

Mitsui O.S.K. Lines, Ltd.



Financial Highlights: The Second Quarter Ended September 30, 2020

1. Consolidated Financial Highlights (from April 1, 2020 to September 30, 2020)

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

(1) Operating Results

	(¥Million)	
	Q2/FY2020	Q2/FY2019
Revenues	484,686	574,350
Operating profit (loss)	(4,222)	12,045
Ordinary profit	32,732	28,154
Profit attributable to owners of parent	30,251	25,636
	(¥)	
Net income per share	252.96	214.37
Diluted net income per share	251.62	207.11

(2) Financial Position

	(¥Million)	
	Q2/FY2020	FY2019
Total assets	2,053,393	2,098,717
Total net assets	632,667	641,235
Shareholders' equity / Total assets	24.9%	24.5%

* Shareholders' Equity is defined as follows.

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

2. Dividends

	Dividend per share				
	Q1	Q2	Q3	Year -end	Total
FY2019	—	30.00	—	35.00	65.00
FY2020	—	15.00	—	—	—
FY2020 (Forecast)	—	—	—	20.00	35.00

3. Forecast for the Fiscal Year Ending March 31, 2021

	(¥Million)
	FY2020
Revenues	975,000
Operating loss	(13,000)
Ordinary profit	40,000
Profit attributable to owners of parent	20,000
	(¥)
Net income per share	167.23

4. Business performance

(1) Analysis of Operating Results

(¥ Billion)

	Six months		Year-on-year comparison / Variance
	From Apr. 1, 2019 to Sep. 30, 2019	From Apr. 1, 2020 to Sep. 30, 2020	
Revenue	574.3	484.6	(89.6) / (15.6%)
Operating profit (loss)	12.0	(4.2)	(16.2) / - %
Ordinary profit	28.1	32.7	4.5 / 16.3%
Profit attributable to owners of parent	25.6	30.2	4.6 / 18.0%
Exchange rate	¥109.39/US\$	¥107.37/US\$	¥(2.02)/US\$
Bunker price*	US\$438/MT	US\$296/MT	US\$(142)/MT

*Average price for all the major fuel grades

The average exchange rate of Japanese yen against the U.S. dollar during the first six months of fiscal 2020 appreciated by ¥2.02 year on year to ¥107.37. The average bunker price during the same period fell by US\$142/MT year on year to US\$296/MT.

We recorded revenue of ¥484.6 billion, an operating loss of ¥4.2 billion, an ordinary profit of ¥32.7 billion and profit attributable to owners of parent of ¥30.2 billion.

We recorded ¥30.6 billion of equity in net earnings of affiliated companies in the non-operating income, mainly due to improved earnings at OCEAN NETWORK EXPRESS PTE. LTD, an equity method affiliate.

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)

	Six months		Year-on-year comparison / Variance
	From Apr. 1, 2019 to Sep. 30, 2019	From Apr. 1, 2020 to Sep. 30, 2020	
Dry Bulk Business	136.7	110.4	(26.3) / (19.2%)
	5.2	(0.0)	(5.3) / - %
Energy Transport Business	143.5	151.8	8.3 / 5.8%
	11.6	20.3	8.6 / 74.4%
Product Transport Business	242.8	179.8	(63.0) / (26.0%)
	6.7	9.3	2.6 / 39.3%
Containership Segment	114.8	103.0	(11.8) / (10.3%)
	5.6	23.6	17.9 / 317.1%
Associated Businesses	60.7	48.3	(12.3) / (20.3%)
	6.3	4.8	(1.4) / (23.5%)
Others	10.9	10.4	(0.4) / (4.3%)
	0.9	0.9	(0.0) / (4.8%)

Note: Revenue includes internal sales or transfers among segments

(A) Dry Bulk Business

At the beginning of the fiscal year, the Capesize bulker market was weaker than it had been in the previous fiscal year because of sluggish shipments of Brazilian iron ore, attributable to the prolonged impact of the rainy season, and a decline in demand for steel products reflecting the effects of COVID-19 and other factors leading to reduced shipments of iron ore bound for Japan and Europe.

From late May, however, the overall market remained steady, while experiencing improvement and adjustment phases linked to increased demand in China and rising FFA rates. The Panamax bulker market was weaker compared to the previous fiscal year, but from June it began to trend upward thanks to brisk demand for the transportation of grain, including shipments from South America.

In September, demand for the transportation of coal bound for China and India began to slow down, but the market was supported by demand for the shipment of grain from North America to China. The market for wood chip carriers and open hatch carriers was affected by decreased shipments attributable to sluggish demand for paper bound for Japan, although some recovery was seen in demand for paper pulp bound for China. Under these market conditions, the dry bulk business posted lower ordinary profit for the first half than the previous fiscal year.

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

In the very large crude oil carrier (VLCC) market, the charter rate, which had remained low in the year-ago period, reached an historic high during the first three months of the first half due to increased tanker demand for floating storage triggered by falling oil prices. It then weakened gradually amid a decline in cargo volumes, reflecting an end to storage demand and agreed output cuts by the oil-supplying countries, and remained on a downward trend through the summer.

As it was in the VLCC market, the product tanker market recorded high charter rates during the first three months of the first half, but the rates trended lower in the second three months given sluggish cargo movement as refineries ran at reduced capacity amid a global excess of petroleum products. Under these conditions, the tanker division as a whole was in the black, with ordinary profit increasing significantly year on year thanks in part to 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. The commencement of contracts for the world's largest and the Company's first LNG bunker vessel and the third conventional LNG carrier for the Yamal LNG Project in Russia, also contributed to profit. The offshore business division reported lower profit year on year, due to one FSRU performing a short-term contract, following the expiration of the prior contract.

The FPSO business achieved profitability, reflecting steady operation in existing projects.

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

Ocean Network Express Pte. Ltd. (ONE), the Company's equity-method affiliate, saw a decline in liftings year on year. Meanwhile, spot rates were much higher in the second quarter than in the first quarter due to excess demand associated with recovery in cargo movements, especially on Asia-North America routes. With fuel prices also remaining at the low level seen in the first quarter, ONE reported substantial profit.

<Car Carriers>

Even though completed car sales and production volume showed a tendency towards recovery with the introduction of COVID-19 measures in countries around the world, transportation volume of completed cars was far below the year-ago level. Profitability deteriorated significantly year on year despite efforts to minimize impact on 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, cargo movements as a whole are on a recovery trend, albeit with disparities in the extent of the recovery among routes. While the number of ferry passengers began to trend upward following the slump caused by COVID-19, it has remained below the year-ago level, and overall, the business of ferries and coastal RoRo ships' profit and loss deteriorated year on year. We have stepped up infection prevention and control measures to reassure passengers and ensure their safety, such as the installation

of industrial air purifiers with high performance filters on ferries.

(D) Associated Businesses

The real estate business posted year-on-year gains in revenue and profit thanks to the acquisition of new property in the previous fiscal year by Daibiru Corporation, which is the core company in the Group’s real estate business. The cruise ship business posted a large year-on-year decrease in ordinary profit due to the inevitable suspension of cruise services to prevent the spread of COVID-19, and the tugboat business also posted year-on-year decline in ordinary profit due to a reduction in the number of vessels requiring tugboat services entering/leaving port. The trading business reported higher ordinary profit than the year-ago level due to reduced costs.

(E) Others

Performance in other businesses, which are mainly cost centers, including ship operations, ship management, ship chartering, and financing was on a par with year-ago level.

(2) Outlook for FY2020

(¥ Billion)

	Previous outlook (As of Sep. 24, 2020)	Latest outlook (As of Oct. 30, 2020)	Comparison / Variance
Revenue	-	975.0	-
Operating loss	-	(13.0)	-
Ordinary profit	-	40.0	-
Profit attributable to owners of parent	-	20.0	-

Assumptions	For the second half of FY2020	For the second half of FY2020	Comparison / Variance
Exchange rate	-	¥105.00/US\$	-
Bunker price *1	-	US\$300/MT	-
Compliant fuel price *2	-	US\$380/MT	-

*1 HSFO (High Sulfur Fuel Oil) average price

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

(A) Dry Bulk Business

In the Capesize bulker market, brisk Brazilian iron ore shipments and port congestion in China caused by COVID-19 prevention and control measures have contributed to tighter demand and supply balance for vessels. However, decline in shipments associated with the rainy season and cyclones in Brazil and Australia is expected from the beginning of the new year. Meanwhile, in the small- and medium-sized bulker market, shipments of raw and other materials for general industries are likely to be affected; however, thanks to longstanding efforts to reduce market exposure, the impact of the market fluctuations on our business results will be limited.

(B) Energy Transport Business

The very large crude oil carrier (VLCC) market is expected to recover to some degree as shipments increase due to the winter demand period and the easing of output cuts. However, it is also anticipated that the slow recovery of oil demand amid the COVID-19 pandemic will exercise downward pressure on the market. The product tanker market is expected to recover moving forward given that demand is staging a modest recovery with the resumption of economic activity and increasing demand for heating oil in coming winter.

The LNG carrier division is projected to continue generating stable profit mainly through existing long-term charter contracts. Meanwhile, although the offshore businesses have steadily been accumulating stable profits for the past few years, it is likely to report a considerable year-on-year decline in ordinary profit in the current fiscal year, as a result of one FRSU engaging in a short-term contract after expiration of the prior contract until the commencement of the next long-term contract.

(C) Product Transport Business

In the containerships business, cargo movements are expected to remain steady for some time, although the summer peak season is over. ONE is anticipated to achieve profit in the second half, even after factoring in a decline in cargo movements in winter.

Regarding car carriers, shipments are expected to maintain an upward trend, with some routes faring better than others, and we will focus on early recovery in our business performance by continuing to rationalize vessel allocation and operate more efficiently whilst maintaining an appropriate level of fleet size.

In the business of ferries and coastal RoRo ships, signs of a recovery in ferry passengers have been seen recently thanks to the government’s Go To Travel campaign. However, concern remains of the prospect decline in business performance in case of another surge in COVID-19 infections.

(D) Associated businesses

The real estate business is expected to continue recording stable profit. The forecast for the cruise ship business factors in the resumption of cruises, whilst in the travel business, a modest recovery in business trip demand is anticipated. However, fluctuation in business performance is possible, depending on the COVID-19 situation.

5. Financial Position

Total assets as of September 30, 2020 decreased by ¥ 45.3 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,053.3 billion. This was primarily due to the decrease in Vessels.

Total liabilities as of September 30, 2020 decreased by ¥ 36.7 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,420.7 billion. This was primarily due to the decrease in Long-term bank loans.

Total net assets as of September 30, 2020 decreased by ¥ 8.5 billion compared to the balance as of the end of the previous fiscal year, to ¥ 632.6 billion. This was primarily due to the decrease in Unrealized gains on hedging derivatives, net of tax.

As a result, shareholders' equity ratio increased by 0.4% compared to the ratio as of the end of the previous Fiscal year, to 24.9%.

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, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	105,784	88,870
Trade receivables	81,362	83,455
Marketable securities	500	500
Inventories	33,520	23,368
Deferred and prepaid expenses	61,028	54,577
Other current assets	52,950	49,285
Allowance for doubtful accounts	(258)	(254)
Total current assets	334,887	299,803
Fixed assets		
Tangible fixed assets		
Vessels	711,498	686,264
Buildings and structures	146,582	142,774
Equipment and others	29,205	27,703
Furniture and fixtures	4,174	4,010
Land	241,162	241,055
Construction in progress	66,363	76,464
Other tangible fixed assets	2,713	2,832
Total tangible fixed assets	1,201,698	1,181,105
Intangible fixed assets	28,810	29,736
Investments and other assets		
Investment securities	346,890	363,654
Long-term loans receivable	85,261	82,785
Long-term prepaid expenses	8,490	9,543
Net defined benefit assets	16,121	16,166
Deferred tax assets	3,228	3,411
Other investments and other assets	85,911	79,986
Allowance for doubtful accounts	(12,584)	(12,799)
Total investments and other assets	533,320	542,747
Total fixed assets	1,763,829	1,753,590
Total assets	2,098,717	2,053,393

(¥Million)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Trade payables	69,189	60,062
Short-term bonds	36,766	17,800
Short-term bank loans	180,351	205,403
Commercial papers	25,000	47,500
Accrued income taxes	5,336	4,335
Advances received	34,348	32,458
Allowance for bonuses	4,706	4,293
Other current liabilities	66,466	61,864
Total current liabilities	422,164	433,717
Fixed liabilities		
Bonds	181,000	163,200
Long-term bank loans	655,117	627,808
Lease obligations	16,091	15,399
Deferred tax liabilities	58,480	60,798
Net defined benefit liabilities	9,524	9,864
Allowance for directors' and corporate auditors' retirement benefits	1,565	1,383
Reserve for periodic drydocking	18,441	17,628
Other fixed liabilities	95,096	90,925
Total fixed liabilities	1,035,316	987,008
Total liabilities	1,457,481	1,420,726
Net assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	45,007	45,290
Retained earnings	351,636	377,696
Treasury stock	(6,722)	(6,722)
Total owners' equity	455,320	481,664
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	16,306	20,840
Unrealized gains on hedging derivatives, net of tax	28,170	1,099
Foreign currency translation adjustments	10,889	4,463
Remeasurements of defined benefit plans, net of tax	2,648	2,366
Total accumulated other comprehensive income	58,014	28,769
Share subscription rights	1,646	1,369
Non-controlling interests	126,253	120,863
Total net assets	641,235	632,667
Total liabilities and net assets	2,098,717	2,053,393

(2) Consolidated Statements of Income

(¥Million)

	FY2019 (Apr.1.2019 – Sep. 30, 2019)	FY2020 (Apr.1.2020 – Sep. 30, 2020)
Shipping and other revenues	574,350	484,686
Shipping and other expenses	517,372	446,904
Gross operating income	56,977	37,782
Selling, general and administrative expenses	44,932	42,005
Operating profit (loss)	12,045	(4,222)
Non-operating income		
Interest income	3,971	2,951
Dividend income	3,109	3,507
Equity in earnings of affiliated companies	9,973	30,641
Foreign exchange gains	7,135	6,929
Others	1,086	1,347
Total non-operating income	25,276	45,378
Non-operating expenses		
Interest expenses	8,251	6,752
Others	915	1,670
Total non-operating expenses	9,167	8,422
Ordinary profit	28,154	32,732
Extraordinary income		
Gain on sale of fixed assets	3,472	3,886
Others	2,753	3,969
Total extraordinary income	6,226	7,856
Extraordinary losses		
Loss on sale of fixed assets	103	107
Others	1,985	3,901
Total extraordinary losses	2,089	4,009
Income before income taxes and non-controlling interests	32,291	36,579
Income taxes	2,751	4,046
Net income	29,539	32,532
Profit attributable to non-controlling interests	3,902	2,280
Profit attributable to owners of parent	25,636	30,251

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	FY2019 (Apr.1,2019 - Sep.30, 2019)	FY2020 (Apr.1,2020- Sep.30, 2020)
Net income	29,539	32,532
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	(3,216)	5,815
Unrealized gains on hedging derivatives, net of tax	(10,250)	(10,406)
Foreign currency translation adjustments	(6,617)	(2,914)
Remeasurements of defined benefit plans, net of tax	(630)	(283)
Share of other comprehensive income of associates accounted for using equity method	(18,803)	(20,919)
Total other comprehensive income	(39,518)	(28,707)
Comprehensive income	(9,979)	3,824
(Breakdown)		
Comprehensive income attributable to owners of parent	(13,264)	1,006
Comprehensive income attributable to non-controlling interests	3,285	2,817

(4) Consolidated Statements of Cash flows

(¥Million)

	FY2019 (Apr.1, 2019-Sep.30, 2019)	FY2020 (Apr.1, 2020-Sep.30, 2020)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	32,291	36,579
Depreciation and amortization	42,855	42,819
Equity in losses (earnings) of affiliated companies	(9,973)	(30,641)
Various provisions (reversals)	(11,762)	(11,929)
Interest and dividend income	(7,081)	(6,459)
Interest expense	8,251	6,752
Loss (gain) on sales and retirement of non-current assets	(3,353)	(3,653)
Foreign exchange loss (gain), net	(6,460)	(6,417)
Decrease (Increase) in trade receivables	4,642	(2,897)
Decrease (Increase) in inventories	5,494	10,129
Increase (Decrease) in trade payables	(8,796)	(8,728)
Others, net	1,562	8,776
Sub total	47,671	34,329
Interest and dividend income received	10,156	13,589
Interest expenses paid	(8,474)	(6,704)
Income taxes paid	(3,116)	(4,139)
Net cash provided by (used in) operating activities	46,237	37,075
Cash flows from investing activities		
Purchase of investment securities	(7,243)	(2,949)
Proceeds from sale and redemption of investment securities	8,100	6,611
Purchase of non-current assets	(71,636)	(65,177)
Proceeds from sale of non-current assets	21,285	12,652
Disbursements for long-term loans receivables	(3,526)	(685)
Collection of long-term loans receivables	5,562	2,541
Others, net	(832)	(301)
Net cash provided by (used in) investing activities	(48,290)	(47,308)

(¥Million)

	FY2019 (Apr.1, 2019-Sep.30, 2019)	FY2020 (Apr.1, 2020-Sep.30, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	(37,939)	28,797
Net increase (decrease) in commercial paper	10,000	22,500
Proceeds from long-term bank loans	48,575	56,250
Repayments of long-term bank loans	(46,554)	(61,609)
Proceeds from issuance of bonds	40,000	—
Redemption of bonds	(28,500)	(36,776)
Cash dividends paid by the company	(2,985)	(4,203)
Cash dividends paid to non-controlling interests	(1,513)	(6,288)
Others, net	(1,050)	(2,295)
Net cash provided by (used in) financing activities	(19,968)	(3,625)
Effect of foreign exchange rate changes on cash and cash equivalents	(2,438)	(935)
Net increase (decrease) in cash and cash equivalents	(24,459)	(14,794)
Cash and cash equivalents at beginning of year	119,155	102,283
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(7,991)	(1,286)
Cash and cash equivalents at end of quarter	86,705	86,202

(5) Segment Information

Business segment information:

(¥ Million)

Q2 / FY2019 (Apr.1 - Sep.30, 2019)	Reportable Segment						Others *1	Total	Adjust- ment *2	Consoli- dated *5
	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	136,791	139,248	114,243	127,902	48,270	566,456	7,893	574,350	—	574,350
2.Inter-segment revenues	0	4,272	636	108	12,453	17,471	3,064	20,535	(20,535)	—
Total Revenues	136,792	143,521	114,879	128,011	60,724	583,928	10,957	594,886	(20,535)	574,350
Segment profit	5,288	11,650	5,674	1,032	6,375	30,022	989	31,012	(2,858)	28,154

(¥ Million)

Q2 / FY2020 (Apr.1 - Sep.30, 2020)	Reportable Segment						Others *1	Total	Adjust- ment *3 *4	Consoli- dated *5
	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	110,423	147,509	102,546	76,718	39,816	477,014	7,672	484,686	—	484,686
2.Inter-segment revenues	41	4,348	501	84	8,565	13,543	2,818	16,361	(16,361)	—
Total Revenues	110,465	151,858	103,047	76,803	48,382	490,557	10,490	501,048	(16,361)	484,686
Segment profit (loss)	(49)	20,321	23,667	(14,322)	4,878	34,495	942	35,438	(2,705)	32,732

* 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 of ¥ -2,858 million include the following:
¥ -6,106 million of corporate profit which is not allocated to segments, ¥ 3,274 million of adjustment for management accounting and ¥ -25 million of inter-segment transaction elimination.

* 3. Adjustment in Segment profit (loss) of ¥ -2,705 million include the following:
¥ -4,980 million of corporate profit which is not allocated to segments, ¥ 2,688 million of adjustment for management accounting and ¥ -414 million of inter-segment transaction elimination.

* 4. 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, Segment profit (loss) for the first six months under review decreased ¥ 158 million in the Dry Bulk Business, ¥ 323 million in the Energy Transport Business, ¥ 94 million in the Containerships Business, ¥ 126 million in the Car Carriers, Ferries and Coastal RoRo Ships Businesses, ¥ 95 million in Associated Businesses, and ¥ 24 million in Others Business, while Adjustment in Segment profit (loss) increased by ¥ 820 million.

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

[REFERENCE PURPOSE ONLY]

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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	233,415		
Operating profit (loss)	(5,126)	904		
Ordinary profit (loss)	7,358	25,374		
Income (Loss) before income taxes	9,243	27,336		
Profit (Loss) attributable to owners of parent	5,491	24,760		
Net income (loss)* per share [¥]	45.92	207.04		
Total Assets [¥ Millions]	2,036,451	2,053,393		
Total Net Assets	614,648	632,667		

*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)

	Six months ended Sep.30, 2019	Six months ended Sep.30, 2020	Increase / Decrease	FY2019
Vessels	31,642	31,718	75	62,203
Others	11,213	11,101	(112)	25,561
Total	42,855	42,819	(36)	87,765

3. Interest-bearing Debt

(¥ Millions)

	As of Mar.31, 2019	As of Sep.30, 2020	Increase / Decrease	As of Sep.30, 2019
Bank loans	835,468	833,211	(2,256)	810,152
Bonds	217,766	181,000	36,766	207,584
Commercial paper	25,000	47,500	(22,500)	50,000
Others	18,450	17,577	872	15,943
Total	1,096,685	1,079,289	(17,395)	1,083,680

4. Fleet Capacity (MOL and consolidated subsidiaries)

	Dry bulkers		Tankers		LNG carriers		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	47	4,909	77	10,116	28	2,115	48	867	14	1,110
Chartered	250	22,957	94	4,122	10	675	46	759	47	4,571
Others	-	-	-	-	2	143	-	-	-	-
As of Sep.30, 2020	297	27,867	171	14,238	40	2,933	94	1,626	61	5,681
As of Mar.31, 2019	311	29,277	167	14,125	45	3,457	107	1,810	64	5,900

	Ferries & Coastal RoRo Ships		Passenger ships		Others*		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	42	232	19,217
Chartered	5	31	-	-	21	65	473	33,179
Others	-	-	-	-	1	1	3	144
As of Sep.30, 2020	15	85	1	4	29	107	708	52,541
As of Mar.31, 2019	15	85	1	5	32	114	742	54,772

*including coastal ships (excluding coastal RoRo ships)

5. Exchange Rates

	Six months ended Sep.30, 2019	Six months ended Sep.30, 2020	Change			FY2019
Average rates	¥109.39	¥107.37	¥2.02	[1.8%]	JPY Appreciated	¥109.28
Term-end rates	¥107.92	¥105.80	¥2.12	[2.0%]	JPY Appreciated	¥108.83

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>

	TTM on Jun.30, 2019	TTM on Jun. 30, 2020	Change			TTM on Dec.31, 2019
Term-end rates	¥107.79	¥107.74	¥0.05	[0.0%]	JPY Appreciated	¥109.56

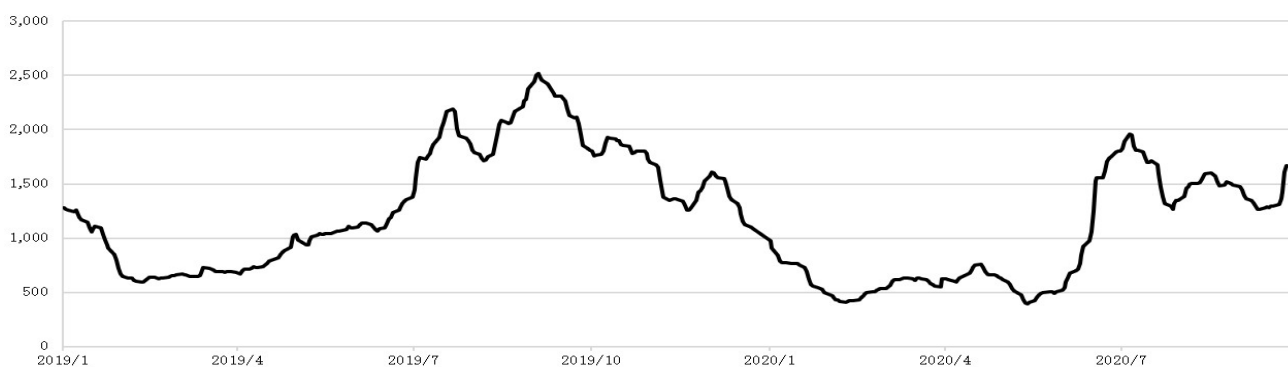
6. Average Bunker Prices

	Six months ended Sep.30, 2019	Six months ended Sep.30, 2020	Increase / Decrease
Purchase Prices	US\$438/MT	US\$296/MT	US\$(142)/MT

7. Market Information

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

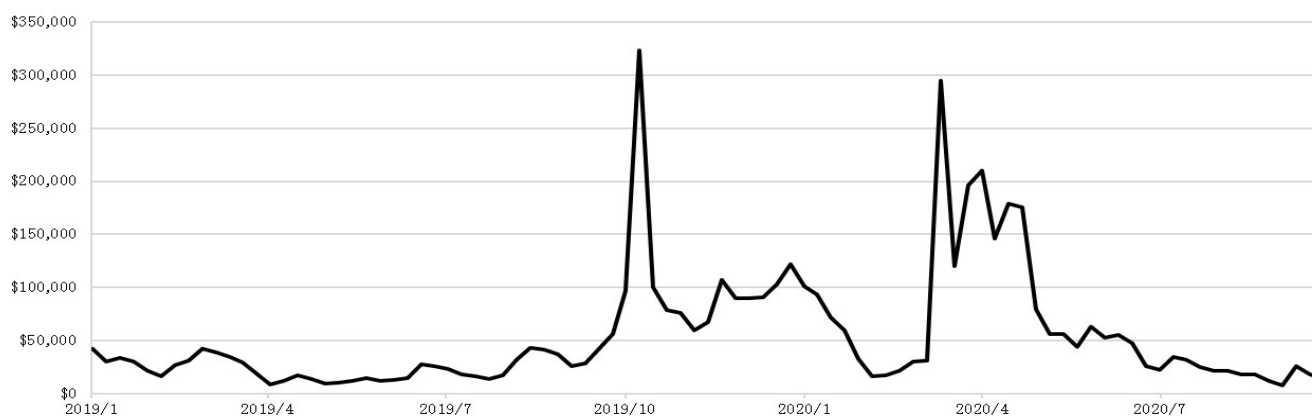
Source : Clarkson Research



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				958

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

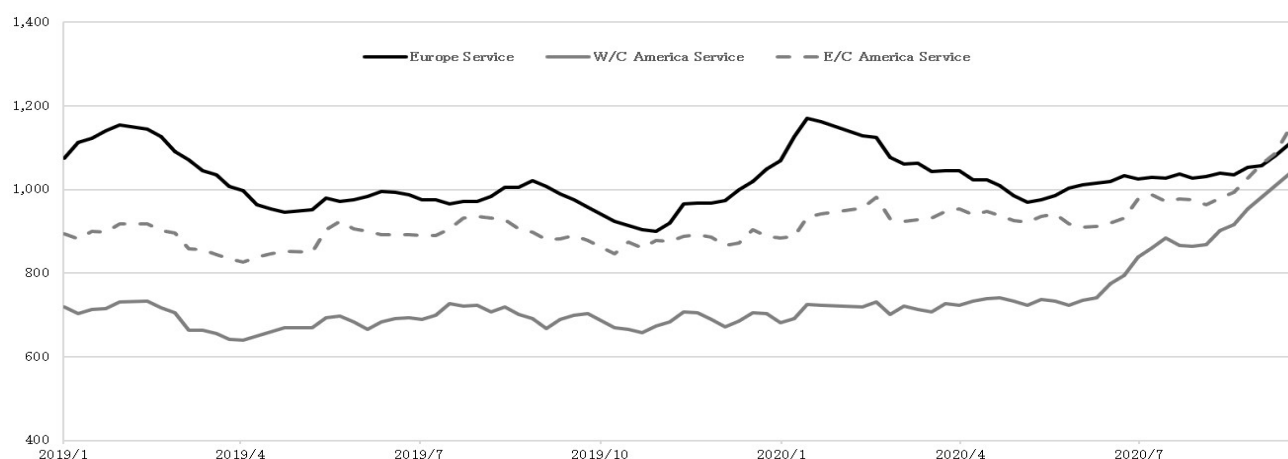
Source : Clarkson Research



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				66,330

(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.