

Mitsui O.S.K. Lines, Ltd.



Financial Highlights: The First Quarter Ended June 30, 2020

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

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

(1) Operating Results

	(¥Million)	
	Q1/FY2020	Q1/FY2019
Revenues	251,471	283,147
Operating profit (loss)	(5,126)	6,854
Ordinary profit	7,358	14,007
Profit attributable to owners of parent	5,491	12,273
		(¥)
Net income per share	45.92	102.63
Diluted net income per share	45.13	99.16

(2) Financial Position

	(¥Million)	
	Q1/FY2020	FY2019
Total assets	2,036,451	2,098,717
Total net assets	614,648	641,235
Shareholders' equity / Total assets	24.2%	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	—	—	—	—	—
FY2020 (Forecast)	—	—	—	—	—

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

(¥Million)

	Full-year/FY2020
Revenues	—
Operating profit	—
Ordinary profit	0
Profit attributable to owners of parent	—
	(¥)
Net income per share	—

4. Business performance

(1) Operating Results

	(¥Billion)		
	Q1/FY2019 (From April 1, 2019 to June 30, 2019)	Q1/FY2020 (From April 1, 2020 to June 30, 2020)	Year-on-year comparison / Variance
Revenue	283.1	251.4	(31.6) / (11.2)%
Operating profit	6.8	(5.1)	(11.9) / — %
Ordinary profit	14.0	7.3	(6.6) / (47.5)%
Profit (loss) attributable to owners of parent	12.2	5.4	(6.7) / (55.3)%
Exchange rate	¥111.22/US\$	¥108.11/US\$	¥(3.11)/US\$
Bunker price*	US\$441/MT	US\$255/MT	US\$(186)/MT

*Average price for all the major fuel grades

The average exchange rate of Japanese yen against the U.S. dollar during the first three months of fiscal 2020 appreciated by ¥3.11 year on year to ¥108.11. The average bunker price during the same period fell by US\$186/MT year on year to US\$255/MT.

As a result of the above, we recorded revenue of ¥251.4 billion, an operating loss of ¥5.1 billion, an ordinary profit of ¥7.3 billion and profit attributable to owners of parent of ¥5.4 billion.

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

Upper: Revenue, Lower: Segment Profit (Loss) (Ordinary Profit (Loss))		(Billions of Yen)	
	Q1/FY2019 (From April 1, 2019 to June 30, 2019)	Q1/FY2020 (From April 1, 2020 to June 30, 2020)	Year-on-year comparison / Variance
Dry Bulk Business	67.2	57.6	(9.5) / (14.2)%
	2.4	0.4	(2.0) / (82.6)%
Energy Transport Business	71.1	79.6	8.5 / 12.0%
	6.0	8.4	2.3 / 39.1%
Product Transport Business	119.5	92.9	(26.6) / (22.3)%
	2.7	(3.3)	(6.1) / — %
Containership Segment	58.6	51.2	(7.3) / (12.6)%
	1.7	5.9	4.1 / 234.3%
Associated Businesses	30.2	23.8	(6.3) / (21.0)%
	3.6	2.6	(0.9) / (26.6)%
Others	5.4	5.0	(0.3) / (7.2)%
	0.8	0.6	(0.2) / (27.3)%

Note: Revenue includes internal sales or transfers among segments

(A) Dry Bulk Business

In the Capesize bulker market during the first three months, the charter rate initially hovered around US\$6,000 per day, languishing due to sluggish shipments of Brazilian iron ore, reflecting the prolonged impact of the rainy season, and slowdown in shipments of iron ore bound for Japan and Europe due to the effects of COVID-19. However, from late May, the charter rate rose sharply due to the multiplier effect of increased demand in China and rising FFA rates and recovered to the US\$29,000 range per day at the end of June. In the Panamax bulker market during the first three months, the charter rate was initially in the US\$7,000 range per day, rebounding due to increased inquiries about grain cargoes at the end of March. However, the rate then weakened due to slowdown in shipments of other cargoes besides grain under the impact of COVID-19. Subsequently, in late May, the charter rate gradually picked up, driven by increased demand for South American grain and recovery in coal shipments within the Pacific region and improved to around US\$11,000 per day at the end of June. Under such market conditions, the dry bulk business posted lower ordinary profit for the first three months than a year earlier.

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

In the very large crude oil carrier (VLCC) market, the charter rate reached an historic high in April due to increased tanker demand for floating storage in face of falling oil prices. Oil-producing nations subsequently agreed to cut output, causing tanker demand to weaken, and spot cargo shipments also slowed due to high crude inventories in the hands of importers. As a result, the charter rate fell sharply but still remained at a comparatively favorable level. As in the VLCC market, the product tanker market saw a sharp rise in charter rates, reflecting increased demand for floating storage on crude oil tankers. However, the rate then weakened gradually amid the economic stagnation caused by the COVID-19 crisis. Under these conditions, the tankers division as a whole reported substantial year-on-year improvement in ordinary profit thanks to the stable fulfillment of long-term contracts and steady implementation of contract extensions.

< LNG Carriers/Offshore businesses >

The LNG carrier division generated stable profit mainly through existing long-term charter contracts. The offshore business division reported lower profit than a year earlier due to the termination of an existing contract, although the FRSU went under a short-term contract. The FPSO business reported a decline in profit due to lower utilization rates because of COVID-19.

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

Ocean Network Express Pte. Ltd. (ONE), the Company's equity-method affiliate, saw considerable deterioration in liftings from the year-ago level, adversely affected by weak demand amid the COVID-19 pandemic. Freight rates at the beginning of April were weak as cargo volume decline showed no sign of bottoming out. However, towards the end of April, there were signs of recovery in exports from China and, with the prospect of cargo volume decline being, to some extent, reined in, spot rates held firm. In this business environment, profitability was achieved in this first quarter because ONE promoted cost reductions while minimizing the fall in capacity utilization rates through the additional reduction of services in both the Asia-North America and the Asia-Europe routes and also benefited from falling fuel prices.

< Car Carriers >

Transportation volume of completed cars was far below the year-ago level due to drastic production cuts by automakers and shipment delays caused by COVID-19. Profitability worsened 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, the number of ferry passengers fell sharply mainly because people were requested to refrain from going out due to COVID-19. Cargo volumes were also weak. Overall, the business of ferries and coastal RoRo ships reported lower ordinary profit than a year earlier despite implementation of measures to continue services in line with a public transport operator's social responsibility, including ensuring effective ventilation and disinfection onboard, as well as PR efforts stressing the unique benefits of ferries which facilitate the avoidance of "crowds" through the use of private cars and private cabins.

(D) Associated businesses

The real estate business posted year-on-year gains in revenue and profit thanks to the acquisition of new property 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 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 despite decreased revenue due to falling fuel prices.

(E) Others

Other businesses, which are mainly cost centers, include ship operations, ship management, ship chartering, and financing. Ordinary profit in this segment decreased year on year.

(2) Outlook for FY2020

(¥Billion)

	Initial outlook (As of April 30, 2020)	Revised forecast (As of June 17, 2020)	Current forecast (As of announcement of Q1 financial results)
Ordinary profit	(10.0) ~ (40.0)	0.0	0.0
Assumptions			
Exchange rate	¥105.00/US\$	¥105.00/US\$	¥105.00/US\$
Bunker price*1	US\$268/MT	US\$240/MT	US\$240/MT
Compliant fuel price*2	US\$403/MT	US\$340/MT	US\$340/MT

*1 HSFO (High Sulfur Fuel Oil) purchase price

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

Looking at FY2020 (From April 1, 2020 to March 31, 2021), given that international shipping companies manage income based on the difference between charter base (C/B) and hire base (H/B)* and that equity in earnings of affiliated companies accounts for a large proportion of the income of the Containerships, LNG Carriers and Offshore Businesses, we will announce our forecasts only on consolidated ordinary profit as we did for the announcement on April 30, 2020. Our other forecasted figures except for the consolidated ordinary profit forecast for FY2020 have yet to be determined and we will announce them promptly as soon as these figures can be properly and reasonably calculated.

***Charter Base (C/B)**

Revenue amount which is calculated by subtracting variable costs from freight revenue on a per day basis

Hire Base (H/B)

Costs per day required to keep a ship operable, i.e. crew wages, supply cost, maintenance cost, ship insurance, interest paid, depreciation cost, fixed asset tax for ships, etc., in the case of an owned vessel or charter-in costs in the case of a chartered vessel, as well as general and administrative expenses, etc.

(A) Dry Bulk Business

In the Capesize bulker market, domestic steel demand in China is likely to hold firm. However, in other regions besides China, cargo volumes are expected to remain sluggish due to the COVID-19 pandemic. Most of our Capesize bulkers are operating under medium-to-long-term contracts but vessels that operate under short-term contracts will be affected by market conditions and we will endeavor to improve our business results by taking measures such as concluding time-charter contracts and/or contracts of affreightment (COA) at the time of a market rise and using forward freight agreements for hedging. Meanwhile, in the small- and mid-sized bulker market, shipments of raw materials and other materials for general industries are likely to be affected, however, thanks to longstanding efforts to reduce market exposure, the impact on our business results will be limited. In the case of open hatch bulk carriers and woodchip carriers (excluding those operating under medium- and long-term contracts),

their uniqueness makes it harder to reduce market exposure than with other dry bulk carriers , and there is a risk of a deterioration in our business results due to a decline in cargo volumes.

(B) Energy Transport Business

The very large crude oil carrier (VLCC) market is expected to weaken due to decreased shipments amid falling oil demand and output cuts. These demand-side factors will be compounded by supply-side factors given that storage demand will supposedly fade, and over the coming nine months, the charter rate is likely to go up and down but maintain a general downward trend. Regarding product tankers, the charter rate is expected to rise modestly due to factors such as the resumption of economic activity once COVID-19 outbreaks come to an end and an increase in demand for heating oil during the winter season. However, phases during which the charter rate falls are also anticipated depending on the resurgence of COVID-19.

The LNG carrier division is expected to continue generating stable profit mainly through existing long-term charter contracts. Meanwhile, the offshore business division is likely to report considerable year-on-year decline in ordinary profit although the division has been steadily accumulating stable profits for the past few years, because one FRSU went under a short-term contract between termination of the existing contract and commencement of the next long-term contract. Regarding other offshore businesses, if the impact of COVID-19 and slump in oil prices last a long time, decline in utilization rates and deterioration in the profitability of contracting parties could affect our profitability.

(C) Product Transport Business

Among our business segments, the Product Transport Business is the segment which is closest to end consumers and the segment which saw shipments and handling volumes impacted immediately as a result of the spread of COVID-19.

In the containerhips business, cargo volumes have improved recently amid building momentum for economic recovery, however, profitability is expected to deteriorate over the coming nine months amid concerns over the further spread of COVID-19. ONE is working to minimize the impact on its profitability through continued cargo portfolio optimization and cost reductions.

Regarding car carriers, shipments have remained at a low level as a result of production cuts by automakers and lackluster sales of completed cars. Although cargo volumes are expected to recover to some extent from July, the outlook remains unclear. We, therefore, continue to implement measures to minimize the impact on our business performance, endeavoring to adjust vessel supply, rationalize vessel allocation and operate more efficiently.

In the business of ferries and coastal RoRo ships, the impact on shipments is relatively small, however, the number of ferry passengers has decreased sharply and if COVID-19 has a prolonged impact in Japan, a further deterioration in performance is feared.

(D) Associated Businesses

The impact on the real estate business is expected to be limited. However, business results in other smaller scale businesses such as the cruise ship and travel businesses are likely to be affected depending on the duration of the COVID-19 pandemic.

5. Financial Position

Total assets as of June 30, 2020 decreased by ¥ 62.2 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,036.4 billion. This was primarily due to the decrease in Vessels.

Total liabilities as of June 30, 2020 decreased by ¥ 35.6 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,421.8 billion. This was primarily due to the decrease in Long-term bank loans.

Total net assets as of June 30, 2020 decreased by ¥ 26.5 billion compared to the balance as of the end of the previous fiscal year, to ¥ 614.6 billion. This was primarily due to the decrease in Unrealized gains on hedging derivatives, net of tax.

As a result, shareholders' equity ratio decreased by 0.3% compared to the ratio as of the end of the previous Fiscal year, to 24.2%.

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 June 30, 2020
Assets		
Current assets		
Cash and deposits	105,784	80,583
Trade receivables	81,362	73,920
Marketable securities	500	500
Inventories	33,520	26,731
Deferred and prepaid expenses	61,028	50,013
Other current assets	52,950	54,494
Allowance for doubtful accounts	(258)	(277)
Total current assets	334,887	285,967
Fixed assets		
Tangible fixed assets		
Vessels	711,498	685,502
Buildings and structures	146,582	144,359
Equipment and others	29,205	28,750
Furniture and fixtures	4,174	3,970
Land	241,162	240,940
Construction in progress	66,363	83,275
Other tangible fixed assets	2,713	2,889
Total tangible fixed assets	1,201,698	1,189,689
Intangible fixed assets	28,810	29,015
Investments and other assets		
Investment securities	346,890	347,106
Long-term loans receivable	85,261	83,597
Long-term prepaid expenses	8,490	8,739
Net defined benefit assets	16,121	16,161
Deferred tax assets	3,228	2,655
Other investments and other assets	85,911	86,065
Allowance for doubtful accounts	(12,584)	(12,546)
Total investments and other assets	533,320	531,779
Total fixed assets	1,763,829	1,750,484
Total assets	2,098,717	2,036,451

(¥Million)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Trade payables	69,189	56,418
Short-term bonds	36,766	17,800
Short-term bank loans	180,351	238,767
Commercial papers	25,000	37,500
Accrued income taxes	5,336	2,603
Advances received	34,348	22,767
Allowance for bonuses	4,706	3,399
Other current liabilities	66,466	66,657
Total current liabilities	422,164	445,914
Fixed liabilities		
Bonds	181,000	163,200
Long-term bank loans	655,117	607,842
Lease obligations	16,091	15,658
Deferred tax liabilities	58,480	61,369
Net defined benefit liabilities	9,524	9,750
Allowance for directors' and corporate auditors' retirement benefits	1,565	1,426
Reserve for periodic drydocking	18,441	17,839
Other fixed liabilities	95,096	98,801
Total fixed liabilities	1,035,316	975,889
Total liabilities	1,457,481	1,421,803
Net assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	45,007	45,125
Retained earnings	351,636	352,940
Treasury stock	(6,722)	(6,724)
Total owners' equity	455,320	456,742
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	16,306	19,116
Unrealized gains on hedging derivatives, net of tax	28,170	6,383
Foreign currency translation adjustments	10,889	7,861
Remeasurements of defined benefit plans, net of tax	2,648	2,506
Total accumulated other comprehensive income	58,014	35,867
Share subscription rights	1,646	1,303
Non-controlling interests	126,253	120,735
Total net assets	641,235	614,648
Total liabilities and net assets	2,098,717	2,036,451

(2) Consolidated Statements of Income

(¥Million)

	FY2019 (Apr.1.2019 - June 30, 2019)	FY2020 (Apr.1.2020 - June 30, 2020)
Shipping and other revenues	283,147	251,471
Shipping and other expenses	253,377	234,917
Gross operating income	29,770	16,554
Selling, general and administrative expenses	22,916	21,681
Operating profit (loss)	6,854	(5,126)
Non-operating income		
Interest income	2,120	1,575
Dividend income	2,637	2,975
Equity in earnings of affiliated companies	3,183	8,569
Foreign exchange gains	3,542	3,516
Others	353	323
Total non-operating income	11,836	16,960
Non-operating expenses		
Interest expenses	4,288	3,758
Others	395	715
Total non-operating expenses	4,683	4,474
Ordinary profit	14,007	7,358
Extraordinary income		
Gain on sales of fixed assets	659	1,731
Others	1,960	1,784
Total extraordinary income	2,620	3,515
Extraordinary losses		
Loss on sale of fixed assets	28	37
Others	1,291	1,593
Total extraordinary losses	1,319	1,630
Income before income taxes and non-controlling interests	15,308	9,243
Income taxes	1,559	2,246
Net income	13,748	6,996
Profit attributable to non-controlling interests	1,474	1,505
Profit attributable to owners of parent	12,273	5,491

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	FY2019 (Apr.1,2019 - June.30, 2019)	FY2020 (Apr.1,2020- June.30, 2020)
Net income	13,748	6,996
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	(2,908)	3,779
Unrealized gains on hedging derivatives, net of tax	(8,164)	(4,223)
Foreign currency translation adjustments	1,722	(3,969)
Remeasurements of defined benefit plans, net of tax	(315)	(142)
Share of other comprehensive income of associates accounted for using equity method	(8,247)	(17,985)
Total other comprehensive income	(17,912)	(22,541)
Comprehensive income	(4,163)	(15,544)
(Breakdown)		
Comprehensive income attributable to owners of parent	(5,883)	(16,656)
Comprehensive income attributable to non-controlling interests	1,719	1,111

(4) Segment Information

Business segment information:

(¥Million)

Q1 / FY2019 (Apr.1 - Jun.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	67,239	68,982	58,358	60,774	23,828	279,182	3,965	283,147	—	283,147
2.Inter-segment revenues	0	2,153	290	153	6,384	8,981	1,525	10,506	(10,506)	—
Total Revenues	67,239	71,135	58,648	60,927	30,212	288,163	5,490	293,654	(10,506)	283,147
Segment profit	2,426	6,040	1,780	1,018	3,665	14,931	854	15,785	(1,778)	14,007

(¥Million)

Q1/ FY2020 (Apr.1 - Jun.30, 2020)	Reportable Segment						Others *1	Total	Adjust- ment *3 *4	Consoli- dated *6
	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	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

* 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 ¥ -1,778 million include the following:
¥ -3,427 million of corporate profit which is not allocated to segments, ¥ 1,699 million of adjustment for management accounting and ¥ -49 million of inter-segment transaction elimination.

* 3. 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.

* 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. As a result, the adjustment in segment profit(loss) increased 644 million yen, which is equivalent to a decrease in segment profit.

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

* 6. 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			
Operating profit (loss)	(5,126)			
Ordinary profit (loss)	7,358			
Income (Loss) before income taxes	9,243			
Profit (Loss) attributable to owners of parent	5,491			
Net income (loss)* per share [¥]	45.92			
Total Assets [¥ Millions]	2,036,451			
Total Net Assets	614,648			

*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)

	Three months ended Jun.30, 2019	Three months ended Jun.30, 2020	Increase / Decrease	FY2019
Vessels	15,827	16,093	265	62,203
Others	5,460	5,516	55	25,561
Total	21,288	21,609	321	87,765

3. Interest-bearing Debt

(¥ Millions)

	As of Mar.31, 2020	As of Jun.30, 2020	Increase / Decrease	As of Jun.30, 2019
Bank loans	835,468	846,609	11,141	845,418
Bonds	217,766	181,000	(36,766)	177,558
Commercial paper	25,000	37,500	12,500	48,000
Others	18,450	18,007	(443)	16,461
Total	1,096,685	1,083,117	(13,567)	1,087,438

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	48	4,995	78	10,153	28	2,115	50	885	14	1,110
Chartered	242	23,373	90	4,010	10	675	51	834	49	4,717
Others	-	-	-	-	2	143	-	-	-	-
As of Jun.30, 2020	290	28,369	168	14,163	40	2,933	101	1,719	63	5,827
As of Mar.31, 2020	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	5	7	42	236	19,359
Chartered	5	31	-	-	21	63	468	33,702
Others	-	-	-	-	1	1	3	144
As of Jun.30, 2020	15	85	1	5	29	105	707	53,206
As of Mar.31, 2020	15	85	1	5	32	114	742	54,772

*including coastal ships (excluding coastal RoRo ships)

5. Exchange Rates

	Three months ended Jun.30, 2019	Three months ended Jun.30, 2020	Change			FY2019
Average rates	¥111.22	¥108.11	¥3.11	[2.8%]	JPY Appreciated	¥109.28
Term-end rates	¥107.79	¥107.74	¥0.05	[0.0%]	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 Mar.31, 2019	TTM on Mar.31, 2020	Change			TTM on Dec.31, 2019
Term-end rates	¥110.99	¥108.83	¥2.16	[1.9%]	JPY Appreciated	¥109.56

6. Average Bunker Prices

	Three months ended Jun.30, 2019	Three months ended Jun.30, 2020	Increase / Decrease
Purchase Prices	US\$441/MT	US\$255/MT	US\$(186)/MT

7. Market Information

(1) Dry Bulker Market (Baltic Dry Index)

(January 1985 = 1,000)

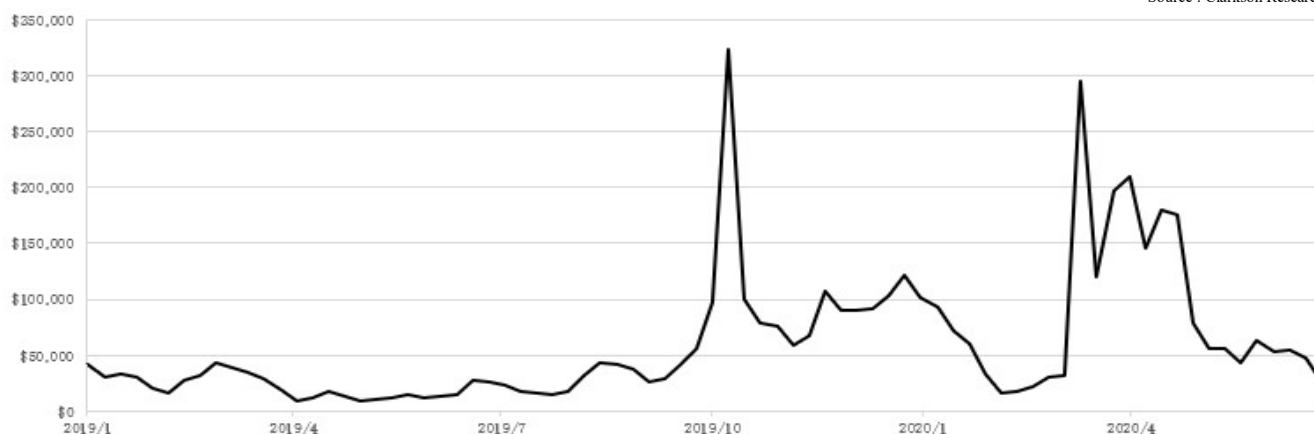
Source : Clarkson Research



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							677

(2) Tanker Market (Daily Earnings) : VLCC AG/Japan trade

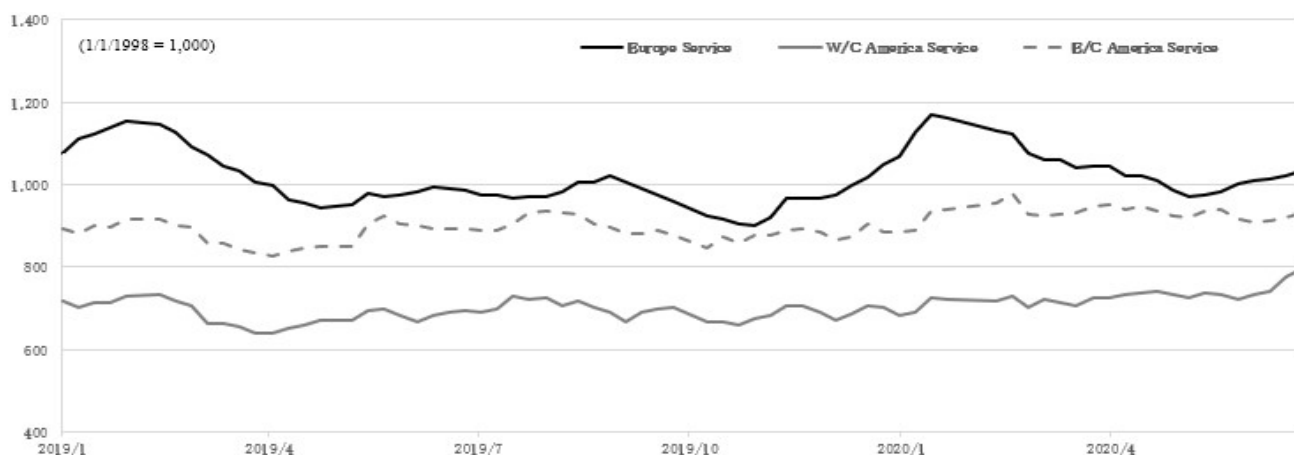
Source : Clarkson Research



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							89,407

(3) Containership Market (China Containerized Freight Index)

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.