	363,443
Fixed liabilities		
Bonds	163,200	208,200
Long-term bank loans	623,006	626,443
Lease obligations	14,059	18,167
Deferred tax liabilities	65,172	64,873
Net defined benefit liabilities	9,245	9,304
Allowance for directors' and corporate auditors' retirement benefits	1,645	1,424
Reserve for periodic drydocking	15,219	18,180
Other fixed liabilities	87,286	80,263
Total fixed liabilities	978,834	1,026,857
Total liabilities	1,396,409	1,390,301
Net assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	45,351	45,351
Retained earnings	435,589	523,622
Treasury stock	(6,515)	(5,576)
Total owners' equity	539,825	628,797
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	29,917	28,178
Unrealized gains on hedging derivatives, net of tax	5,150	20,235
Foreign currency translation adjustments	(4,653)	19,650
Remeasurements of defined benefit plans, net of tax	7,541	7,228
Total accumulated other comprehensive income	37,956	75,291
Share subscription rights	—	19
Share option	1,347	1,094
Non-controlling interests	120,020	122,421
Total net assets	699,150	827,625
Total liabilities and net assets	2,095,559	2,217,926

(2) Consolidated Statements of Income

(¥Million)

	FY2020 (Apr.1.2020 - June 30, 2020)	FY2021 (Apr.1.2021 - June 30, 2021)
Shipping and other revenues	251,471	288,874
Shipping and other expenses	234,917	259,355
Gross operating income	16,554	29,519
Selling, general and administrative expenses	21,681	21,476
Operating profit (loss)	(5,126)	8,042
Non-operating income		
Interest income	1,575	1,848
Dividend income	2,975	2,184
Equity in earnings of affiliated companies	8,569	91,295
Foreign exchange gains	3,516	4,980
Others	323	527
Total non-operating income	16,960	100,836
Non-operating expenses		
Interest expenses	3,758	3,004
Others	715	1,605
Total non-operating expenses	4,474	4,609
Ordinary profit	7,358	104,268
Extraordinary income		
Gain on sales of fixed assets	1,731	2,369
Others	1,784	1,936
Total extraordinary income	3,515	4,305
Extraordinary losses		
Loss on sale of fixed assets	37	601
Others	1,593	1,549
Total extraordinary losses	1,630	2,150
Income before income taxes and non-controlling interests	9,243	106,423
Income taxes	2,246	528
Net income	6,996	105,895
Profit attributable to non-controlling interests	1,505	1,747
Profit attributable to owners of parent	5,491	104,147

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	FY2020 (Apr. 1, 2020 - June. 30, 2020)	FY2021 (Apr. 1, 2021 - June. 30, 2021)
Profit	6,996	105,895
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	3,779	(2,299)
Unrealized gains on hedging derivatives, net of tax	(4,223)	4,354
Foreign currency translation adjustments	(3,969)	16,709
Remeasurements of defined benefit plans, net of tax	(142)	(312)
Share of other comprehensive income of associates accounted for using equity method	(17,985)	20,315
Total other comprehensive income	(22,541)	38,766
Comprehensive income	(15,544)	144,661
(Breakdown)		
Comprehensive income attributable to owners of parent	(16,656)	141,483
Comprehensive income attributable to non-controlling interests	1,111	3,178

[NOTE]**(Changes in Accounting Standards)****(Adoption of Accounting Standard for Revenue Recognition)**

The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020.), etc. from the beginning of the first Quarter of the fiscal year to recognize revenue at the amount expected to be received in exchange for the promised goods or services when the control of those goods or services is transferred to customers. As a result, the Company has decided to adopt the percentage of voyage-completion method mainly to freight revenue and freight revenue expenses, which were previously accounted under the completed-voyage method.

The adoption of "Accounting Standard for Revenue Recognition", etc. follows the transitional treatment prescribed in the proviso of Paragraph 84 of "Accounting Standard for Revenue Recognition". The cumulative effect of retroactive adoption of the new accounting policy prior to the beginning of the first Quarter of the fiscal year is added to or subtracted from retained earnings at the beginning of the first Quarter of the fiscal year, and the new accounting policy is adopted from the beginning balance. However, the new accounting policy has not been adopted retrospectively to contracts which recognized almost all amounts of revenue in accordance with the previous treatment prior to the beginning of the first Quarter of the fiscal year by adopting the method prescribed in Paragraph 86 of "Accounting Standard for Revenue Recognition". In addition, by adopting the method prescribed in Paragraph 86 (1) of "Accounting Standard for Revenue Recognition", changes in contracts made prior to the beginning of the first Quarter of the fiscal year are accounted for based on the contract terms after reflecting all changes in contracts, and the cumulative effect is added to or deducted from retained earnings at the beginning of the first Quarter of the fiscal year.

As a result, Shipping and other revenues increased by ¥9,826 million, Shipping and other expenses increased by ¥2,334 million, Selling, general and administrative expenses decreased by ¥18 million, Operating profit increased by ¥7,510 million, and Ordinary profit and Income before income taxes and non-controlling interests each increased by ¥7,503 million. The balance of retained earnings at the beginning of the first Quarter of the fiscal year increased by ¥349 million.

Due to the adoption of "Accounting Standard for Revenue Recognition", etc., in the consolidated balance sheets of the previous fiscal year, Trade receivables presented in Current assets have been included in Trade receivables and contract assets from the first Quarter of the fiscal year, and Advances received presented as Current liabilities and Unearned revenue included in Other current liabilities have been included in Contract liabilities. The Company has not reclassified financial statements of the previous fiscal year using the new presentation method in accordance with the transitional treatment prescribed in Paragraph 89 -2 of "Accounting Standard for Revenue Recognition".

(Adoption of Accounting Standard for Fair Value Measurement)

The Company has adopted "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019.), etc. from the beginning of the first Quarter of the fiscal year, and in accordance with the transitional treatment prescribed in Paragraph 19 of "Accounting Standard for Fair Value Measurement" and Paragraph 44 (-2) of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by "Accounting Standard for Fair Value Measurement", etc. will be adopted prospectively. There is no impact on the quarterly consolidated financial statements.

(4) Segment Information

Business segment information:

(¥ Million)

Q1/ FY2020 (Apr.1 - Jun.30, 2020)	Reportable Segment						Others *1	Total	Adjust- ment *2	Consoli- dated *4
	Dry Bulk Business	Energy and Offshore Business	Product Transport Business		Associated Businesses	Sub Total				
			Container ships	Car Carries, Ferries and Coastal RoRo ships						
Revenues										
1.Revenues from external customers	57,641	77,551	51,034	41,665	19,878	247,771	3,700	251,471	—	251,471
2.Inter-segment revenues	25	2,125	222	44	3,975	6,393	1,396	7,790	(7,790)	—
Total Revenues	57,666	79,677	51,257	41,710	23,853	254,165	5,096	259,262	(7,790)	251,471
Segment profit (loss)	422	8,400	5,954	(9,272)	2,689	8,195	620	8,816	(1,457)	7,358

(¥ Million)

Q1/ FY2021 (Apr.1 - Jun.30, 2021)	Reportable Segment						Others *1	Total	Adjust- ment *3	Consoli- dated *4
	Dry Bulk Business	Energy and Offshore Business	Product Transport Business		Associated Businesses	Sub Total				
			Container ships	Car Carries, Ferries and Coastal RoRo ships						
Revenues										
1.Revenues from external customers	78,397	68,855	64,341	53,556	19,673	284,825	4,049	288,874	—	288,874
2.Inter-segment revenues	0	2,259	275	43	5,786	8,364	2,242	10,607	(10,607)	—
Total Revenues	78,397	71,114	64,616	53,600	25,459	293,189	6,292	299,482	(10,607)	288,874
Segment profit (loss)	6,565	4,370	90,673	(474)	2,391	103,525	890	104,415	(147)	104,268

* 1. "Others" primarily consists of business segments that are not included in reportable segments, such as the ship operations business, the ship management business, the ship chartering business and the financing business.

* 2. Adjustment in Segment profit (loss) of ¥ -1,457 million include the following:
¥ -2,805 million of corporate profit which is not allocated to segments, ¥ 1,440 million of adjustment for management accounting and ¥ -92 million of inter-segment transaction elimination.

* 3. Adjustment in Segment profit (loss) of ¥ -147 million include the following:
¥ -1,576 million of corporate profit which is not allocated to segments, ¥ 1,460 million of adjustment for management accounting and ¥ -31 million of inter-segment transaction elimination.

* 4. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.

* 5. Notes to changes in reportable segments etc.

As stated in (Changes in Accounting Standards), We have adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first Quarter of the fiscal year and changed the accounting method for revenue recognition.

Due to this change, compared with the previous method, Revenues in the Dry Bulk Business increased by ¥ 8,144 million, Segment profit (loss) increased by ¥ 5,366 million, Revenues in the Energy and Offshore Business increased by ¥ 202 million, Segment profit (loss) increased by ¥ 622 million, Revenues in the Container ships Business decreased by ¥ 142 million, Segment profit (loss) decreased by ¥ 54 million, Revenues in the Car Carries, Ferries and Coastal RoRo ships Businesses increased by ¥ 1,716 million, Segment profit (loss) increased by ¥ 1,365 million, Revenues in Associated Businesses decreased by ¥ 95 million, Segment profit (loss) decreased by ¥ 4 million, Revenues in Others Business didn't change, and Segment profit (loss) increased by ¥ 207 million.

In addition, from the first Quarter of the fiscal year, the name of Energy Transport Business has been changed to Energy and Offshore Business. As a result of this change, the name of Energy Transport Business of the previous fiscal year has been changed as well. This change has no impact on segment information.

[REFERENCE PURPOSE ONLY]

Please note that this document has been translated from the Japanese original for reference purposes only and the financial statements contained is unaudited.

In case of any discrepancy or inconsistency between this document and the Japanese original, the latter shall prevail.

[Supplement]**1. Review of Quarterly Results****<FY2021>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2021	Jul-Sep, 2021	Oct-Dec, 2021	Jan-Mar, 2022
Revenues [¥ Millions]	288,874			
Operating profit (loss)	8,042			
Ordinary profit (loss)	104,268			
Income (Loss) before income taxes	106,423			
Profit (Loss) attributable to owners of parent	104,147			
Net income (loss)* per share [¥]	870.21			
Total Assets [¥ Millions]	2,217,926			
Total Net Assets	827,625			

*Profit (Loss) attributable to owners of parent

<FY2020>

	Q1	Q2	Q3	Q4
	Apr-Jun, 2020	Jul-Sep, 2020	Oct-Dec, 2020	Jan-Mar, 2021
Revenues [¥ Millions]	251,471	233,215	246,998	259,742
Operating profit (loss)	(5,126)	904	3,140	(4,221)
Ordinary profit (loss)	7,358	25,374	40,252	60,620
Income (Loss) before income taxes	9,243	27,336	35,899	27,835
Profit (Loss) attributable to owners of parent	5,491	24,760	34,158	25,643
Net income (loss)* per share [¥]	45.92	207.04	285.62	214.40
Total Assets [¥ Millions]	2,036,451	2,053,393	2,056,306	2,095,559
Total Net Assets	614,648	632,667	656,153	699,150

*Profit (Loss) attributable to owners of parent

2. Depreciation and Amortization

(¥ Millions)

	Three months ended Jun.30, 2020	Three months ended Jun.30, 2021	Increase / Decrease	FY2020
Vessels	16,093	15,568	(524)	61,305
Others	5,516	5,735	218	24,493
Total	21,609	21,303	(305)	85,798

3. Interest-bearing Debt

(¥ Millions)

	As of Mar.31, 2021	As of Jun.30, 2021	Increase / Decrease	As of Jun.30, 2020
Bank loans	789,885	779,625	(10,259)	846,609
Bonds	181,000	213,200	32,200	181,000
Commercial paper	40,000	30,000	(10,000)	37,500
Others	16,108	20,237	4,128	18,007
Total	1,026,994	1,043,063	16,069	1,083,117

4. Fleet Capacity (MOL and consolidated subsidiaries)

(No. of ships and deadweight ton)

	Dry bulkers		Tankers		LNG carriers*1		Car carriers		Containerships	
	No of ships	1,000MT	No of ships	1,000MT	No of ships	1,000MT	No of ships	1,000MT	No of ships	1,000MT
Owned	44	4,679	72	9,335	26	1,972	48	856	14	1,110
Chartered	286	25,199	95	4,727	10	705	47	795	45	4,427
Others	-	-	1	35	2	143	-	-	-	-
As of Jun.30, 2021	330	29,878	168	14,097	38	2,821	95	1,651	59	5,537
As of Mar 31, 2021	312	28,759	169	13,889	39	2,893	95	1,649	60	5,608

	Ferries & Coastal RoRo ships		Passenger ships		Others*2		Total	
	No of ships	1,000MT	No of ships	1,000MT	No of ships	1,000MT	No of ships	1,000MT
Owned	10	54	1	4	7	47	222	18,057
Chartered	5	31	-	-	21	65	509	35,948
Others	-	-	-	-	1	1	4	179
As of Jun.30, 2021	15	85	1	4	29	112	735	54,184
As of Mar 31, 2021	15	85	1	4	30	117	721	53,004

*1 Including offshore project ships and offshore gas project ships

*2 Including coastal ships (excluding coastal RoRo ships)

5. Exchange Rates

	Three months ended Jun.30, 2020	Three months ended Jun.30, 2021	Change			FY2020
Average rates	¥108.11	¥108.77	¥0.66	[0.6%]	JPY Depreciated	¥105.95
Term-end rates	¥107.74	¥110.58	¥2.84	[2.6%]	JPY Depreciated	¥110.71

Remark: "Average rates" are average of monthly corporate rates in each term, while "term-end rates" are TTM rates on the last day of each term

<Overseas subsidiaries>

	As of Mar.31, 2020	As of Mar.31, 2021	Change			As of Dec.31, 2020
Term-end rates	¥108.83	¥110.71	¥1.88	[1.7%]	JPY Depreciated	¥103.50

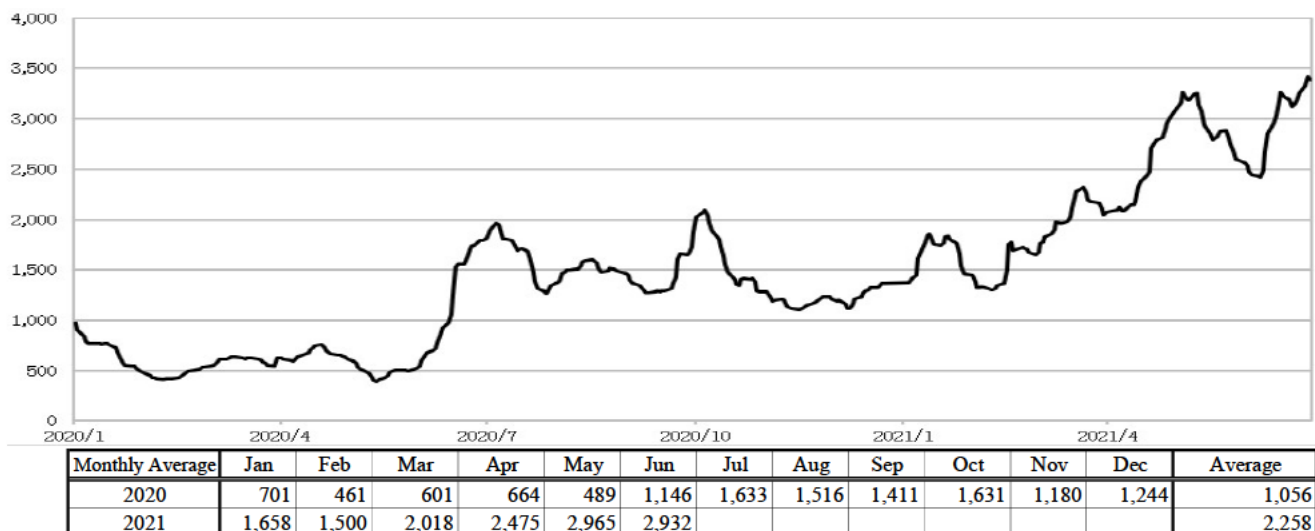
6. Average Bunker Prices

	Three months ended Jun.30, 2020	Three months ended Jun.30, 2021	Increase / Decrease
Purchase Prices	US\$255/MT	US\$497/MT	US\$242/MT

7. Market Information

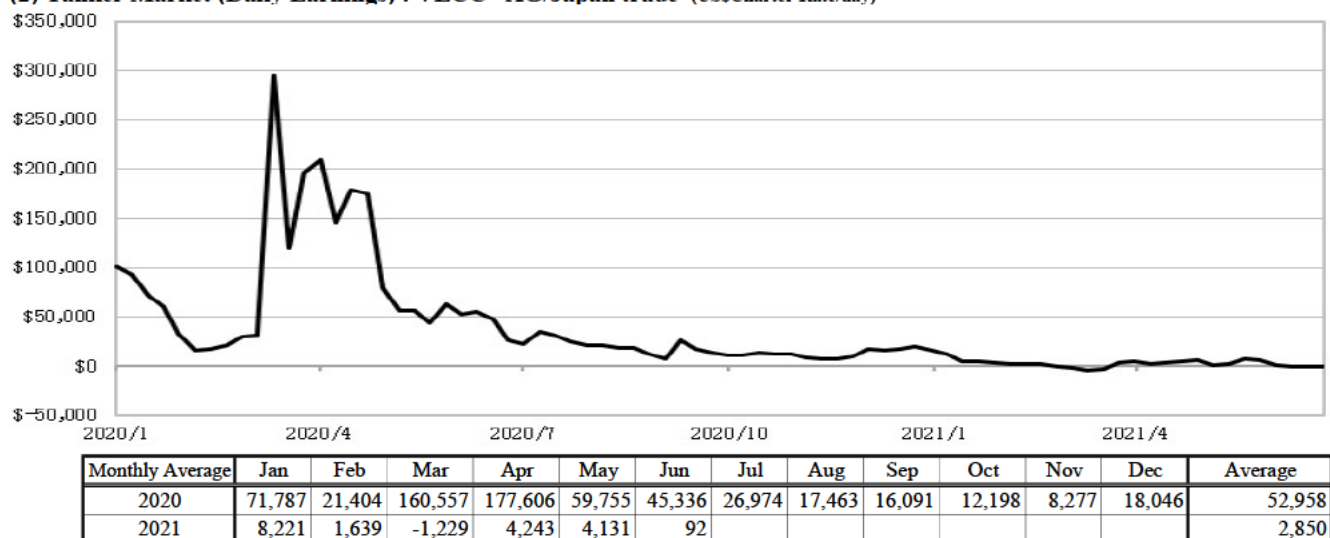
(1) Dry Bulker Market (Baltic Dry Index) (Index: January 1985 = 1,000)

Source : Clarkson Research



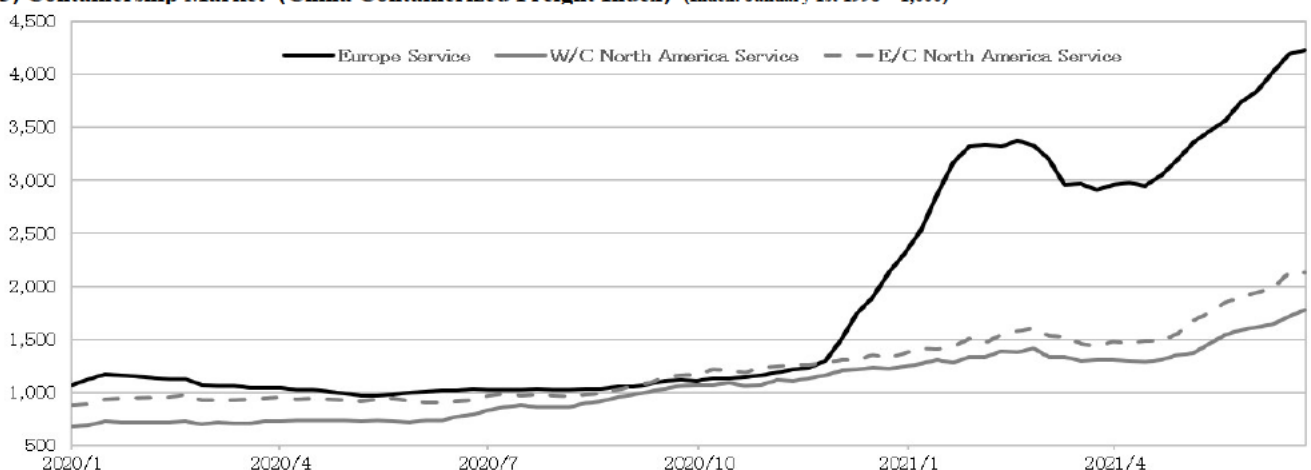
(2) Tanker Market (Daily Earnings) : VLCC AG/Japan trade (US\$Charter Rate/day)

Source : Clarkson Research



(3) Containership Market (China Containerized Freight Index) (Index: January 1st 1998 = 1,000)

Source : Shanghai Shipping Exchange



Note: CCFI reflects the freight rate trend for container exports from China only, which does not always match the overall trend for container exports from Asia