

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: The Second Quarter Ended September 30, 2019

1. Consolidated Financial Highlights (from April 1, 2019 to September 30, 2019)

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

(1) Operating Results

	(¥ Million)		(US\$ Thousand)
	Q2/FY2019	Q2/FY2018	Q2/FY2019
Revenues	574,350	619,895	5,321,998
Operating profit	12,045	14,761	111,610
Ordinary profit	28,154	10,277	260,878
Profit (loss) attributable to owners of parent	25,636	5,725	237,546
		(¥)	(US\$)
Net income (loss) per share	214.37	47.88	1.986
Diluted net income per share	207.11	46.24	1.919

(2) Financial Position

	(¥ Million)		(US\$ Thousand)
	Q2/FY2019	FY2018	Q2/FY2019
Total assets	2,069,083	2,134,477	19,172,378
Total net assets	633,474	651,607	5,869,848
Shareholders' equity / Total assets	24.5%	24.6%	
		(¥)	(US\$)
Shareholders' equity per share	4,231.03	4,390.39	39.205

* 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
FY2018	—	20.00	—	25.00	45.00
FY2019	—	30.00			
FY2019(Forecast)			—	35.00	65.00

3. Forecast for the Fiscal Year Ending March 31, 2020

	(¥ Million)	(US\$ Thousand)
	FY2019	FY2019
Revenues	1,173,000	10,792,161
Operating profit	26,000	239,212
Ordinary profit	50,000	460,024
Profit attributable to owners of parent	40,000	368,019
	(¥)	(US\$)
	FY2019	FY2019
Net income per share	334.47	3.077

* Underlying Assumption for FY2019 Forecast.

The above forecast is made assuming the exchange rate and the bunker price for FY2019 will be as follows.

2H/FY2019

Exchange Rate 1US\$=¥108.00

Bunker Price US\$ 415/MT

FY2019

Exchange Rate 1US\$=¥108.69

Bunker Price US\$ 427/MT

(Translation of foreign currencies)

The Japanese yen amounts for Q2/FY2019 have been translated into U.S. dollars using the prevailing exchange rate at September 30, 2019, which was ¥107.92 to U.S. \$1.00, solely for the convenience of readers.

(The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.)

4. Business Performance

(1) Analysis of Operating Results

(Billions of Yen)

	Six months		Year-on-year comparison / Variance
	From April 1, 2018 to Sep. 30, 2018	From April 1, 2019 to Sep 30, 2019	
Revenue	619.8	574.3	(45.5) / (7.3)%
Operating profit	14.7	12.0	(2.7) / (18.4)%
Ordinary profit	10.2	28.1	17.8 / 173.9%
Profit attributable to owners of parent	5.7	25.6	19.9 / 347.8%
Exchange rate	¥109.47/US\$	¥109.39/US\$	¥(0.08)/US\$
Bunker price*	US\$457/MT	US\$438/MT	US\$(19)/MT

*HSFO (High Sulfur Fuel Oil) Purchase Price

The average exchange rate of Japanese yen against the U.S. dollar during the first six months appreciated by ¥0.08 year on year to ¥109.39. The average bunker price during the same period fell by US\$19/MT year on year to US\$438/MT.

As a result of the above, we recorded revenue of ¥574.3 billion, operating profit of ¥12.0 billion, ordinary profit of ¥28.1 billion and profit attributable to owners of parent of ¥25.6 billion.

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

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

(Billions of Yen)

	Six months		Year-on-year comparison / Variance
	From April 1, 2018 to Sep. 30, 2018	From April 1, 2019 to Sep 30, 2019	
Dry Bulk Business	142.6	136.7	(5.8) / (4.1)%
	8.7	5.2	(3.4) / (39.5)%
Energy Transport Business	139.7	143.5	3.7 / 2.7%
	8.0	11.6	3.6 / 45.4%
Product Transport Business	284.5	242.8	(41.6) / (14.6)%
	(8.6)	6.7	15.3 / -%
Containership Segment	147.8	114.8	(32.9) / (22.3)%
	(10.0)	5.6	15.6 / -%
Associated Businesses	64.2	60.7	(3.5) / (5.5)%
	6.1	6.3	0.2 / 4.4%
Others	11.0	10.9	(0.0) / (0.7)%
	1.1	0.9	(0.1) / (13.0)%

Note: Revenue includes internal sales or transfers among segments.

(A) Dry Bulk Business

In the Capesize bulker market, the charter rate continued to improve from the slump caused by the collapse of a mining dam in Brazil among other factors. From the beginning of July, the market rate rose, reflecting tighter vessel availability due to an increase in the number of vessels going into dry dock for the installation of scrubbers, in addition to the recovery of shipment volumes. The rate then remained firm in general. The Panamax bulker market remained in a downward trend in June. From early July, however, the market improved, driven by robust grain shipments from South America, and made steady headway until it peaked in September. Under such market conditions, the dry bulk business stably fulfilled long-term contracts for iron ore carriers, wood chip carriers and other vessels, also steadily implemented contract extensions and recorded an ordinary profit, albeit lower year on year.

(B) Energy Transport Business

<Tankers>

The very large crude oil carrier (VLCC) market saw a sudden rise caused by the increasing instability in the Strait of Hormuz and the attacks on oil facilities in Saudi Arabia. However, overall, the market was weak, reflecting a seasonal decrease in oil demand at the beginning of spring and regular maintenance of refineries in the Far East region. On the product tanker market, during the first quarter, the charter rate struggled to rise due to the large number of newly built vessels and regular maintenance of refineries. During the second quarter, there were the attacks on oil facilities in Saudi Arabia, but the impact on the market overall was limited.

Under these conditions, the tankers division reported an ordinary profit thanks to ceaseless efforts to improve operating efficiency through pool operations and cut costs, in addition 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 due to the completion of five newly built vessels, including a third icebreaking LNG carrier for the Yamal LNG Project. The offshore business division also recorded profit, reflecting steady operations of existing projects. A special purpose company that was established for an FPSO charter project invested in by the Company issued a project bond in international capital markets. It was the world's first publicly offered project bond for an FPSO charter project.

(C) Product Transport Business

<Containerships>

Ocean Network Express Pte. Ltd. (ONE), the Company's equity-method affiliate, achieved ordinary profit on a par with the initial forecast, reflecting an improvement in income and expenditure. Liftings improved significantly year on year, mainly as a result of the stabilization of services. Freight rates for Asia-North America routes improved year on year. As for the Asia-Europe routes, the supply-demand balance remained slack and the rise in spot rates during the busy summer period was limited.

<Car Carriers>

The transportation volume of completed cars decreased, with a particular decline in shipments departing from northern Europe bound for the Mediterranean in the coastal Europe transportation business, in addition to decline in shipments departing from Europe and North America bound for China due to tighter emission standards in China and trade tensions between the US and China. The Company made progress in reducing the size of its fleet and rationalizing the allocation of vessels, mainly on routes between countries other than Japan, but ordinary profit fell year on year.

<Ferries and Coastal RoRo Ships>

In the business of ferries and coastal RoRo ships, cargo volumes generally maintained a firm tone due to the modal shift caused by truck driver shortages and aging, and workstyle reform in the land transportation industry. The number of passengers also increased thanks to the introduction of new ferries into service and activities to promote the concept of casual cruises. Although factors such as cancellations during busy periods due to major typhoons had a negative impact, the ferries and coastal RoRo ships division posted an ordinary profit.

(D) Associated Businesses

The real estate business stably posted an ordinary profit because of an increase in the revenue of Daibiru Corporation, which is the core company in the Group's real estate business, benefiting from a firm office leasing market centered on the Tokyo metropolitan area. The cruise ship business posted a year-on-year decrease in ordinary profit mainly due to higher fuel costs. However, the results of other associated businesses such as the tugboat and trading businesses were generally strong, and the ordinary profit of the associated businesses segment as a whole was almost unchanged year on year.

(E) Others

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

(2) Outlook for FY2019

[For FY2019]

(Billions of Yen)

	Previous outlook (When announced on July 31, 2019)	Latest outlook (When announced Q2)	Comparison / Variance
Revenue	1,173.0	1,173.0	- / - %
Operating profit	26.0	26.0	- / - %
Ordinary profit	50.0	50.0	- / - %
Profit attributable to owners of parent	40.0	40.0	- / - %

Exchange rate	¥108.00/US\$	¥108.00/US\$	-
Bunker price (HSFO) * ¹	US\$420/MT	US\$415/MT	US\$(5)/MT
(VLSFO) * ²	-	US\$580/MT	-
	(Assumption for H2 of FY2019)		

*¹ High Sulfur Fuel Oil Purchase Price*² Very Low Sulfur Fuel Oil Purchase Price

Looking ahead at the dry bulker market in the second half of FY2019, we expect charter rates to remain firm, reflecting tighter vessel availability as more vessels go into dry dock for the installation of scrubbers for compliance with SOx regulations from 2020. Early next year, uncertainty caused by trade tensions between the US and China and decreased transportation volumes due to global economic slowdown could still give cause for concern.

As for the VLCC market, looking at the vessel demand side, we expect ton-mile demand to grow due to an increase in procurement of alternatives such as shale oil from the Atlantic, in addition to stronger winter demand. Meanwhile, on the vessel supply side, we expect that the impact of new vessel supply will be offset by growing concerns over vessel chartering due to US sanctions on Chinese shipping companies and rising numbers of vessels in dry dock for the installation of scrubbers. Consequently, rates are expected to remain firm from the second half.

We expect that the product tanker rates will rise mainly due to an increase in demand for the transportation of gas oil as a result of the introduction of tightened SOx regulations in 2020 and an increase in demand for heating oil for the winter, in addition to a letup in the delivery of new vessels.

Regarding containerships, ONE is revising its short-term freight rate assumptions in light of concern over global economic slowdown. It will, however, aim to improve competitiveness through continued cargo portfolio optimization and cost reduction.

In consideration of these prospects, for FY2019, we project revenue of ¥1,173.0 billion, operating profit of ¥26.0 billion, ordinary profit of ¥50.0 billion and profit attributable to owners of parent of ¥40.0 billion.

5. Financial Position

Total assets as of September 30, 2019 decreased by ¥ 65.3 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,069.0 billion. This was primarily due to the decrease in Cash and deposits.

Total liabilities as of September 30, 2019 decreased by ¥ 47.2 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,435.6 billion. This was primarily due to the decrease in Short-term bank loans.

Total net assets as of September 30, 2019 decreased by ¥ 18.1 billion compared to the balance as of the end of the previous fiscal year, to ¥ 633.4 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 0.1% compared to the ratio as of the end of the previous Fiscal year, to 24.5%.

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, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	124,505	90,616
Trade receivables	92,160	86,509
Marketable securities	500	500
Inventories	36,445	30,807
Deferred and prepaid expenses	63,413	61,985
Other current assets	70,688	63,418
Allowance for doubtful accounts	(253)	(250)
Total current assets	387,460	333,587
Fixed assets		
Tangible fixed assets		
Vessels	715,344	725,163
Buildings and structures	145,229	146,025
Equipment and others	29,345	28,503
Furniture and fixtures	4,523	5,708
Land	222,565	228,393
Construction in progress	73,718	60,675
Other tangible fixed assets	3,182	2,492
Total tangible fixed assets	1,193,910	1,196,963
Intangible fixed assets	28,695	28,151
Investments and other assets		
Investment securities	360,706	350,427
Long-term loans receivable	73,129	68,967
Long-term prepaid expenses	5,698	6,291
Net defined benefit asset	15,764	15,693
Deferred tax assets	3,048	2,802
Other investments and other assets	67,761	67,851
Allowance for doubtful accounts	(1,697)	(1,654)
Total investments and other assets	524,411	510,380
Total fixed assets	1,747,017	1,735,495
Total assets	2,134,477	2,069,083

(¥Million)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Trade payables	81,020	71,323
Short-term bonds	28,500	36,584
Short-term bank loans	187,419	145,531
Commercial papers	40,000	50,000
Accrued income taxes	5,494	5,108
Advances received	35,814	35,379
Allowance for bonuses	4,742	4,081
Other current liabilities	63,657	60,298
Total current liabilities	446,649	408,305
Fixed liabilities		
Bonds	168,198	171,000
Long-term bank loans	665,997	664,621
Lease obligations	14,224	14,730
Deferred tax liabilities	58,123	55,141
Net defined benefit liabilities	11,927	9,641
Directors' and corporate auditors' retirement benefits	1,499	1,364
Reserve for periodic drydocking	18,220	16,765
Other fixed liabilities	98,030	94,039
Total fixed liabilities	1,036,220	1,027,303
Total liabilities	1,482,870	1,435,609
Net assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	45,385	45,532
Retained earnings	329,888	348,872
Treasury stock	(6,764)	(6,771)
Total owners' equity	433,909	453,033
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	26,840	23,378
Unrealized gains on hedging derivatives, net of tax	44,391	22,067
Foreign currency translation adjustments	16,197	4,414
Remeasurements of defined benefit plans, net of tax	3,725	3,095
Total accumulated other comprehensive income	91,154	52,955
Share subscription rights	1,803	1,651
Non-controlling interests	124,739	125,834
Total net assets	651,607	633,474
Total liabilities and net assets	2,134,477	2,069,083

(2) Consolidated Statements of Income

(¥Million)

	FY2018 (Apr.1.2018 - Sep.30, 2018)	FY2019 (Apr.1.2019 - Sep.30, 2019)
Shipping and other revenues	619,895	574,350
Shipping and other expenses	552,007	517,372
Gross operating income	67,888	56,977
Selling, general and administrative expenses	53,127	44,932
Operating profit	14,761	12,045
Non-operating income		
Interest income	3,977	3,971
Dividend income	2,900	3,109
Equity in earnings of affiliated companies	—	9,973
Foreign exchange gains	6,367	7,135
Others	1,383	1,086
Total non-operating income	14,627	25,276
Non-operating expenses		
Interest expenses	11,024	8,251
Equity in losses of affiliated companies	7,241	—
Others	846	915
Total non-operating expenses	19,112	9,167
Ordinary profit	10,277	28,154
Extraordinary income		
Gain on sale of fixed assets	2,206	3,472
Others	1,688	2,753
Total extraordinary income	3,895	6,226
Extraordinary losses		
Loss on sale of fixed assets	68	103
Others	1,702	1,985
Total extraordinary losses	1,771	2,089
Income before income taxes and non-controlling interests	12,401	32,291
Income taxes	4,544	2,751
Net income	7,856	29,539
Profit attributable to non-controlling interests	2,131	3,902
Profit attributable to owners of parent	5,725	25,636

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	FY2018 (Apr.1,2018 - Sep.30, 2018)	FY2019 (Apr.1,2019- Sep.30, 2019)
Net income	7,856	29,539
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	7,953	(3,216)
Unrealized gains on hedging derivatives, net of tax	9,179	(10,250)
Foreign currency translation adjustments	(9,750)	(6,617)
Remeasurements of defined benefit plans, net of tax	(142)	(630)
Share of other comprehensive income (loss) of associates accounted for using equity method	13,066	(18,803)
Total other comprehensive income	20,307	(39,518)
Comprehensive income	28,163	(9,979)
(Breakdown)		
Comprehensive income attributable to owners of parent	24,677	(13,264)
Comprehensive income attributable to non-controlling interests	3,486	3,285

(4) Consolidated Statements of Cash flows

(¥Million)

	FY2018 (Apr.1, 2018-Sep.30, 2018)	FY2019 (Apr.1, 2019-Sep.30, 2019)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	12,401	32,291
Depreciation and amortization	43,716	42,855
Equity in losses (earnings) of affiliated companies	7,241	(9,973)
Various provisions (reversals)	(10,306)	(11,762)
Interest and dividend income	(6,877)	(7,081)
Interest expense	11,024	8,251
Loss (gain) on sales and retirement of non-current assets	(1,947)	(3,353)
Foreign exchange loss (gain), net	(11,564)	(6,460)
Decrease (Increase) in trade receivables	17,427	4,642
Decrease (Increase) in inventories	4,176	5,494
Increase (Decrease) in trade payables	(43,952)	(8,796)
Others, net	(24,420)	1,562
Sub total	(3,079)	47,671
Interest and dividend income received	8,468	10,156
Interest expenses paid	(10,781)	(8,474)
Income taxes paid	(5,438)	(3,116)
Net cash provided by (used in) operating activities	(10,831)	46,237
Cash flows from investing activities		
Purchase of investment securities	(91,108)	(7,243)
Proceeds from sale and redemption of investment securities	6,448	8,100
Purchase of non-current assets	(64,277)	(71,636)
Proceeds from sales of non-current assets	22,960	21,285
Net decrease (increase) in short-term loans receivables	(125)	(1,395)
Disbursements for long-term loans receivables	(17,013)	(3,526)
Collection of long-term loans receivables	985	5,562
Others, net	(17,841)	562
Net cash provided by (used in) investing activities	(159,972)	(48,290)

(¥Million)

	FY2018 (Apr.1, 2018-Sep.30, 2018)	FY2019 (Apr.1, 2019-Sep.30, 2019)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	73,087	(37,939)
Net increase (decrease) in commercial paper	43,000	10,000
Proceeds from long-term bank loans	37,083	48,575
Repayments of long-term bank loans	(45,265)	(46,554)
Proceeds from issuance of bonds	10,000	40,000
Redemption of bonds	(31,734)	(28,500)
Cash dividends paid by the company	(1,204)	(2,985)
Cash dividends paid to non-controlling interests	(1,318)	(1,513)
Others, net	(728)	(1,050)
Net cash provided by (used in) financing activities	82,920	(19,968)
Effect of foreign exchange rate changes on cash and cash equivalents	4,765	(2,438)
Net increase (decrease) in cash and cash equivalents	(83,118)	(24,459)
Cash and cash equivalents at beginning of year	189,591	119,155
Net cash increase from new consolidation/deconsolidation of subsidiaries	—	(7,991)
Cash and cash equivalents at end of quarter	106,473	86,705

[NOTE]

(Changes in Accounting Standards)

(Adoption of International Financial Reporting Standards (IFRS) 16 Leases)

The overseas consolidated subsidiaries and affiliates accounted for by the equity method that are subject to IFRS have adopted IFRS 16 Leases from the first quarter of the fiscal year ending March 31, 2020. In applying IFRS16, the overseas consolidated subsidiaries and affiliates, as lessees, principally recognize all lease transactions on their balance sheets as assets and liabilities. The Company has adopted the approach for recognizing the cumulative effect of retroactive adjustments on the adoption date, which is recognized as a transitional measure.

The impact of the adoption of the standard on quarterly consolidated financial statements is minor.

(5) Segment Information

Business segment information:

(¥Million)

Q2/ FY2018 (Apr.1 - Sep.30, 2018)	Reportable Segment						Others *1	Total	Adjust- ment *2	Consoli- dated *4
	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	142,632	135,524	146,994	136,631	50,223	612,006	7,889	619,895	—	619,895
2.Inter-segment revenues	0	4,230	809	104	14,036	19,181	3,144	22,326	(22,326)	—
Total Revenues	142,632	139,755	147,804	136,735	64,259	631,188	11,033	642,222	(22,326)	619,895
Segment profit (loss)	8,746	8,010	(10,014)	1,380	6,104	14,227	1,137	15,365	(5,088)	10,277

(¥Million)

Q2/ FY2019 (Apr.1 - Sep.30, 2019)	Reportable Segment						Others *1	Total	Adjust- ment *3	Consoli- dated *4
	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

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

* 2. Adjustment in Segment profit (loss) of ¥ -5,088 million include the following:
¥ -8,203 million of corporate profit which is not allocated to segments, ¥ 3,178 million of adjustment for management accounting and ¥ -63 million of inter-segment transaction elimination.

* 3. 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.

* 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**<FY2019>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2019	Jul-Sep, 2019	Oct-Dec, 2019	Jan-Mar, 2020
Revenues [¥ Millions]	283,147	291,203		
Operating profit (loss)	6,854	5,191		
Ordinary profit (loss)	14,007	14,147		
Income (Loss) before income taxes	15,308	16,983		
Profit (Loss) attributable to owners of parent	12,273	13,363		
Net income (loss)* per share [¥]	102.63	111.74		
Total Assets [¥ Millions]	2,082,641	2,069,083		
Total Net Assets	639,824	633,474		

*Profit (Loss) attributable to owners of parent

<FY2018>

	Q1	Q2	Q3	Q4
	Apr-Jun, 2018	Jul-Sep, 2018	Oct-Dec, 2018	Jan-Mar, 2019
Revenues [¥ Millions]	304,434	315,461	322,331	291,851
Operating profit (loss)	3,691	11,070	14,918	8,039
Ordinary profit (loss)	251	10,026	14,400	13,897
Income (Loss) before income taxes	1,510	10,891	20,057	14,320
Profit (Loss) attributable to owners of parent	(1,682)	7,407	14,370	6,780
Net income (loss)* per share [¥]	(14.07)	61.95	120.15	56.69
Total Assets [¥ Millions]	2,206,323	2,262,672	2,171,741	2,134,477
Total Net Assets	619,337	653,536	661,690	651,607

*Profit (Loss) attributable to owners of parent

2. Depreciation and Amortization

	Six months ended Sep.30, 2018	Six months ended Sep.30, 2019	Increase / Decrease	(¥ Millions) FY2018
Vessels	32,640	31,642	(997)	66,923
Others	11,076	11,213	136	23,214
Total	43,716	42,855	(861)	90,138

3. Interest-bearing Debt

	As of Mar.31, 2019	As of Sep.30, 2019	Increase / Decrease	(¥ Millions) As of Sep.30, 2018
Bank loans	853,416	810,152	(43,263)	954,972
Bonds	196,698	207,584	10,886	187,214
Commercial paper	40,000	50,000	10,000	48,000
Others	15,759	15,943	183	16,776
Total	1,105,873	1,083,680	(22,193)	1,206,963

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	49	4,937	81	10,782	33	2,636	52	877	14	1,108
Chartered	286	26,280	86	3,946	9	594	58	970	51	4,821
Others	-	-	1	20	2	143	-	-	-	-
As of Sep.30, 2019	335	31,216	168	14,748	44	3,373	110	1,847	65	5,929
As of Mar.31, 2019	330	31,387	170	14,483	41	3,133	113	1,870	65	5,929

	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	247	20,440
Chartered	5	31	-	-	24	72	519	36,714
Others	-	-	-	-	1	1	4	164
As of Sep.30, 2019	15	85	1	5	32	115	770	57,318
As of Mar.31, 2019	16	91	1	5	33	114	769	57,011

*including coastal ships (excluding coastal RoRo ships)

5. Exchange Rates

	Six months ended Sep.30, 2018	Six months ended Sep.30, 2019	Change			FY2018
Average rates	¥109.47	¥109.39	¥0.08	[0.1%]	JPY Appreciated	¥110.63
Term-end rates	¥113.57	¥107.92	¥5.65	[5.0%]	JPY Appreciated	¥110.99

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, 2018	TTM on Jun. 30, 2019	Change			TTM on Dec.31, 2018
Term-end rates	¥110.54	¥107.79	¥2.75	[2.5%]	JPY Appreciated	¥111.00

6. Average Bunker Prices

	Six months ended Sep.30, 2018	Six months ended Sep.30, 2019	Increase / Decrease
Purchase Prices	US\$457/MT	US\$438/MT	US\$(19)/MT

7. Market Information

(1) Dry Bulker Market (Baltic Dry Index)

(January 1985 = 1,000)

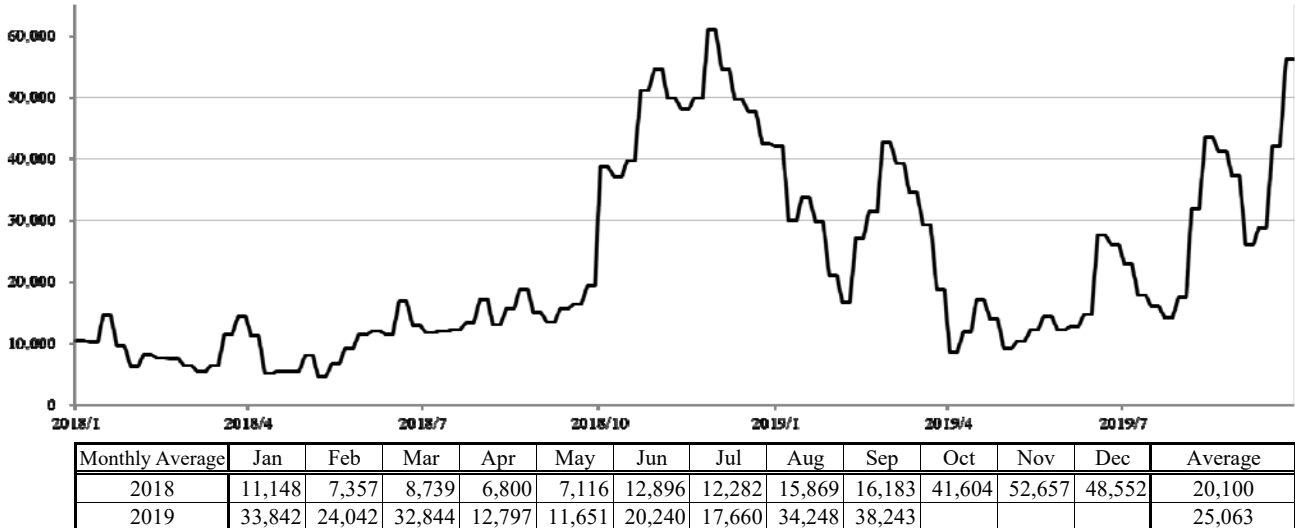
Source : Bloomberg



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

(US\$ per day)

Source : Clarksons Research



(3) Containership Market (China Containerized Freight Index)

Source : Shanghai Shipping Exchange

