

# Mitsui O.S.K. Lines, Ltd.



Financial Highlights: Fiscal Year 2020 Ended March 31, 2021

## 1. Consolidated Financial Highlights ( from April 1, 2020 to March 31, 2021 )

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

### (1) Operating Results

	(¥Million)	
	FY2020	FY2019
<b>Revenues</b>	991,426	1,155,404
<b>Operating profit (loss)</b>	(5,303)	23,779
<b>Ordinary profit</b>	133,604	55,090
<b>Profit attributable to owners of parent</b>	90,052	32,623
	( ¥ )	
<b>Net income per share</b>	752.98	272.79
<b>Diluted net income per share</b>	750.66	263.55
<b>Return to shareholders' equity</b>	16.5%	6.3%
<b>Rate of ordinary income on assets</b>	6.4%	2.6%
<b>Operating profit ratio</b>	(0.5%)	2.1%

### (2) Financial Position

	(¥Million)	
	FY2020	FY2019
<b>Total assets</b>	2,095,559	2,098,717
<b>Total net assets</b>	699,150	641,235
<b>Shareholders' equity / Total assets</b>	27.6%	24.5%
	( ¥ )	
<b>Shareholders' equity per share</b>	4,830.12	4,292.31

\* Shareholders' Equity is defined as follows.

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

## 2. Dividends

	Dividend per share ( ¥ )					Total dividends paid (¥Million)	Dividend pay-out ratio	Dividend ratio to shareholders' equity
	Q1	Q2	Q3	Year - end	Total			
<b>FY2019</b>	—	30.00	—	35.00	65.00	7,773	23.8%	1.5%
<b>FY2020</b>	—	15.00	—	135.00	150.00	17,943	19.9%	3.3%
<b>FY2021 (Outlook)</b>	—	70.00	—	80.00	150.00		19.9%	

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

	(¥Million)
	FY2021
<b>Revenues</b>	1,060,000
<b>Operating profit</b>	28,000
<b>Ordinary profit</b>	100,000
<b>Profit attributable to owners of parent</b>	90,000
	( ¥ )
<b>Net income per share</b>	752.52

**(Reference)****Non-Consolidated Financial Highlights ( from April 1, 2020 to March 31, 2021 )**

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

**(1) Operational Results**

	(¥Million)	
	FY2020	FY2019
<b>Revenues</b>	585,630	700,120
<b>Operating profit (loss)</b>	(13,267)	12,689
<b>Ordinary profit</b>	23,457	32,443
<b>Net income</b>	(9,169)	15,793
		( ¥ )
<b>Net income per share</b>	(76.67)	132.05
<b>Diluted net income per share</b>	—	127.58

**(2) Financial Position**

	(¥Million)	
	FY2020	FY2019
<b>Total assets</b>	1,009,922	1,008,170
<b>Total net assets</b>	194,574	198,234
<b>Shareholders' equity / Total assets</b>	19.1%	19.5%
		( ¥ )
<b>Shareholders' equity per share</b>	1,615.29	1,643.76

## 4. Business Performance

### (1) Analysis of Operating Results

(¥ Billion)

	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)	Year-on-year comparison / Variance
Revenue	1,155.4	991.4	(163.9) / (14.2%)
Operating profit (loss)	23.7	(5.3)	(29.0) / -
Ordinary profit	55.0	133.6	78.5 / 142.5%
Profit attributable to owners of parent	32.6	90.0	57.4 / 176.0%
Exchange rate	¥109.28/US\$	¥105.95/US\$	¥ (3.33)/US\$
Bunker price*	US\$467/MT	US\$355/MT	US\$(112)/MT

\*Average price for all the major fuel grades

The average exchange rate of Japanese yen against the U.S. dollar during the fiscal year under review appreciated by ¥3.33 year on year to ¥105.95. The average bunker price during the same period fell by US\$112/MT year on year to US\$355/MT.

We recorded revenue of ¥991.4 billion, an operating loss of ¥5.3 billion, ordinary profit of ¥133.6 billion and profit attributable to owners of parent of ¥90.0 billion. We recorded ¥132.9 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 is attributable to ONE is ¥119.5 billion. (¥67.4 billion in the fourth quarter alone)

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)

	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)	Year-on-year comparison / Variance
Dry Bulk Business	277.1	222.1	(54.9) / (19.8%)
	12.0	(4.2)	(16.3) / -
Energy Transport Business	298.2	287.5	(10.6) / (3.6%)
	25.4	29.7	4.3 / 17.1%
Product Transport Business	476.8	396.4	(80.4) / (16.9%)
	6.7	102.6	95.9 / 1,423.8%
Containership Segment	227.6	220.5	(7.0) / (3.1%)
	4.1	117.1	112.9 / 2,746.2%
Associated Businesses	122.0	98.1	(23.9) / (19.6%)
	12.3	9.4	(2.8) / (23.5%)
Others	22.7	22.5	(0.2) / (0.9%)
	3.4	2.6	(0.7) / (23.0%)

Note: Revenue includes internal sales or transfers among segments

**(A) Dry bulk Business**

In the Capesize bulker market during the first half of the fiscal year, the charter rate remained generally steady than expected, improving due to the synergies created by increased demand in China and rising FFA rates. In the second half, the charter rate rose again in autumn due to strong demand for raw materials in China combined with a recovery in demand in other areas such as Japan, South Korea and Europe but then trended downward. In mid-December, the rate firmed up for a time due to increased congestion at Chinese ports and it also rallied from early March due to spillover effects of the strong Panamax bulker market. The Panamax bulker market in the first half of the fiscal year improved through the summer, bolstered by brisk demand for the transportation of grain from South America, and then weakened due to decreased demand for the transportation of coal to China. During the second half, the market was underpinned by demand for transportation of grain from North America and other cargos. From the start of the new year, the rate even soared and remained at a high level, reflecting the tightened vessel availability caused by firm demand for coal shipments to China and speculation on port congestion resulting from delays in the harvest of South American grain due to inclement weather, as well as rising demand for North American grain as an alternative.

On the other hand, for wood chip carriers and open-hatch carriers, although there was some recovery in transportation demand for paper raw materials and pulp bound for China, overall cargo movements and market conditions were weak. In addition, MOL BRIDGE FINANCE S.A., which is a consolidated subsidiary of the Company, recorded a provision of allowance for doubtful accounts in relation to loans to GEARBULK HOLDING AG, an equity-method affiliate. As a result, the Dry Bulk Business as a whole posted a significant decline in profit compared with the same period of the previous year.

**(B) Energy Transport Business****<Tankers>**

In the very large crude oil carrier (VLCC) market, the charter rate reached a historic high in the spring due to increased tanker demand for floating storage triggered by falling oil prices. However, it then remained in a downward trend, with no recovery in cargo movements, due to the end of storage demand and the continuation of coordinated output cuts. Similar to the VLCC market, the product tanker market recorded high charter rates during the spring and then the rates trended lower in the summer due to weakened cargo movements as refineries ran at reduced capacity and remained a low level thereafter. Under these market conditions, the tanker division as a whole achieved significant year-on-year growth in profit due to the stable fulfillment of long-term contracts and favorable contracts secured by capturing the historic high charter rate in the market.

**<LNG Carriers/Offshore businesses>**

The LNG carrier division generated stable profit mainly through existing long-term charter contracts in addition to the commencement of contracts for four LNG carriers and one LNG-bunkering vessel and posted a year-on-year increase in ordinary profit. For the offshore business division, FPSO business achieved steady operations of existing projects and secured profitability. However, as a result of one FSRU performing a short-term contract between expiration of the previous contract and the start of the next long-term contract, offshore business as a whole recorded deteriorated results year on year.

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

In the containerships business, ONE, the Company's equity-method affiliate, saw cargo movements remain at a high level from the summer, driven by stay-at-home demand, especially on Asia-North America routes, and because of supply constraints arising for various reasons such as port congestion associated with labor shortages and an insufficient number of containers in Asia, spot rates were considerably higher than the year-ago level. With fuel prices also generally remaining at a low level, ONE reported substantial profit growth compared with the same period of the previous year.

**<Car Carriers>**

Transportation volume of completed cars staged a recovery from the third quarter but was still far below the year-ago level, reflecting the impact of the decrease in global automobile production amid the COVID-19 pandemic. Profitability deteriorated significantly year on year despite efforts to minimize impact on business performance through measures such as the adjustment of vessel supply, including the scrapping and re-delivery of vessels, and reduction of expenses through idling.

**<Ferries and Coastal RoRo Ships>**

In the business of ferries and coastal RoRo ships, the number of passengers slumped due to the impact of COVID-19. With our implementation of COVID-19 measures such as intensified infection control procedures inside ferries and passenger terminals, and thanks to the Japanese government's Go To Travel campaign, a temporary recovery was seen.

However, with the resurgence of infections from the start of the year, passenger numbers generally remained low. Cargo movements are showing a recovery trend at present, albeit with disparities in the extent of the recovery among routes, but have nonetheless remained below the year-ago level. As a result, profit declined year-on-year.

**(D) Associated Businesses**

The real estate business posted a year-on-year gain in profit thanks to the acquisition of new property by Daibiru Corporation, which is the core company in the Group's real estate business. The cruise ship business resumed operations in November, but was then forced to suspend many services due to the spread of the COVID-19 infection, resulting in a significant decline in profit compared to the previous fiscal year. The tugboat business also posted year-on-year decline in profit due to a reduction in the number of vessels requiring tugboat services entering/leaving port. The travel business also saw year-on-year decline in profitability due to a decrease in demand for overseas travel. Performance of other associated businesses such as the trading business remained generally steady, but the Associated Businesses segment overall reported a year-on-year decline in profit.

**(E) Others**

Other businesses, which are mainly cost centers, such as ship operations, ship management, ship chartering and financing have posted year on year decline in ordinary profit.

**(2) Outlook for FY2021**

(¥ Billion)

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 Outlook (From April 1, 2021 to March 31, 2022)	Year-on-year comparison / Variance
Revenue	991.4	1,060.0	68.5 / 6.9%
Operating profit (loss)	(5.3)	28.0	33.3 / -
Ordinary profit	133.6	100.0	(33.6) / (25.1%)
Profit attributable to owners of parent	90.0	90.0	(0) / (0.1%)

Exchange rate	¥105.95/US\$	¥105.00/US\$	¥ (0.95)/US\$
All major fuel grade price*1	US\$355/MT	-	-
Bunker price*2	-	US\$400/MT	-
Compliant fuel price*3	-	US\$500/MT	-
	-	(Assumption for full year)	-

\*1 All major fuel grades average price

\*2 HSFO (High Sulfur Fuel Oil) average price

\*3 VLSFO (Very Low Sulfur Fuel Oil) average price

**(A) Dry Bulk Business**

The Capesize bulker market is expected to remain generally firm as a whole, due to solid demand for steel raw materials especially in China, and the expected tight supply-demand balance. The market for Panamax and smaller-size bulkers is also expected to remain firm, supported by brisk grain cargo movements.

In April 2021, we have launched "MOL DRYBULK LTD." which aggregates dry bulk transportation (small- and mid-sized bulkers, woodchip carriers and short-sea ships), excluding those engaged in steel manufacturer and electric power companies, in an effort to increase the value of services provided to customers.

**(B) Energy and Offshore Business**

On the very large crude oil carrier (VLCC) market, cargo movements are expected to remain weak as a result of the extension of coordinated output cuts and the delayed recovery of oil demand; however, through the second half of the year, global economic activity is expected to resume as vaccination programs against COVID-19 expands, and the market is projected to stage a gradual recovery. The product tanker market is expected to firm up in the second half, with cargo movements predicted to recover backed by strong demand mainly in China, India and Southeast Asia.

In the LNG carrier division, in addition to the existing long-term contracts, we expect delivery of one LNG carrier and two LNG-bunkering vessels, by which we will continue securing stable profits. Among the offshore businesses, the FPSO business is expected to generate a stable profit.

**(C) Product Transport Business**

In the containerships business, ONE and we both forecast that the strong cargo movements and rates seen at present will continue for the time being but will soften sometime in the fiscal year.

Regarding the car carrier business, while there are concerns over the effects of COVID-19 and the shortage of semiconductors for the time being, the recovery trend in cargo volume is expected to continue. We will stay focused 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, there is concern over the impact of further outbreaks of COVID-19 on business performance but the rollout of vaccination programs will bring about a change in sentiment and, if the Go To Travel campaign is resumed, the number of passengers is expected to recover.

**(D) Associated Businesses**

The real estate business is expected to report a decline in rental income as a result of the reconstruction of property owned. The results of the cruise ship business and the travel business are likely to be affected by COVID-19 depending on how long the pandemic lasts.

## 5. Financial Position

Total assets as of March 31, 2021 decreased by ¥ 3.1 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,095.5 billion. This was primarily due to the decrease in Vessels.

Total liabilities as of March 31, 2021 decreased by ¥ 61.0 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,396.4 billion. This was primarily due to the decrease in Long-term bank loans.

Total net assets as of March 31, 2021 increased by ¥ 57.9 billion compared to the balance as of the end of the previous fiscal year, to ¥ 699.1 billion. This was primarily due to the increase in Retained earnings.

As a result, shareholders' equity ratio increased by 3.1% compared to the ratio as of the end of the previous fiscal year, to 27.6%.

## 6. Cash Flow

Cash and cash equivalents (hereinafter called "cash") as of the end of FY2020 was ¥ 83.4 billion, a decrease of ¥ 18.8 billion compared to the balance as of the end of the previous fiscal year. Cash flows on each activity are as follows.

Net cash provided by operating activities during FY2020 was ¥ 98.8 billion (while net cash provided by FY2019 was ¥ 100.7 billion), mainly due to Income before income taxes and non-controlling interests (¥ 100.3 billion).

Net cash used in investing activities during FY2020 was ¥ 54.6 billion (while net cash used in FY2019 was ¥ 107.2 billion), mainly due to Purchase and proceeds from sale of vessels and other non-current assets.

Net cash used by financing activities during FY2020 was ¥ 61.7 billion (while net cash used in FY2019 was ¥ 0.7 billion), mainly due to Proceeds from long-term bank loans.

## 7. Basic Policy on Profit Sharing and Dividends

Our key management policies are to enhance corporate value with proactive capital investment and to directly return profits to shareholders through dividend. Utilizing our internal capital reserves, we work to reinforce corporate strength and strive to further raise our per-share corporate value. In the coming terms, with a 20% dividend payout ratio as a guideline, we will pay dividends linked with business performance, and we will address the need to increase the ratio as a medium- and long-term management issue.

As for the fiscal year under review, we will distribute dividends of surplus (a year-end dividend) at ¥135.00 per share for the fiscal year under review. We will pay an annual dividend of ¥150.00 per share including the interim dividend of ¥15.00 per share.

As for dividends of surplus for the next fiscal year, we plan to pay an annual dividend of ¥150.00 per share, comprising an interim dividend of ¥70.00 per share and a year-end dividend of ¥80.00 per share on the assumption that we secure the income described in our outlook for the next fiscal year.

## 8. 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, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	105,784	86,238
Trade receivables	81,362	86,828
Marketable securities	500	500
Inventories	33,520	29,615
Deferred and prepaid expenses	61,028	49,866
Other current assets	52,950	74,505
Allowance for doubtful accounts	(258)	(553)
<b>Total current assets</b>	<b>334,887</b>	<b>327,000</b>
Fixed assets		
Tangible fixed assets		
Vessels	711,498	625,896
Buildings and structures	146,582	145,171
Equipment and others	29,205	26,861
Furniture and fixtures	4,174	5,477
Land	241,162	252,794
Construction in progress	66,363	40,704
Other tangible fixed assets	2,713	2,551
<b>Total tangible fixed assets</b>	<b>1,201,698</b>	<b>1,099,458</b>
Intangible fixed assets	28,810	31,364
Investments and other assets		
Investment securities	346,890	459,357
Long-term loans receivable	85,261	83,258
Long-term prepaid expenses	8,490	9,926
Net defined benefit assets	16,121	24,172
Deferred tax assets	3,228	2,369
Other investments and other assets	85,911	79,184
Allowance for doubtful accounts	(12,584)	(20,533)
<b>Total investments and other assets</b>	<b>533,320</b>	<b>637,736</b>
<b>Total fixed assets</b>	<b>1,763,829</b>	<b>1,768,559</b>
<b>Total assets</b>	<b>2,098,717</b>	<b>2,095,559</b>



(¥Million)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	69,189	73,019
Short-term bonds	36,766	17,800
Short-term bank loans	180,351	166,879
Commercial papers	25,000	40,000
Accrued income taxes	5,336	4,119
Advances received	34,348	31,762
Allowance for bonuses	4,706	4,962
Other current liabilities	66,466	79,030
<b>Total current liabilities</b>	<b>422,164</b>	<b>417,574</b>
<b>Fixed liabilities</b>		
Bonds	181,000	163,200
Long-term bank loans	655,117	623,006
Lease obligations	16,091	14,059
Deferred tax liabilities	58,480	65,172
Net defined benefit liabilities	9,524	9,245
Allowance for directors' and corporate auditors' retirement benefits	1,565	1,645
Reserve for periodic drydocking	18,441	15,219
Other fixed liabilities	95,096	87,286
<b>Total fixed liabilities</b>	<b>1,035,316</b>	<b>978,834</b>
<b>Total liabilities</b>	<b>1,457,481</b>	<b>1,396,409</b>
<b>Net assets</b>		
<b>Owners' equity</b>		
Common stock	65,400	65,400
Capital surplus	45,007	45,351
Retained earnings	351,636	435,589
Treasury stock	(6,722)	(6,515)
<b>Total owners' equity</b>	<b>455,320</b>	<b>539,825</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gains on available-for-sale securities, net of tax	16,306	29,917
Unrealized gains on hedging derivatives, net of tax	28,170	5,150
Foreign currency translation adjustments	10,889	(4,653)
Remeasurements of defined benefit plans, net of tax	2,648	7,541
<b>Total accumulated other comprehensive income</b>	<b>58,014</b>	<b>37,956</b>
Share subscription rights	1,646	1,347
Non-controlling interests	126,253	120,020
<b>Total net assets</b>	<b>641,235</b>	<b>699,150</b>
<b>Total liabilities and net assets</b>	<b>2,098,717</b>	<b>2,095,559</b>

**(2) Consolidated Statements of Income**

(¥Million)

	FY2019 (Apr. 1, 2019 - Mar. 31, 2020)	FY2020 (Apr. 1, 2020 - Mar. 31, 2021)
Shipping and other revenues	1,155,404	991,426
Shipping and other expenses	1,035,771	911,055
Gross operating income	119,632	80,370
Selling, general and administrative expenses	95,852	85,674
Operating profit (loss)	23,779	(5,303)
Non-operating income		
Interest income	8,028	6,036
Dividend income	6,127	6,795
Equity in earnings of affiliated companies	15,949	132,912
Foreign exchange gains	17,058	12,412
Others	2,800	3,239
Total non-operating income	49,965	161,397
Non-operating expenses		
Interest expenses	16,549	12,518
Provision of allowance for doubtful accounts	26	8,187
Others	2,077	1,784
Total non-operating expenses	18,654	22,489
Ordinary profit	55,090	133,604
Extraordinary income		
Gain on sales of fixed assets	8,295	10,758
Others	7,808	6,138
Total extraordinary income	16,104	16,897
Extraordinary losses		
Loss on sale of fixed assets	449	5,501
Provision of allowance for loss on sale of fixed assets	—	6,217
Impairment losses	982	10,298
Loss related to business restructuring	8,243	18,480
Provision of allowance for doubtful accounts	7,784	—
Others	6,605	9,689
Total extraordinary losses	24,064	50,187
Income before income taxes and non-controlling interests	47,130	100,313
Income taxes - current	8,970	6,810
Income taxes - deferred	(30)	303
Total income taxes	8,939	7,114
Net income	38,190	93,199
Profit attributable to non-controlling interests	5,566	3,147
Profit attributable to owners of parent	32,623	90,052

**(3) Consolidated Statements of Comprehensive Income**

(¥Million)

	FY2019 (Apr. 1, 2019 - Mar. 31, 2020)	FY2020 (Apr. 1, 2020 - Mar. 31, 2021)
Net income	38,190	93,199
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	(11,567)	16,329
Unrealized gains on hedging derivatives, net of tax	(5,535)	(14,799)
Foreign currency translation adjustments	(2,108)	(10,249)
Remeasurements of defined benefit plans, net of tax	(1,071)	4,866
Share of other comprehensive income of associates accounted for using equity method	(15,294)	(14,015)
Total other comprehensive income	(35,577)	(17,867)
Comprehensive income	2,612	75,332
(Breakdown)		
Comprehensive income attributable to owners of parent	(1,218)	69,994
Comprehensive income attributable to non-controlling interests	3,831	5,337

**(4) Consolidated Statement of Changes in Net assets**

FY2019 (April 1, 2019 – March 31, 2020)

(¥Million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at Mar, 2019	65,400	45,385	329,888	(6,764)	433,909
Cumulative effects of changes in accounting policies			(1,812)		(1,812)
Restated balance	65,400	45,385	328,075	(6,764)	432,096
Changes during period					
Issuance of new shares - exercise of share acquisition rights				5	5
Dividends of surplus			(6,577)		(6,577)
Profit attributable to owners of parent			32,623		32,623
Change of scope of consolidation			(2,446)		(2,446)
Purchase of treasury shares				(28)	(28)
Disposal of treasury shares			(38)	65	26
Purchase of shares of consolidated subsidiaries		(377)			(377)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	(377)	23,560	41	23,224
Balance at Mar, 2020	65,400	45,007	351,636	(6,722)	455,320

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income			
Balance at Mar, 2019	26,840	44,391	16,197	3,725	91,154	1,803	124,739	651,607
Cumulative effects of changes in accounting policies								(1,812)
Restated balance	26,840	44,391	16,197	3,725	91,154	1,803	124,739	649,794
Changes during period								
Issuance of new shares - exercise of share acquisition rights						(5)		-
Dividends of surplus								(6,577)
Profit attributable to owners of parent								32,623
Change of scope of consolidation								(2,446)
Purchase of treasury shares								(28)
Disposal of treasury shares								26
Purchase of shares of consolidated subsidiaries								(377)
Net changes of items other than shareholders' equity	(10,533)	(16,221)	(5,308)	(1,076)	(33,140)	(151)	1,514	(31,777)
Total changes of items during period	(10,533)	(16,221)	(5,308)	(1,076)	(33,140)	(157)	1,514	(8,558)
Balance at Mar, 2020	16,306	28,170	10,889	2,648	58,014	1,646	126,253	641,235

FY2020 (April 1, 2020 – March 31, 2021)

(¥Million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at Mar, 2020	65,400	45,007	351,636	(6,722)	455,320
Changes during period					
Issuance of new shares - exercise of share acquisition rights				(21)	(21)
Dividends of surplus			(5,979)		(5,979)
Profit attributable to owners of parent			90,052		90,052
Change of scope of consolidation			(0)		(0)
Purchase of treasury shares				(25)	(25)
Disposal of treasury shares			(118)	254	135
Purchase of shares of consolidated subsidiaries		344			344
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	344	83,953	207	84,505
Balance at Mar, 2021	65,400	45,351	435,589	(6,515)	539,825

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income			
Balance at Mar, 2020	16,306	28,170	10,889	2,648	58,014	1,646	126,253	641,235
Changes during period								
Issuance of new shares - exercise of share acquisition rights						21		-
Dividends of surplus								(5,979)
Profit attributable to owners of parent								90,052
Change of scope of consolidation								(0)
Purchase of treasury shares								(25)
Disposal of treasury shares								135
Purchase of shares of consolidated subsidiaries								344
Net changes of items other than shareholders' equity	13,610	(23,019)	(15,542)	4,893	(20,058)	(319)	(6,233)	(26,611)
Total changes of items during period	13,610	(23,019)	(15,542)	4,893	(20,058)	(298)	(6,233)	57,914
Balance at Mar, 2021	29,917	5,150	(4,653)	7,541	37,956	1,347	120,020	699,150

**(5) Consolidated Statements of Cash flows**

(¥Million)

	FY2019 (Apr.1, 2019 - Mar.31, 2020)	FY2020 (Apr.1, 2020 - Mar.31, 2021)
<b>Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	47,130	100,313
Depreciation and amortization	87,765	85,798
Provision of allowance for loss on sale of fixed assets	—	6,217
Impairment losses	982	10,298
Loss related to business restructuring	8,243	18,480
Equity in losses (earnings) of affiliated companies	(15,949)	(132,912)
Various provisions (reversals)	(6,241)	(4,937)
Interest and dividend income	(14,156)	(12,832)
Interest expense	16,549	12,518
Loss (gain) on sale and retirement of non-current assets	(7,546)	(4,977)
Foreign exchange loss (gain), net	(15,984)	(13,152)
Decrease (Increase) in trade receivables	10,292	(7,262)
Decrease (Increase) in inventories	2,835	3,693
Increase (Decrease) in trade payables	(11,261)	4,517
Others, net	1,203	11,775
Sub total	103,863	77,538
Interest and dividend income received	21,803	43,426
Interest expenses paid	(16,988)	(12,883)
Income taxes paid	(7,955)	(9,183)
Net cash provided by (used in) operating activities	100,723	98,898
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(16,898)	(5,109)
Proceeds from sale and redemption of investment securities	13,446	7,765
Purchase of non-current assets	(155,104)	(104,419)
Proceeds from sale of non-current assets	44,642	59,691
Disbursements for long-term loans receivables	(6,680)	(28,992)
Collection of long-term loans receivables	13,840	19,261
Others, net	(497)	(2,857)
Net cash provided by (used in) investing activities	(107,250)	(54,660)

	(¥Million)	
	FY2019 (Apr.1, 2019 - Mar.31, 2020)	FY2020 (Apr.1, 2020 - Mar.31, 2021)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term bank loans	(9,102)	(15,233)
Net increase (decrease) in commercial paper	(15,000)	15,000
Proceeds from long-term bank loans	117,491	111,589
Repayments of long-term bank loans	(104,756)	(117,270)
Proceeds from issuance of bonds	50,000	—
Redemption of bonds	(28,500)	(36,766)
Cash dividends paid by the company	(6,570)	(5,969)
Cash dividends paid to non-controlling interests	(2,937)	(8,747)
Others, net	(1,352)	(4,308)
<b>Net cash provided by (used in) financing activities</b>	<b>(728)</b>	<b>(61,705)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	(1,625)	(142)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8,881)</b>	<b>(17,610)</b>
Cash and cash equivalents at beginning of year	119,155	102,283
<b>Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation</b>	<b>(7,991)</b>	<b>(1,236)</b>
<b>Cash and cash equivalents at end of period</b>	<b>102,283</b>	<b>83,436</b>

**(6) Segment Information**

Business segment information:

(¥Million)

FY2019 (Apr.1,2019 - Mar.31, 2020)	Reportable Segment						Others *1	Total	Adjust- ment *2	Consoli- dated
	Dry Bulk Business	Energy Transport Business	Product Transport Business		Associated Businesses	Sub Total				
			Container ships	Car Carries, Ferries and Coastal RoRo ships						
Revenues										
1.Revenues from external customers	277,151	289,375	226,420	249,043	96,556	1,138,548	16,855	1,155,404	—	1,155,404
2.Inter-segment revenues	0	8,864	1,202	211	25,501	35,780	5,924	41,704	(41,704)	—
Total Revenues	277,152	298,240	227,623	249,255	122,057	1,174,328	22,779	1,197,108	(41,704)	1,155,404
Segment profit (loss)	12,044	25,428	4,114	2,621	12,346	56,555	3,458	60,014	(4,923)	55,090
Others										
Depreciation and amortization	10,541	35,961	12,847	17,735	9,170	86,255	417	86,673	1,091	87,765
Amortization of goodwill	—	54	—	—	118	172	—	172	—	172
Interest income	1,392	5,668	1,320	73	91	8,546	4,359	12,906	(4,878)	8,028
Interest expenses	2,939	10,771	1,962	1,085	1,453	18,152	3,841	21,994	(5,444)	16,549
Equity in earnings (losses) of affiliates	(1,973)	13,098	4,071	518	235	15,949	—	15,949	—	15,949

\* 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

(1) Adjustment in Segment profit (loss) of ¥ -4,923 million include the following:

¥ -9,649 million of corporate profit which is not allocated to segments, ¥ 6,575 million of adjustment for management accounting and ¥ -1,849 million of inter-segment transaction elimination

(2) Adjustment in Depreciation and amortization of ¥ 1,091 million include the following:

¥ 1,091 million of depreciation of assets which are not allocated to segments

(3) Adjustment in Interest income of ¥ -4,878 million include the following:

¥ 2,210 million of interest income which is not allocated to segments and ¥ -7,088 million of inter-segment transaction elimination

(4) Adjustment in Interest expenses of ¥ -5,444 million include the following:

¥ 5,719 million of interest expenses which are not allocated to segments, ¥ -4,068 million of adjustment for management accounting and ¥ -7,095 million of inter-segment transaction elimination

\* 3 Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income



(¥ Million)

FY2020 (Apr 1, 2020 - Mar. 31, 2021)	Reportable Segment						Others *1	Total	Adjust- ment *2	Consoli- dated
	Dry Bulk Business	Energy Transport Business	Product Transport Business		Associated Businesses	Sub Total				
			Container ships	Car Carries, Ferries and Coastal RoRo ships						
Revenues										
1.Revenues from external customers	222,053	278,865	219,453	175,722	78,942	975,038	16,388	991,426	—	991,426
2.Inter-segment revenues	122	8,724	1,130	163	19,183	29,322	6,189	35,512	(35,512)	—
Total Revenues	222,175	287,589	220,583	175,885	98,126	1,004,360	22,577	1,026,938	(35,512)	991,426
Segment profit (loss)	(4,275)	29,764	117,113	(14,468)	9,450	137,584	2,661	140,246	(6,641)	133,604
Others										
Depreciation and amortization	10,279	35,381	11,502	17,435	9,615	84,214	415	84,629	1,168	85,798
Amortization of goodwill	—	30	—	—	146	176	—	176	—	176
Interest income	883	4,756	510	64	86	6,301	1,935	8,236	(2,199)	6,036
Interest expenses	1,872	7,932	1,318	627	1,294	13,044	1,313	14,358	(1,840)	12,518
Equity in earnings (losses) of affiliates	(2,983)	15,553	120,042	88	212	132,912	—	132,912	—	132,912

\* 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

(1) Adjustment in Segment profit (loss) of ¥ -6,641 million include the following:

¥ -10,869 million of corporate profit which is not allocated to segments, ¥ 5,007 million of adjustment for management accounting and ¥ -779 million of inter-segment transaction elimination

(2) Adjustment in Depreciation and amortization of ¥ 1,168 million include the following:

¥ 1,168 million of depreciation of assets which are not allocated to segments

(3) Adjustment in Interest income of ¥ -2,199 million include the following:

¥ 921 million of interest income which is not allocated to segments and ¥ -3,121 million of inter-segment transaction elimination

(4) Adjustment in Interest expenses of ¥ -1,840 million include the following:

¥ 4,763 million of interest expenses which are not allocated to segments, ¥ -3,463 million of adjustment for management accounting and ¥ -3,140 million of inter-segment transaction elimination

\* 3 We have changed the allocation of general and administrative expenses to company-wide profit and loss to appropriately reflect expenses in each segment. This new method of allocating general and administrative expenses is used from the first quarter under review.

In comparison with the results based on the previous method, the expenses in each segment increased and segment profit (loss) for this fiscal year under review decreased ¥ 360 million in the Dry Bulk Business, ¥ 745 million in the Energy Transport Business, ¥ 204 million in the Containerships Business, ¥ 262 million in the Car Carriers, Ferries and Coastal RoRo Ships Businesses,

¥ 201 million in Associated Businesses, and ¥ 24 million in Others Business, while Adjustment in Segment profit (loss) increased in ¥ 1,798 million.

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

**[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****<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

**<FY2019>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2019	Jul-Sep, 2019	Oct-Dec, 2019	Jan-Mar, 2020
Revenues [ ¥ Millions]	283,147	291,203	292,919	288,135
Operating profit (loss)	6,854	5,191	12,258	(524)
Ordinary profit (loss)	14,007	14,147	21,127	5,809
Income (Loss) before income taxes	15,308	16,983	27,123	(12,284)
Profit (Loss) attributable to owners of parent	12,273	13,363	22,850	(15,863)
Net income (loss)* per share [ ¥]	102.63	111.74	191.06	(132.64)
Total Assets [ ¥ Millions]	2,082,641	2,069,083	2,078,425	2,098,717
Total Net Assets	639,824	633,474	654,706	641,235

\*Profit (Loss) attributable to owners of parent

**2. Depreciation and Amortization**

	(¥ Millions)		
	FY2019	FY2020	Increase / Decrease
Vessels	62,203	61,305	(898)
Others	25,561	24,493	(1,068)
<b>Total</b>	<b>87,765</b>	<b>85,798</b>	<b>(1,966)</b>

**3. Interest-bearing Debt**

	(¥ Millions)		
	As of Mar.31, 2020	As of Mar.31, 2021	Increase / Decrease
Bank loans	835,468	789,885	(45,582)
Bonds	217,766	181,000	(36,766)
Commercial paper	25,000	40,000	15,000
Others	18,450	16,108	(2,341)
<b>Total</b>	<b>1,096,685</b>	<b>1,026,994</b>	<b>(69,690)</b>

**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	45	4,731	73	9,448	27	2,045	48	856	14	1,110
Chartered	267	24,028	95	4,406	10	705	47	793	46	4,498
Others	-	-	1	35	2	143	-	-	-	-
<b>As of Mar.31, 2021</b>	<b>312</b>	<b>28,759</b>	<b>169</b>	<b>13,889</b>	<b>39</b>	<b>2,893</b>	<b>95</b>	<b>1,649</b>	<b>60</b>	<b>5,608</b>
<b>As of Mar 31, 2020</b>	<b>311</b>	<b>29,277</b>	<b>167</b>	<b>14,125</b>	<b>45</b>	<b>3,457</b>	<b>107</b>	<b>1,810</b>	<b>64</b>	<b>5,900</b>

	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	225	18,295
Chartered	5	31	-	-	22	70	492	34,530
Others	-	-	-	-	1	1	4	179
<b>As of Mar.31, 2021</b>	<b>15</b>	<b>85</b>	<b>1</b>	<b>4</b>	<b>30</b>	<b>117</b>	<b>721</b>	<b>53,004</b>
<b>As of Mar 31, 2020</b>	<b>15</b>	<b>85</b>	<b>1</b>	<b>4</b>	<b>32</b>	<b>114</b>	<b>742</b>	<b>54,772</b>

\*1 Including offshore project ships and offshore gas project ships

\*2 Including coastal ships (excluding coastal RoRo ships)

**5. Exchange Rates**

	FY2019	FY2020	Change		
Average rates	¥109.28	¥105.95	¥3.33	[3.0%]	JPY Appreciated
Term-end rates	¥108.83	¥110.71	¥1.88	[1.7%]	JPY Depreciated

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

&lt;Overseas subsidiaries&gt;

	As of Dec.31, 2019	As of Dec. 31, 2020	Change		
Term-end rates	¥109.56	¥103.50	¥6.06	[5.5%]	JPY Appreciated

**6. Average Bunker Prices**

	FY2019	FY2020	Increase / Decrease
Purchase Prices	US\$467/MT	US\$355/MT	US\$(112)/MT

## 7. Market Information

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

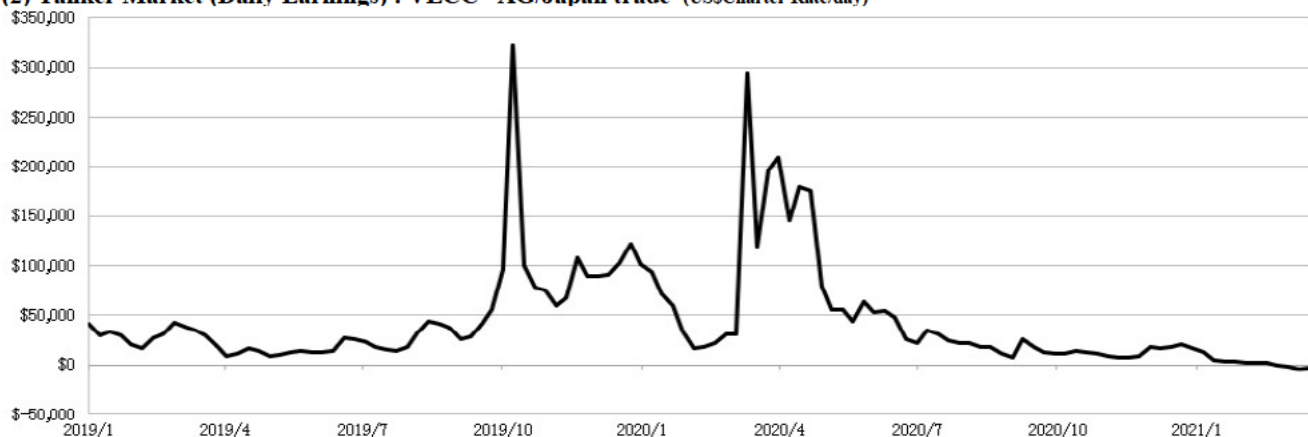
Source : Clarkson Research



Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2019	1,063	629	680	773	1,036	1,174	1,870	1,982	2,255	1,826	1,419	1,381	1,341
2020	701	461	601	664	489	1,146	1,633	1,516	1,411	1,631	1,180	1,244	1,056
2021	1,658	1,500	2,018										1,725

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

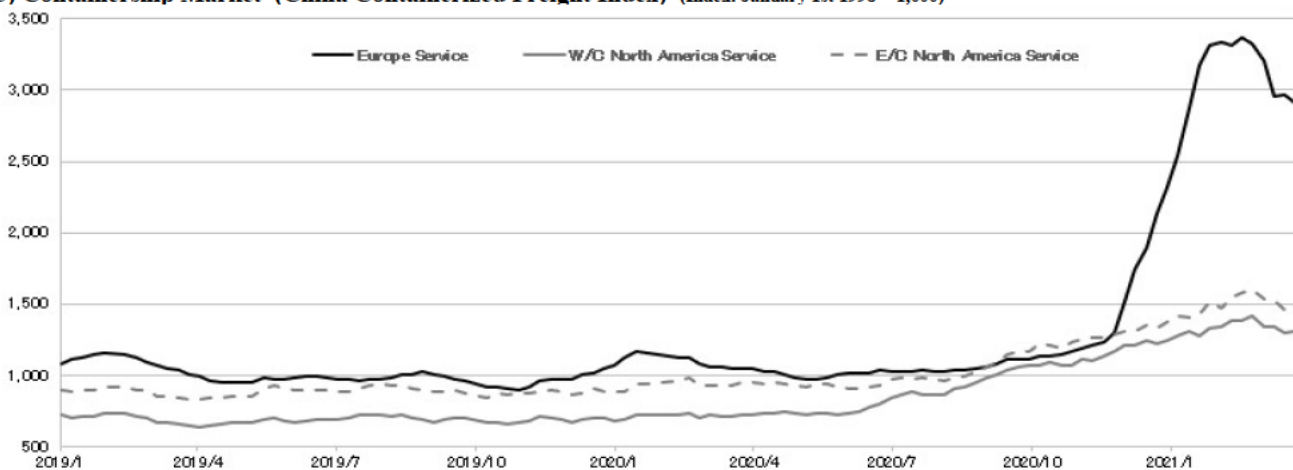
Source : Clarkson Research



Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2019	33,842	24,042	32,844	12,797	11,651	20,240	17,660	34,248	38,243	149,802	80,012	101,423	46,400
2020	71,787	21,404	160,557	177,606	59,755	45,336	26,974	17,463	16,091	12,198	8,277	18,046	52,958
2021	8,221	1,639	-1,229										2,877

### (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